

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 Property Code 19641	⁴ Property Name Northeast Blanco Unit	⁵ API Number 30 - 049 - 34204
⁹ Proposed Pool 1 S Los Pinos Fruitland Sand Pictured Cliffs		¹⁰ Proposed Pool 2

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
A	35	31N	7W		90	North	1,290	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
D	36	31N	7W		1,170	North	750	West	Rio Arriba

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Private State	¹⁵ Ground Level Elevation 6,336'
¹⁶ Multiple N	¹⁷ Proposed Depth 4,535'	¹⁸ Formation Pictured Cliffs	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
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.

RCVD MAR 6 '07

OIL CONS. DIV.

DIST. 3

NOTIFY AZTEC OCD
IN TIME TO WITNESS

24 hrs
Cementing

HOLD C104 FOR Directional survey
+ BH 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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Sign:

Printed name: Melisa Castro

Title: Senior Staff Operations Technician

E-mail Address: Melisa.castro@dmv.com

Date: 3-1-07

Phone: 405-552-7917

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3

Approval Date: MAR 08 2007

Expiration Date: MAR 08 2008

Conditions of Approval Attached ☐

3/8/07

8

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

RCVD MARG'07
OIL CONS. DIV.

¹ API Number 30-045-34204	² Pool Code 80690	³ Pool Name S. Las Pinos F/S Pictured C/WT. 3
⁴ Property Code 19441	⁵ Property Name NEBU	⁶ Well Number #249
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁹ Elevation 6336

¹⁰ Surface Location

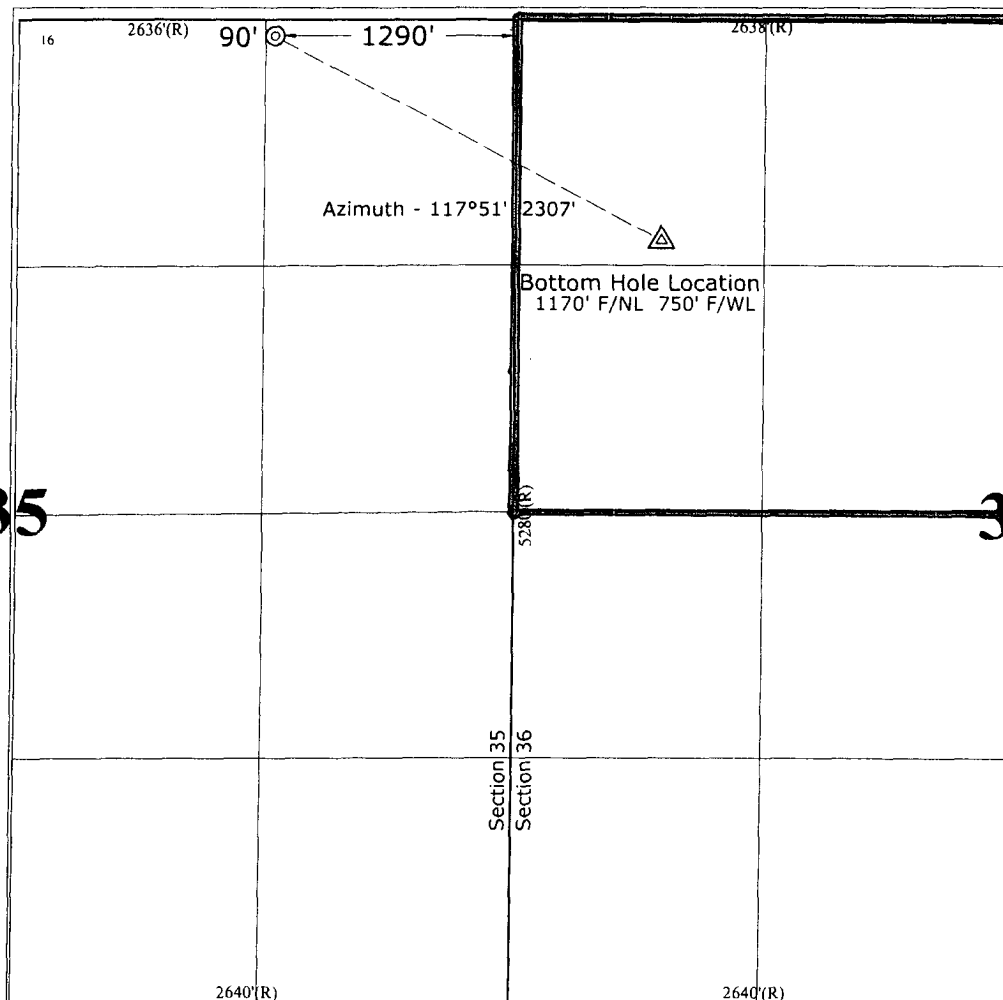
UL or Lot No. A	Section 35	Township 31 N	Range 7 W	Lot Idn	Feet from the 90	North/South line NORTH	Feet from the 1290	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no. D	Section 36	Township 31 N	Range 7 W	Lot Idn	Feet from the 1170	North/South line NORTH	Feet from the 750	East/West line WEST	County Rio Arriba
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¹² Dedicated Acres NW 1/4 - 160	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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

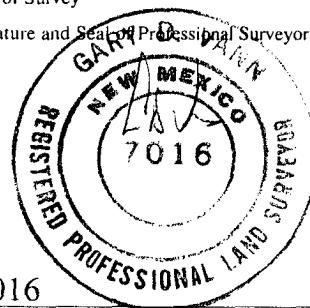
[Signature]
Signature
Melba S. Castro
Printed Name
Sr. Staff Operations Technician
Title
March 1, 2007
Date

¹⁸ SURVEYOR CERTIFICATION

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.

November 3, 2006

Date of Survey
Signature and Seal of Professional Surveyor



7016
Certificate Number

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

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-34204
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-505-6
7. Lease Name or Unit Agreement Name NORTHEAST BLANCO UNIT
8. Well Number 249
9. OGRID Number 6137
10. Pool name or Wildcat S Los Pinos Frt/Snd Pictured Cliffs

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>A</u> : <u>90</u> feet from the <u>North</u> line and <u>1,290</u> feet from the <u>East</u> line Section <u>35</u> Township <u>31N</u> Range <u>7W</u> NMPM County - <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 6,336'	
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached) Pit Location: UL <u>A</u> Sect <u>35</u> Twp <u>31N</u> Rng <u>7W</u> Pit type <u>Drilling</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u> Below-grade Tank Location UL <u> </u> Sect <u> </u> Twp <u> </u> Rng <u> </u> ; feet from the <u> </u> line and <u> </u> feet from the <u> </u> 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 Melisa Castro TITLE Sr. Staff Operations Technician DATE 3-1-07

Type or print name Melisa Castro E-mail address: Melisa.castro@dvnm.com Telephone No. 405-552-7917

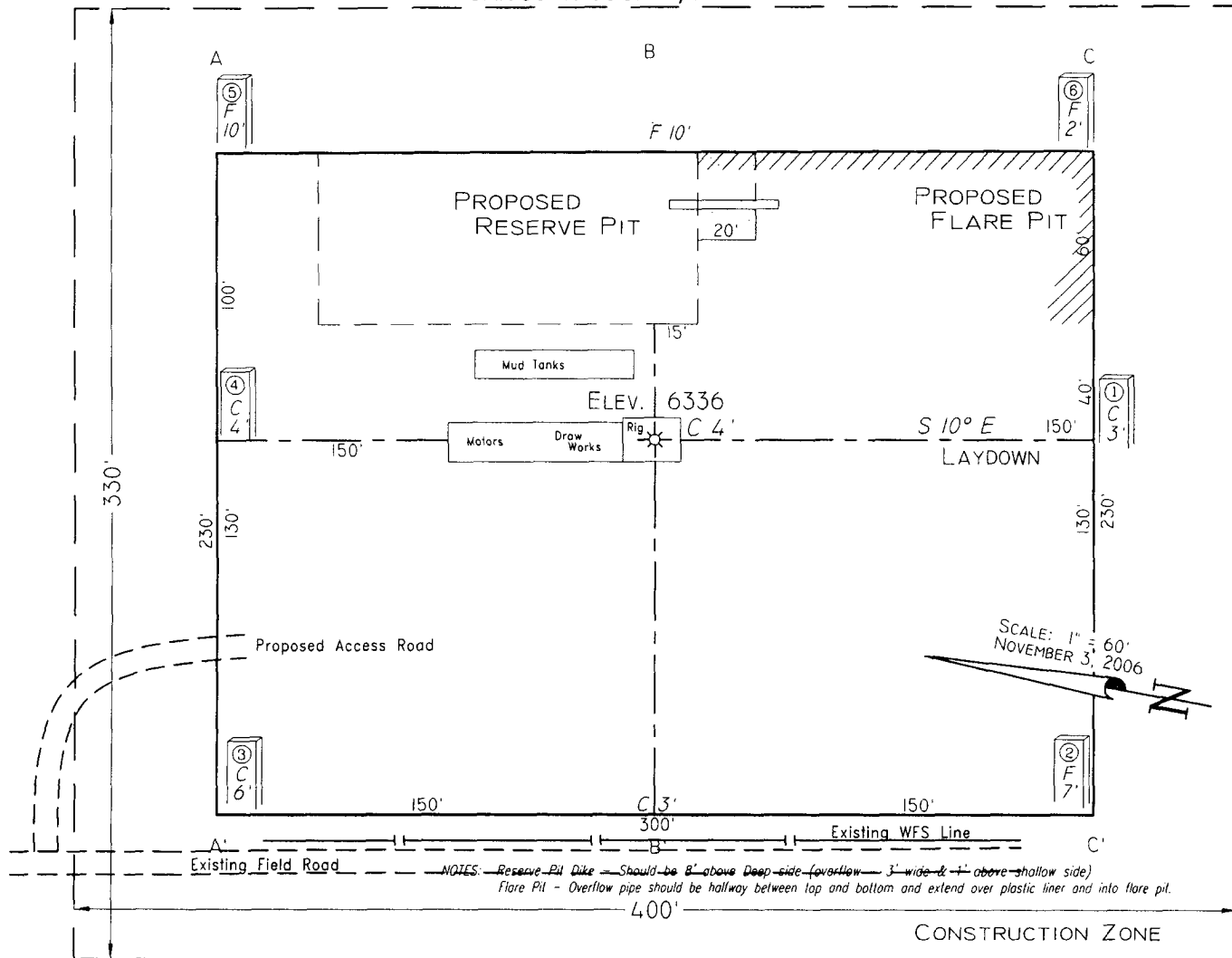
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE MAR 08 2007
Conditions of approval, if any:

PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.

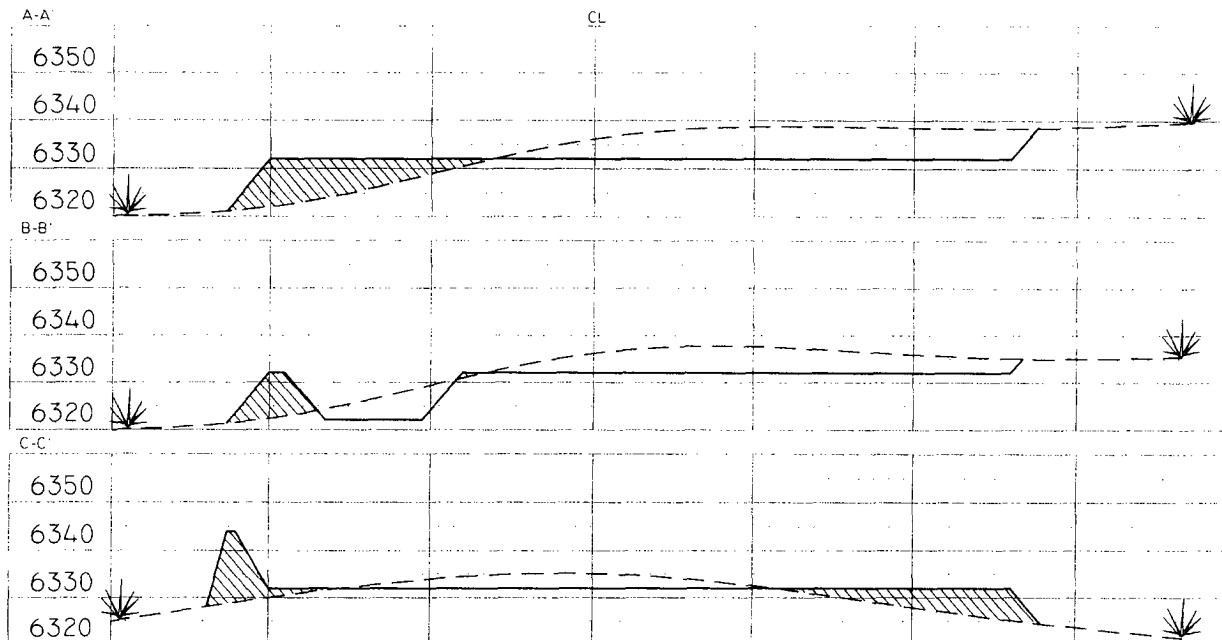
Nebu # 249
 90' F/NL 1290' F/EL
 SEC. 35, T31N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36.86303°
 Long: 107.53571° (83)



Area of Construction Zone - 330'x400' or 3.03 acres, more or less

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



NOTE: Lot & Long are for mapping purposes only and are not to be relied on for re-establishment of well location.

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

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

NEBU 249

From the town of Arboles, CO take State HWY 151 west to CR 330 and turn south. Travel to CR 4020 for 3.9 miles, continue on CR 4020 for another 3.2 miles to Road 4018. Take Road 4018 south for 3.2 miles, continue south for another 3.7 miles to well location. Well location will be on the left hand side of the road.

NEBU 249
Unit A 35-31N-7W
San Juan Co., NM

DRILLING PLAN

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

Formation	TMD (ft)	TVD (FT)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	3209	2231	Aquifer
Kirtland	3370	2354	
Fruitland	3830	2774	Gas
Fruitland 1 st Coal	4018	2961	Gas
Pictured Cliffs Tongue	4193	3136	Gas
Pictured Cliffs	4318	3261	Gas
Lewis	4435	3378	
TD	4535	3478	

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, with a size of 2", 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 1500 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-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)

4-1/2" Casing: The bottom three joints of the 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 sx 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 conditions**

Production String: 4-1/2" Production casing cemented in an 6-1/4" hole
11.6# J-55 LT&C 8 Rnd
Float collar

Joint

Float Shoe

Lead: 500 sx 50/50 Poz, Yield-1.45 ft³/sx, Mixed @ 13ppg
Foamed W/ N₂ Down To 9.0# Additives 2% Gel, 0.2% Versaset,
0.1% Diacel Lwl.

Tail: 75 sx 50/50 Poz, Yield-1.45 ft³/sx, 13 lb/gal, Additives 2%
Gel, 0.2% Versaset, 0.1% Diacel Lwl.

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

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

4. DRILLING FLUIDS PROGRAM:

TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285'	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-TD	LSND/Air	8.4-9.0	29-70	8.0	10-12	LCM 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: Possible mud logging in Fruitland Coal & Pictured Cliffs.

Survey: Deviation surveys will be taken every 500' from 0-TD of 6-1/4" hole or first succeeding bit change.

Cores: None anticipated.

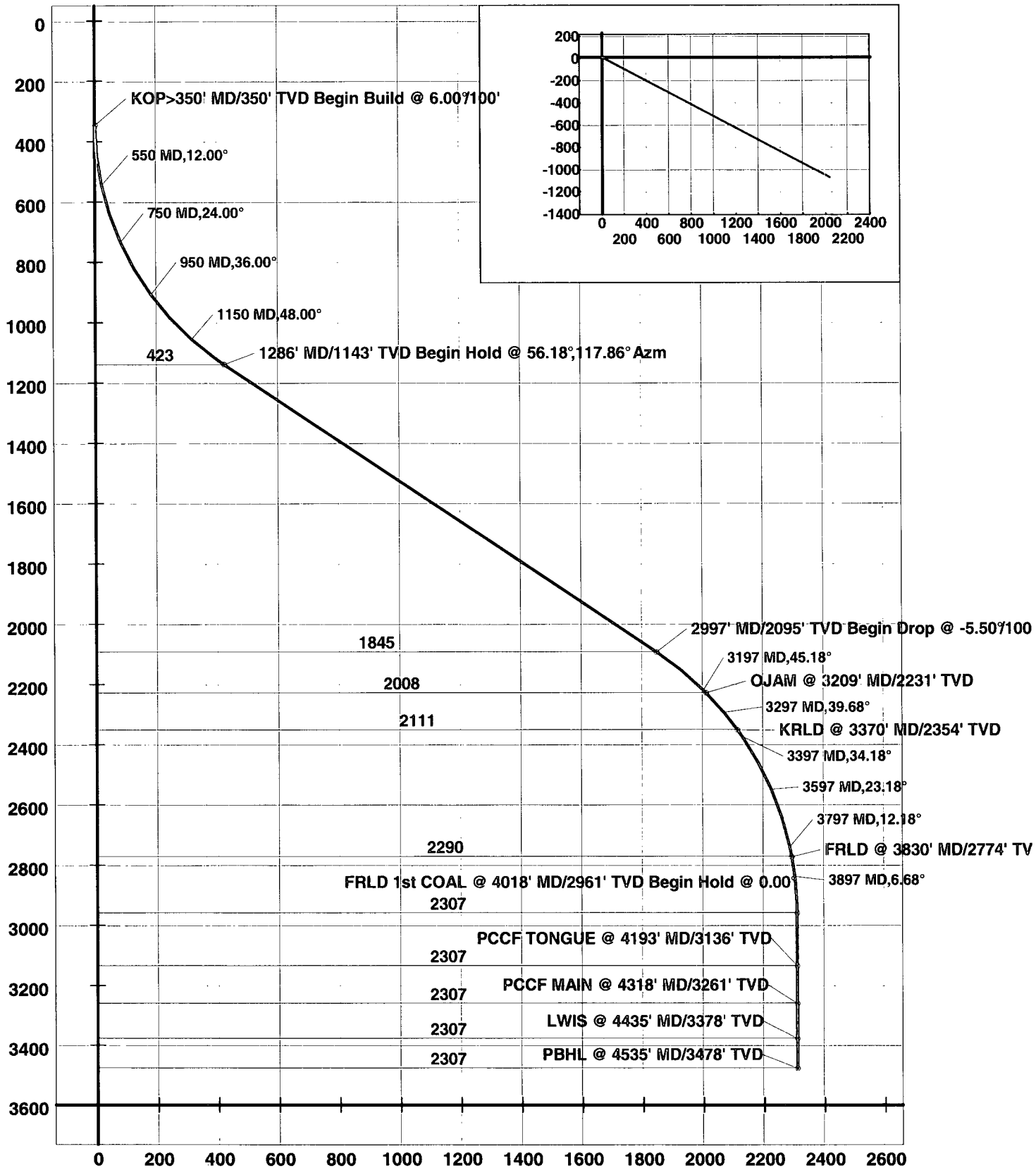
DST's: None anticipated.

6. ABNORMAL CONDITIONS:

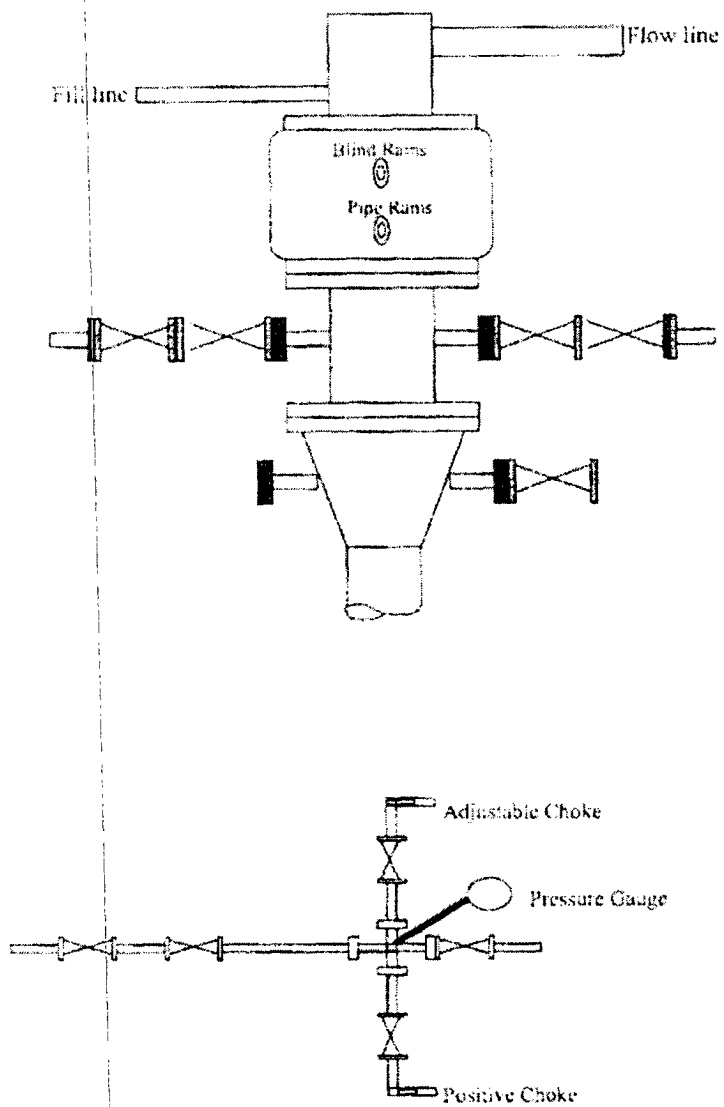
The Fruitland Coal will be encountered at approximately 3030' TMD. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

7. OTHER INFORMATION:

Company: Devon Energy
Lease/Well: NEBU # 249
Location: San Juan County
State/Country: NM



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 CTR 3150 requirements for 2M systems.