

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101

May 27, 2004

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Devon Energy Production Company, L.P. PO Box 6459 Navajo Dam, NM 87419		² OGRID Number 6137
		³ API Number 30-045-32719
³ Property Code 19641	³ Property Name Northeast Blanco Unit	⁶ Well No. 337
⁹ Proposed Pool 1 Basin Dakota		¹⁰ Proposed Pool 2 Blanco Mesaverde

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	31N	7W		2,265'	South	2,030'	East	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	31N	7W		2,125'	North	1,230'	East	San Juan

Additional Well Information

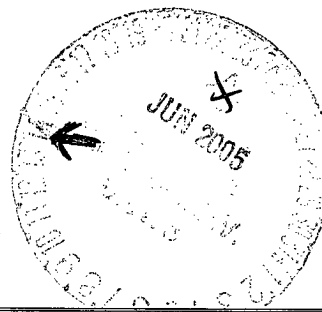
¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Private	¹⁵ Ground Level Elevation 6,492'
¹⁶ Multiple N	¹⁷ Proposed Depth 8,150'	¹⁸ Formation Basin Dakota/Blanco Mesaverde	¹⁹ Contractor	²⁰ Spud Date Unknown
Depth to Groundwater >100'		Distance from nearest fresh water well >1,000'		Distance from nearest surface water >1,000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32#	0-285'	200	Surface
8 3/4"	7"	23#	0-3 588'	575	Surface
6 1/4"	4 1/2"	11.6#	0-TD	700	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

HOLD C104 FOR Directional Survey



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Sign: <i>M.S. Zimmerman</i>		Approved by: <i>[Signature]</i>	
Printed name: Melisa Zimmerman		Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3	
Title: Senior Operations Technician		Approval Date: JUN 14 2005 Expiration Date: JUN 14 2006	
E-mail Address: Melisa.zimmerman@dvn.com			
Date: 6-20-05	Phone: 405-552-7917	Conditions of Approval Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32719		Pool Code 71599 / 72319	Pool Name Easin Dakota / Blanco Mesaverde
Property Code 19641	Property Name NEBU		Well Number # 337
OGRID No. 6137	Operator Name Devon Energy Production Company, L.P.		Elevation 6492

Surface Location

U/L or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	31 N	7 W		2265	SOUTH	2030	EAST	SAN JUAN

Bottom Hole Location If Different From Surface

U/L or Lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	31 N	7 W		2125	NORTH	1230	EAST	SAN JUAN

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

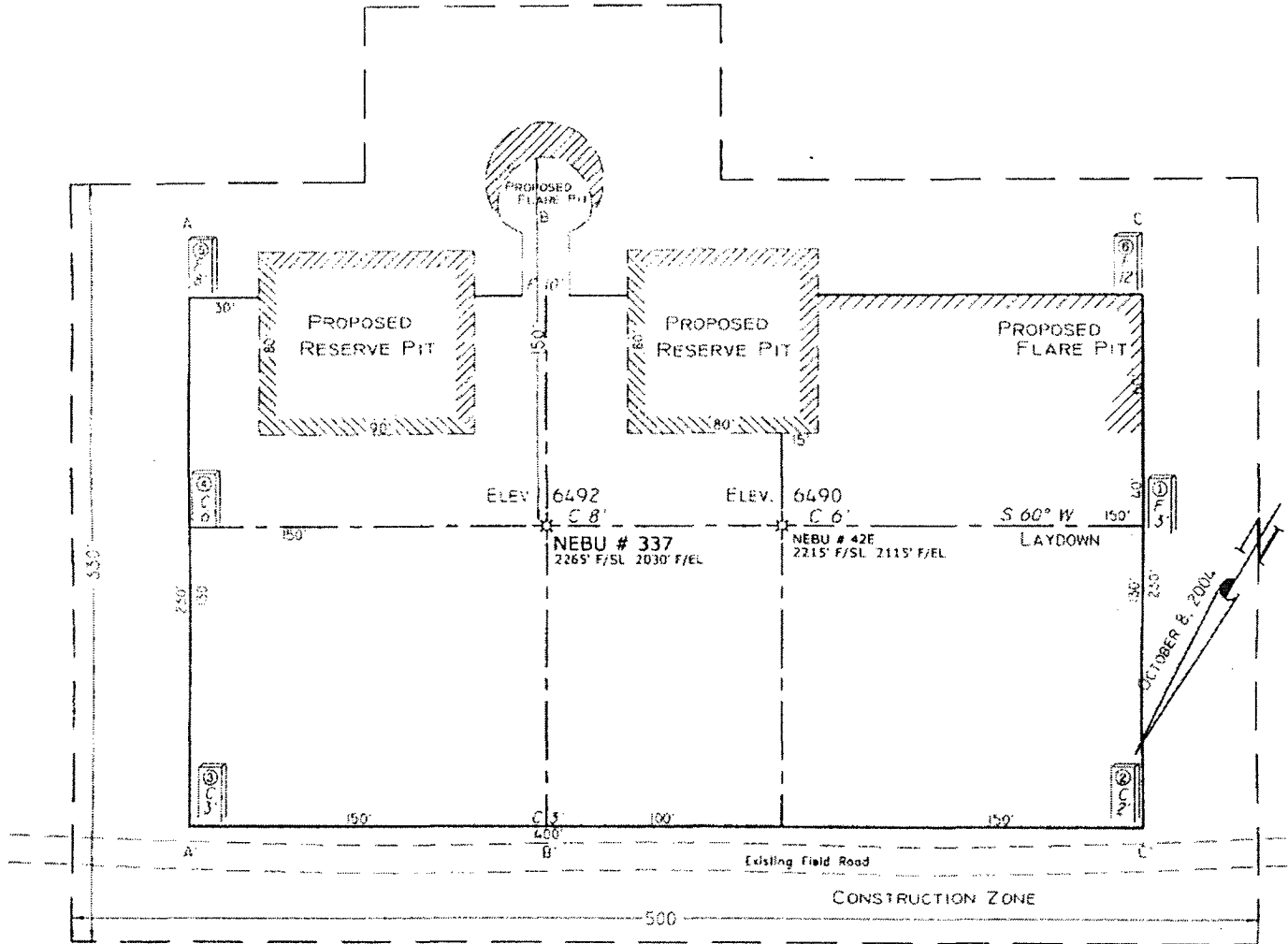
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>423(R)</p> <p>1320(R)</p> <p>2640(R)</p> <p>5280(R)</p> <p>360(R)</p> <p>1320(R)</p> <p>2640(R)</p>	<p>19</p> <p>Bottom Hole Location 2125' F/NL 1230' F/EL</p> <p>Azimuth - 41°25' 1200'</p> <p>2030'</p> <p>2265'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>M.S. Zimmerman</i> Signature Melisa Zimmerman Printed Name S.R. Operations Technician Title 11-23-04 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>October 8, 2004 Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number</p>
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PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.

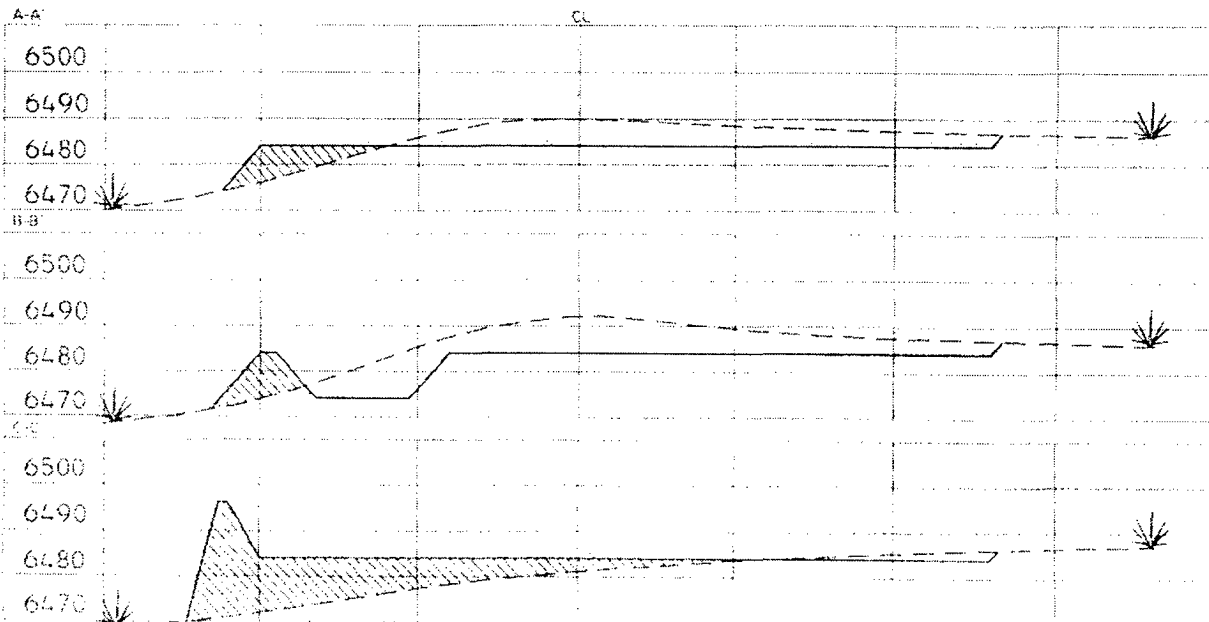
Nebu # 337
 2265' F/SL 2030' F/EL
 SEC. 19, T31N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°53'03"
 Long: 107°36'37"



Area of Construction Zone - 4.04 acres, more or less.

SCALE: 1"=60' HORIZ.
 1"=20' VERT.



NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sidescaps and drainages. Final Pad Dimensions are to be verified by Contractor.

WAIN JONES
 P. O. Box 1100
 Farmington, NM

NEBU 337
Unit J 19-31N-7W
San Juan Co., NM

DRILLING PLAN

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS & ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:

Formation	TVD (ft)	TMD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2270	2358	Aquifer
Kirtland	2380	2474	
Fruitland	2897	3017	Gas
Pictured Cliffs Tongue	3338	3481	Gas
Pictured Cliffs	3406	3552	Gas
Lewis	3488	3639	Gas
Intermediate TD	3588	4330	
Mesaverde	4182	4363	Gas
Chacra \ Otera	4570	4752	Gas
Cliff House	5379	5561	Gas
Menefee	5421	5602	Gas
Point Lookout	5708	5890	Gas
Mancos	5989	6206	Gas
Gallup	7049	7231	Gas
Greenhorn	7744	7926	
Graneros	7797	7979	Gas
Dakota	7918	8100	Gas
Paguate	7930	8112	
Cubero	7951	8133	
Oak Canyon	8003	8185	
Encinal Canyon	8023	8205	

Lower Encinal Canyon	8048	8230	
Burro Canyon	8103	8282	
Morrison	8130	8162	
TD	8150	8262	

*All shows of fresh water and minerals will be adequately protected and reported.

2. PRESSURE CONTROL EQUIPMENT:

All well control equipment shall be in accordance with Onshore Order #2 for 2M systems.

The minimum specifications for pressure control equipment that will be provided are included on the attached schematic diagram, which shows the size, and pressure ratings.

2000# BOP With Pipe Rams and 2000# BOP With Blind Rams

Auxiliary equipment to be used:

- Upper kelly cock with handle available.

The manifold includes appropriate valves and adjustable chokes. The kill line will have one check valve. Ram type preventers will be pressure tested to full working pressure (utilizing a test plug) or 70% of the internal yield pressure (without a test plug) at:

- Initial installation
- Whenever any seal subject to test pressure is broken
- Following related repairs
- At 30 day intervals

Pipe and blind rams shall be activated each trip.

A BOPE pit level drill will be conducted weekly for each drilling crew.

All tests and drills will be recorded in the drilling log.

The accumulator will have sufficient capacity to close all rams and retain 200 psi above pre-charge pressure without the use of closing unit pumps.

Master controls will be at the accumulator. Anticipated bottom hole pressure is 3400 psi.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3588	8-3/4"	7"	K-55	23#	LTC	New
0- TD	6-1/4"	4-1/2"	J-55	11.6 #	LTC	New

The 9-5/8" surface pipe will be tested to 750 psi. All casing strings below the surface shoe shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70% minimum internal yield.

Surface: The bottom three joints of the surface casing will have a minimum of one centralizer per joint and one centralizer every joint thereafter (Total 5 centralizers estimated)

Intermediate: The bottom three joints of the 7" casing will have a minimum of one centralizer per joint and one centralizer every fifth joint thereafter to above Ojo Alamo with turbolizers below and throughout the Ojo Alamo. (Total 12 centralizers, 3 turbolizers estimated).

Production: The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 3400' (estimated 25 centralizers used). Centralizers will be open bow spring or basket bow spring type.

B. The proposed cementing program will be as follows:

Surface String: Cement will be circulated to surface.

Lead: 200 sks Class "B" with 100% Standard Cement, 2.00% CaCl₂, .25 #/sk Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sk; Water: 5.24 gal/sk *

* ***Minor variations possible due to existing conditions***

Intermediate String: Cement will be circulated to surface.

Lead: 500 Sx Of 50/50/Std/ Poz, Yd-1.45, Water Gal/Sk 6.8, Mixed @ 13ppg Foamed W/ N₂ Down To 9.0# Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.

Tail: 75 sks 50/50 Poz with 94#/sk Standard Cement, 0.3% Halad-344, .25 #/sk Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sk; Water: 5.23 gal/sk *

* ***Minor variations possible due to existing conditions***

If hole conditions dictate an alternate cement design will be used:

Lead: 575 sks 50/50 Poz with 50% Class B Cement, 50% San Juan Poz, .4% Halad-344, .1% CFR-3, 3% Bentonite, 5#/sk Gilsonite, .25#/sk Flocele. Density: 13.0 lb/gal; Yield: 1.46 cuft/sk; Water: 6.42 gal/sk *

Tail: 75 Sx50/50/Std/ Poz, Yd-1.45, Water Gal/Sk 6.8, Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl

* ***Minor variations possible due to existing conditions***

Production String: TOC designed to circulate 1000' into intermediate string, cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

Lead: 250 sx 50/50 PIZ with 2% Gel, 0.2% Halad, 0.1% CFR-3,

5 #/sx Gilsonite, 0.25 #/sx Flocele. Mixed at 13 ppg, 1.47 ft³/sx foamed to 9 ppg, 2.18 ft³/sx.

Tail: 450 sks 50/50 Poz with 50% Standard Cement, 50% San Juan POZ, 3% Bentonite, 1.40% Halad-9, .10% CFR-3, .10% HR-5, 5 #/sk Gilsonite, 0.25 #/sk Flocele. Density: 13.0 lb/gal; Yield: 1.47 cuft/sk; Water: 6.35 gal/sk *

* **Minor variations possible due to existing conditions**

Actual volumes will be calculated and adjusted with caliper log prior to cementing.

4. DRILLING FLUIDS PROGRAM:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3588'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3588'-7918'	Air				NC	
7918' - TD	Air/N ₂ or Mud	8.5-9.0*	30-50	8.0-10.0	8-810cc @ TD	Low solids-non-dispersed. * min Wt. to control formation pressure

NC = no control

Sufficient quantities of mud material will be maintained on site or be readily accessible for the purpose of assuring well control. SPR will be recorded on daily drilling report after mudding up. Visual mud monitoring will be conducted during operations.

5. EVALUATION PROGRAM:

Logs: Density
Neutron
Induction

In the event open hole logs are not run in the well, a cased hole evaluation log will Be run from

Survey: Deviation surveys will be taken every 500' of the 8 3/4" hole, or first succeeding bit change. The hole will be air drilled from intermediate TD – well TD. The equipment used in this type of operation will not allow for single shot suveys without considerable operational delays. A survey will be taken at TD. Similar wells in this area have not shown significant deviation in this section of the hole.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

Well Control Equipment 2,000 psi Configuration

