

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF 079045
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Company, L.P.		7. If Unit or CA Agreement, Name and No. Northeast Blanco Unit
3a. Address PO Box 6459 Farmington, NM 87419		8. Lease Name and Well No. NEBU 416A
3b. Phone No. (include area code) 405-552-7917		9. API Well No. 30-045-33762
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 615' FSL & 2,035' FEL, Unit O, SW SE At proposed prod. zone 1,750' FSL & 1,850' FEL, Unit J, NW SE		10. Field and Pool, or Exploratory Basin Fruitland Coal
11. Sec., T. R. M. or Blk. and Survey or Area 0 Sec. 21-T31N-R7W		12. County or Parish San Juan
13. State NM		14. Distance in miles and direction from nearest town or post office* Approximately 9.9 miles
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 615'	16. No. of acres in lease 2056 Acres	17. Spacing Unit dedicated to this well 320 Acres E2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3,373'	20. BLM/BIA Bond No. on file C01104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6,381'	22. Approximate date work will start* 07/26/2006	23. Estimated duration Unknown

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature M.S. Zimmerman Name (Printed/Typed) Melisa Zimmerman Date 5-23-06

Title Senior Operations Technician

Approved by (Signature) [Signature] Name (Printed/Typed) [Name] Date 6/26/06

Title AFM Office FFO

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

HOLD ON FOR directional survey



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

2003 MAY 30 PM 7 40

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33762	² Pool Code 76629	³ Pool Name Basin Frontland Coal
⁴ Property Code 19641	⁵ Property Name NEBU	⁶ Well Number # 416A
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁹ Elevation 6381

¹⁰ Surface Location

UL or Lot No. O	Section 21	Township 31 N	Range 7 W	Lot Idn	Feet from the 615	North/South line SOUTH	Feet from the 2035	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no. J	Section 21	Township 31 N	Range 7 W	Lot Idn	Feet from the 1750	North/South line SOUTH	Feet from the 1850	East/West line EAST	County SAN JUAN
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¹² Dedicated Acres 320 EV	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 5280(R)		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>M.S. Rin</i> Printed Name: <i>Melisa S. Zimmerman</i> Title: <i>SR. Operations Tech.</i> Date: <i>May 23, 2006</i>

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 4, 2004

WELL API NO.

30-045-33762

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
SF 079045

7. Lease Name or Unit Agreement Name
NORTHEAST BLANCO UNIT

8. Well Number
416A

9. OGRID Number
6137

10. Pool name or Wildcat
Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Devon Energy Production Company, L.P.

3. Address of Operator

PO Box 6459, Navajo Dam, NM 87419

4. Well Location

Unit Letter O : 615' feet from the South line and 2,035' feet from the East line

Section 21 Township 31N Range 7W NMPM County - SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

GR 6,381'

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'

Distance from nearest surface water >1000' Below-grade Tank Location UL Sect Twp Rng ;

 feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: **CONSTRUCT DRILLING PIT** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

14.

Devon Energy will be constructing a lined drilling pit. The closure of said pit will be in accordance with the NMOCD regulations with the cutting of the liner applying to the BLM rules.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE M.S. Zimmerman TITLE Sr. Operations Technician DATE 5-23-06

Type or print name Melisa Zimmerman E-mail address: Melisa.zimmerman@dvn.com Telephone No. 405-552-7917

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 27 2005

Conditions of approval, if any:

Nebu #416A
615' F/SL 2035' F/EL
SEC. 21, T31N, R7W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Site plan showing the layout of the proposed flare pit and reserve pit, along with existing equipment and the proposed rig location. The plan includes dimensions, bearings, and notes regarding the construction zone and equipment removal.

Proposed Reserve Pit

Proposed Flare Pit

Existing Equipment: Existing Access Road, Existing Meter Run, Existing Compressor, Existing Separator, Mud Tanks, Motors, Draw Works, Existing Well Head.

Proposed Equipment: Rig (ELEV. 6381), Directional Drill Path.

Notes:

- NOTE: Existing production equipment shall be removed prior to construction & drilling.
- NOTE: Directional Drill Path is in close proximity to existing well.

Dimensions and Bearings:

- Overall dimensions: 330' (vertical), 400' (horizontal).
- Bearings: N 30° W, 150', 130', 230'.
- Distances: 150', 130', 230', 300'.

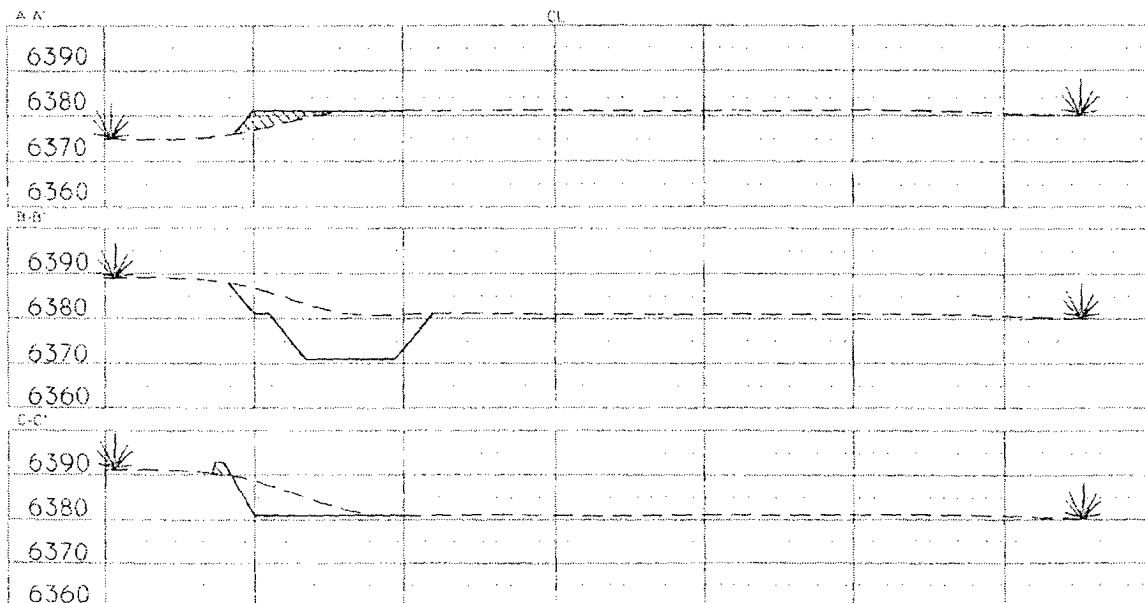
Scale: 1" = 60'

Date: SEPTEMBER 13, 2000

Construction Zone: 400'

Area of Construction Zone - 330'x400' or 3.93 acres, more or less

SCALE: 1"=60'-HORIZ.
1"=40'-VERT.

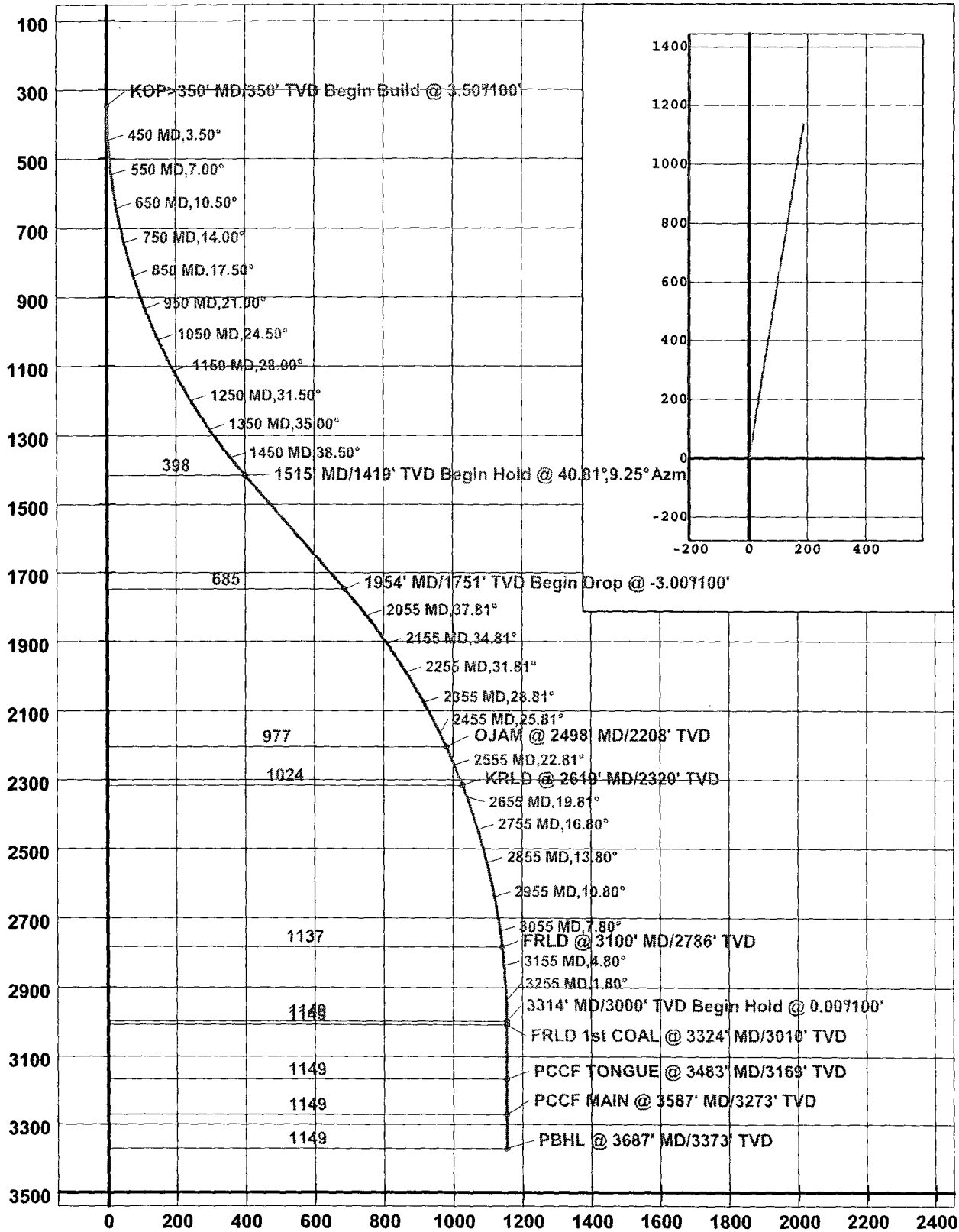


NOTE. Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

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 sidewalks and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
P. O. Box 1306
Farmington, NM

Company: Devon Energy
Lease/Well: NEBU 416 A
Location: San Juan County Sec. 21-31N-7W
State/Country: NM



devon

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

May 23, 2006

New Mexico Oil Conservation Commission
District 3
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: Offset Operator Notification of Application for Permit to Drill
NEBU FC 416A Well
1750'FSL & 1850'FEL Section 21, T-31-N, R-7-W
San Juan County, New Mexico

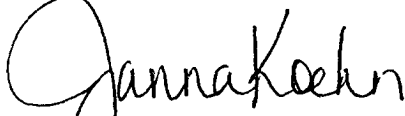
Attention Steve Hayden:

Enclosed, as required under Order R-8768-F dated July 17, 2003, you will find a copy of the notification letter to offset operator(s) of the intent to drill an Optional Infill Well in the High Productivity Area of the Basin-Fruitland Coal Pool by Devon Energy Production Company L.P.

You may contact me with any comments or questions at (405) 228-8873.

Cordially,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Janna Koehn
Land Technician
(405) 228-8873
janna.koehn@devon.com

NEBU 416A
Unit O 21-31N-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	2208	2498	Aquifer
Kirtland	2320	2619	
Fruitland	2786	3100	Gas
Fruitland 1 st Coal	3010	3324	Gas
Pictured Cliffs Tongue	3169	3483	Gas
Pictured Cliffs Main	3273	3587	Gas
PTD	3373	3687	

All shows of fresh water and minerals will be adequately protected and reported.
A 100' sump will be drilled into the Picture cliffs. A mud logger will be on location collecting samples and measuring gas levels. Should the Picture Cliffs interval appear to be productive the sump will be filled with cuttings and abandoned

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 1000 psi.

3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

TVD	TMD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2786	0-3100	8-3/4"	7"	J-55	23#	LTC	New
0- TD	0- TD	6-1/4"	5-1/2"*	J-55	15.5 #	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)

7" Casing: 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).

B. The proposed cementing program will be as follows:

Surface String: 9-5/8" Surface cemented in a 12-1/4" hole at 285'.
32.3# H-40 ST&C 8 Rnd
Saw tooth guide shoe
Cemented with 200 sacks Class B mixed at 15.6 ppg w/.25 pps
Celloflake, 2% calcium chloride. Yeild 1.19 ft3/sx. *
Cement designed to circulate to surface.

** Minor variations possible due to existing hole conditions*

Production String: 7" Production casing cemented in an 8-3/4" hole
 23# J-55 LT&C 8 Rnd
 Float collar
 Joint
 Float Shoe
 Cement with
Lead: 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft3/sx.
Tail: 25 sx Class 'B'. 1.18 ft3/sx. *
 Cement designed to circulate to surface.
 Pending hole conditions, cement baskets may be installed above TD

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

Liner: 5-1/2" liner*
 15.5# J-55 LT&C 8 Rnd
 Shoe
 Not Cemented

* May not be run pending hole conditions.
 If well does not respond to proposed to completion, the 5 1/2 " liner will be cemented using 300 sacks class B 50/50 POZ, 3% gel, 5# gilsonite, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft3/sx. **

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

4. DRILLING FLUIDS PROGRAM:

TVD	TMD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-2786	285-3100	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2786 - TD	3100 - TD	Air					Foam as needed

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:

Wireline Logs: None

Mud Logs: mud logging in Fruitland Coal.

Survey: Deviation surveys will be taken every 500' from 0-TD of 8 3/4" hole or first succeeding bit change.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered in the 8 3/4" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

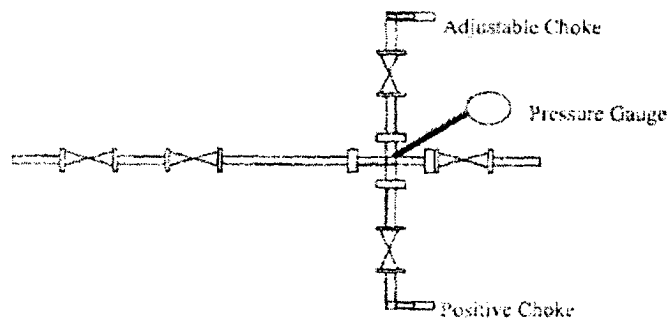
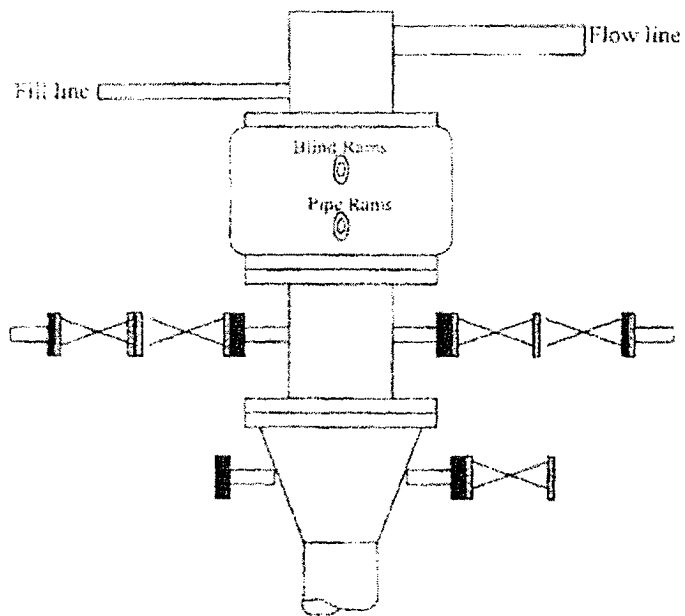
7. OTHER INFORMATION:

The anticipated starting date and duration of the operation will be as follows:

Starting Date: Upon Approval
Duration: 20 days

If the well is completed as a dry hole or as a producer, Well Completion or Recompletion Report and Log (Form 3160-4) will be submitted within 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3160. Copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, daily drilling reports, daily completion reports, and all other surveys or data obtained and compiled during the drilling, completion, and/or workover operations, will be submitted directly to the Authorized Officer or filed with Form 3160-4.

Well Control Equipment 2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, BLM 43 CFR 3160 requirements for 2M systems.

000592



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

May 1, 2006

(Certified Mail – Return Receipt Requested)

ConocoPhillips Company
P. O. Box 2197
Houston, TX 77252-2197

RE: Notification of Application for Permit to Drill
NEBU 416A Well
1750' FSL x 1850' FEL Section 21, T-31-N, R-7-W
San Juan County, New Mexico

Attention: Jim Penney

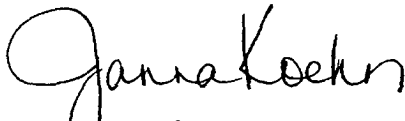
Devon Energy Production Company L.P. ("Devon") hereby gives notice of the enclosed Application for Permit to Drill the Northeast Blanco Unit 416A Well has been submitted to the appropriate regulatory agency(s) for approval.

Pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003, consider the enclosed copy of this Application for Permit to Drill, including NMOCD form C-102, to serve as notice of Devon's intent to drill an Optional Infill Well in the High Productivity Area of the Basin-Fruitland Coal Pool.

Affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Cordially,

DEVON ENERGY PRODUCTION COMPANY L.P.



Janna Koehn
Land Technician
(405) 228-8873
Janna.Koehn@devn.com

Attachments: BLM Form 3160-3
OCD Form C-102
NEBU Area Map

2nd to last

000593



7003 1680 0002 1618 2614
7003 1680 0002 1618 2614

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To Conoco Phillips Jim Penney	
Street, Apt. No., or PO Box No. 600 N. Dairy Ashford	
City, State, ZIP+4 Houston TX 77079-6651	
PS Form 3800, June 2002 See Reverse for Instructions	

Jim Penney
ConocoPhillips Company
600 North Dairy Ashford
WL3-5056
Houston, TX 77079-6651



Janna Koehn
Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Last

