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Bureau of Land Management
Farmington Field Office

RCVD APR 1 '08
OIL CONS. DIV.
DIST. 3

Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SF 078988

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
Northeast Blanco Unit

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
NEBU 255

2. Name of Operator
Devon Energy Production Company, L.P.

9. API Well No.
30-045-34656

3a. Address **20 N. Broadway, Oklahoma City, OK 73102**

3b. Phone No. *(include area code)* **405-552-7917**

10. Field and Pool, or Exploratory
Rosa;Pictured Cliffs

4. Location of Well *(Report location clearly and in accordance with any State requirements *)*
At surface **1,420' FNL & 1,015' FWL, Unit E, SW NW**
At proposed prod. zone **Same**

11. Sec., T. R. M. or Blk. and Survey or Area
E **Sec. 7, T31N, R6W**

14. Distance in miles and direction from nearest town or post office*
Approximately 11.6 miles

12. County or Parish **San Juan**

13. State **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1,015'**

16. No. of acres in lease **2560 Acres**

17. Spacing Unit dedicated to this well **160 Acres** NW/4

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **292'**

19. Proposed Depth **3,636'**

20. BLM/BIA Bond No. on file **CO 1104**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **GR 6,456'**

22. Approximate date work will start* **05/12/2008**

23. Estimated duration **Unknown**

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

24. Attachments

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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

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

25. Signature | Name *(Printed/Typed)* **Melisa Castro** | Date 3-13-08

Title **Senior Staff Operations Technician**

Approved by *(Signature)* | Name *(Printed/Typed)* | Date 3/31/08

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)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

APR 0 3 2008

NMOCD

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

RECEIVED
MAR 18 2008
Bureau of Land Management
Farmington Field Office

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

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-34656	96175	Rosa; Pictured Cliffs

[4] Property Code	[5] Property Name	[6] Well Number
19641	NEBU	# 255

[7] OGRID No	[8] Operator Name	[9] Elevation
6137	Devon Energy Production Company, L.P.	6456

[10] Surface Location

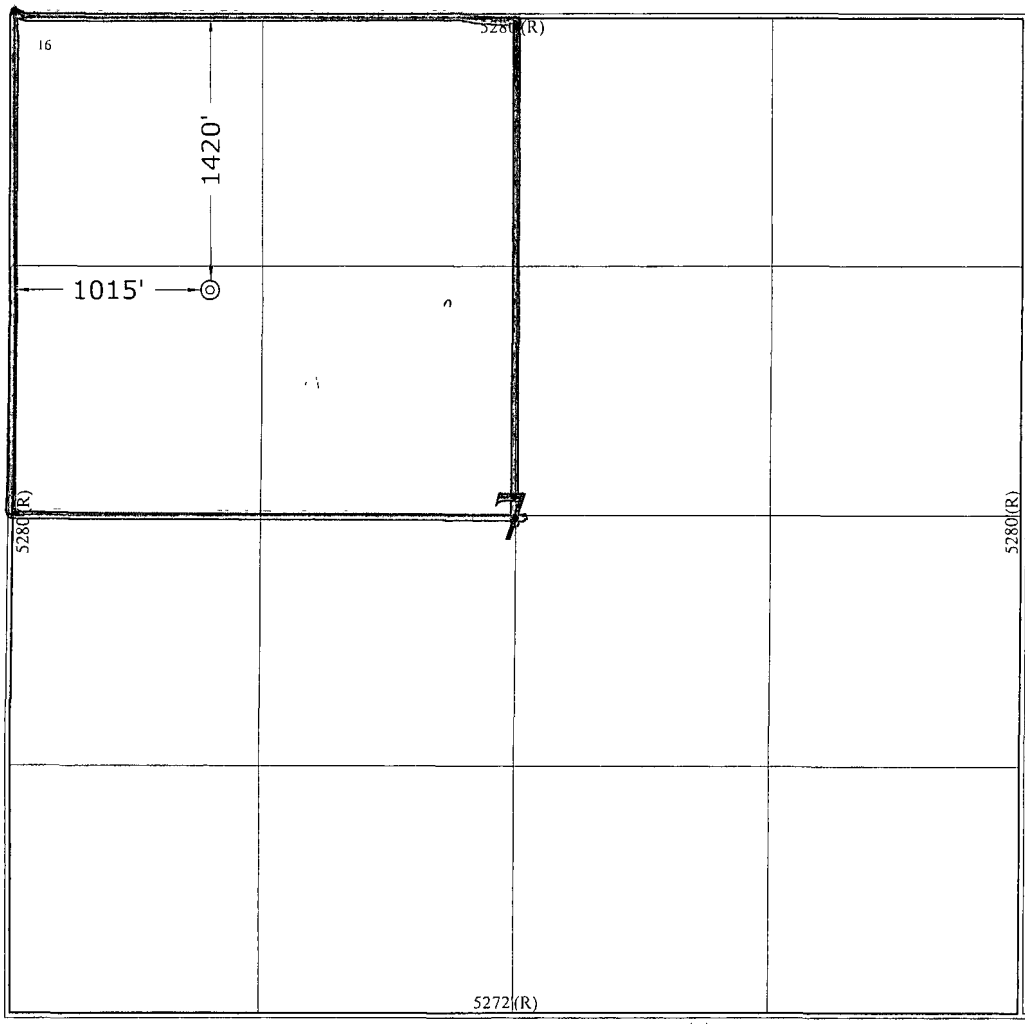
UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	7	31 N	6 W		1420	NORTH	1015	WEST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

[7] UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No
W/4 - 160			

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

Melissa Castro
Printed Name

Sr. Staff Operations Technician
Title

March 13, 2008
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

Name Changed from #239J - August 1, 2007
June 19, 2007
Date of Survey

Signature and Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7016
REGISTERED PROFESSIONAL LAND SURVEYOR

7016
Certificate Number

(R) - GLO Record

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐
Type of action. Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Devon Energy Production Company, L.P. Telephone: (405) 552-7917 e-mail address melisa.castro@dvn.com
Address. 20 N. Broadway, Oklahoma City, OK 73102
Facility or well name NEBU 255 API #: 30045-34656 U/L or Qtr/Qtr E Sec 7 T 31N R 7W
County. San Juan Latitude 36.91737 Longitude -107 50985 NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**	
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume ____bbl	Volume. ____bbl Type of fluid ____ Construction material. ____ Double-walled, with leak detection? Yes ☐ If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet √ 100 feet or more	(20 points) (10 points) (0 points)
Wellhead protection area. (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes √ No	(20 points) (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet √ 1000 feet or more	(20 points) (10 points) (0 points)
	Ranking Score (Total Points)	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility____. (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface____ft and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described 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 ☐.**

Date: 3-13-08
Printed Name/Title Melisa Castro, Senior Staff Operations Technician Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title Deputy Oil & Gas Inspector, District #3 Signature Date: APR 0 3 2008

PAD LAYOUT PLAN & PROFILE

DEVON ENERGY PRODUCTION COMPANY, L.P.

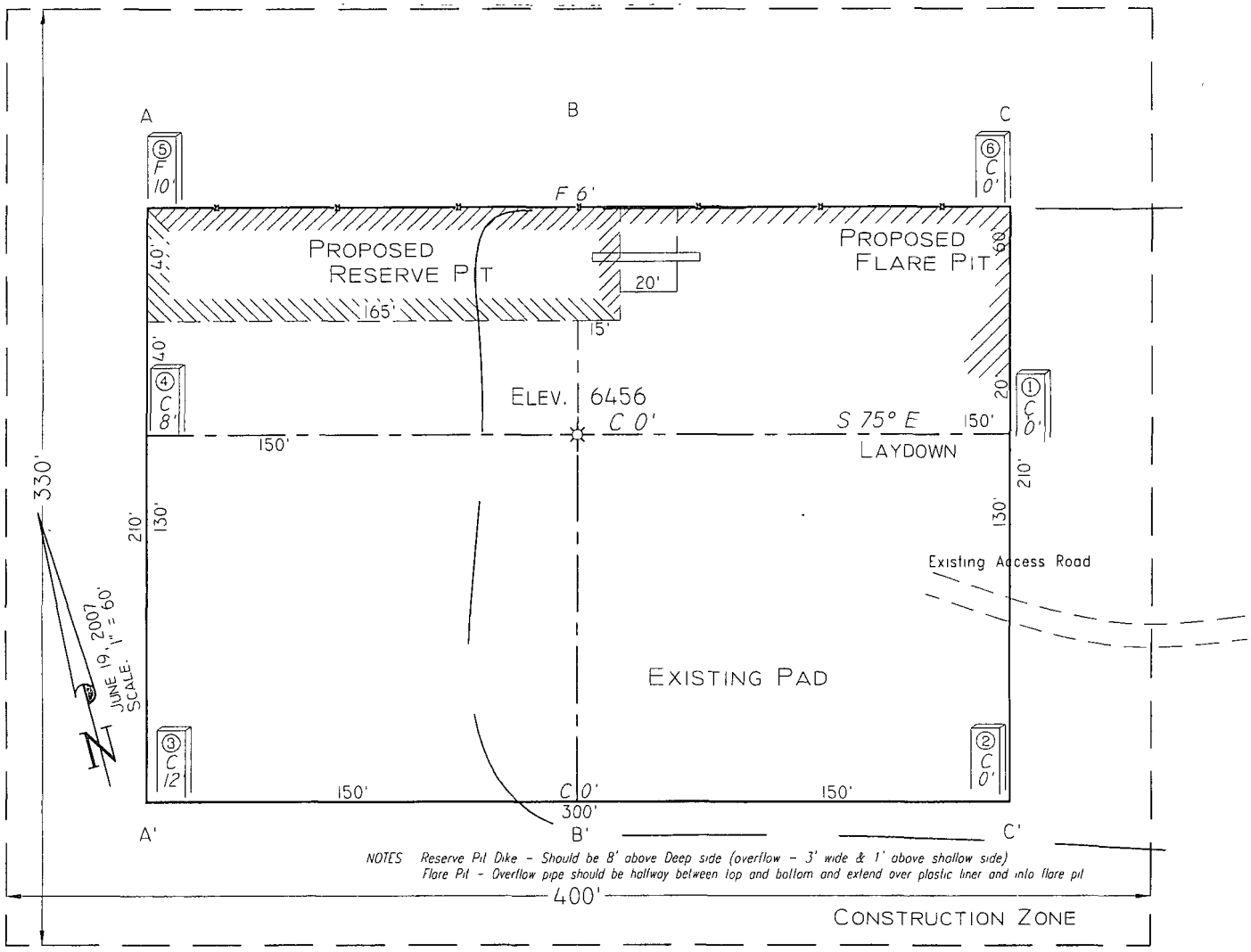
NEBU # 255

1420'F/NL 1015' F/WL

SEC. 7, T31N, R6W, NMPM

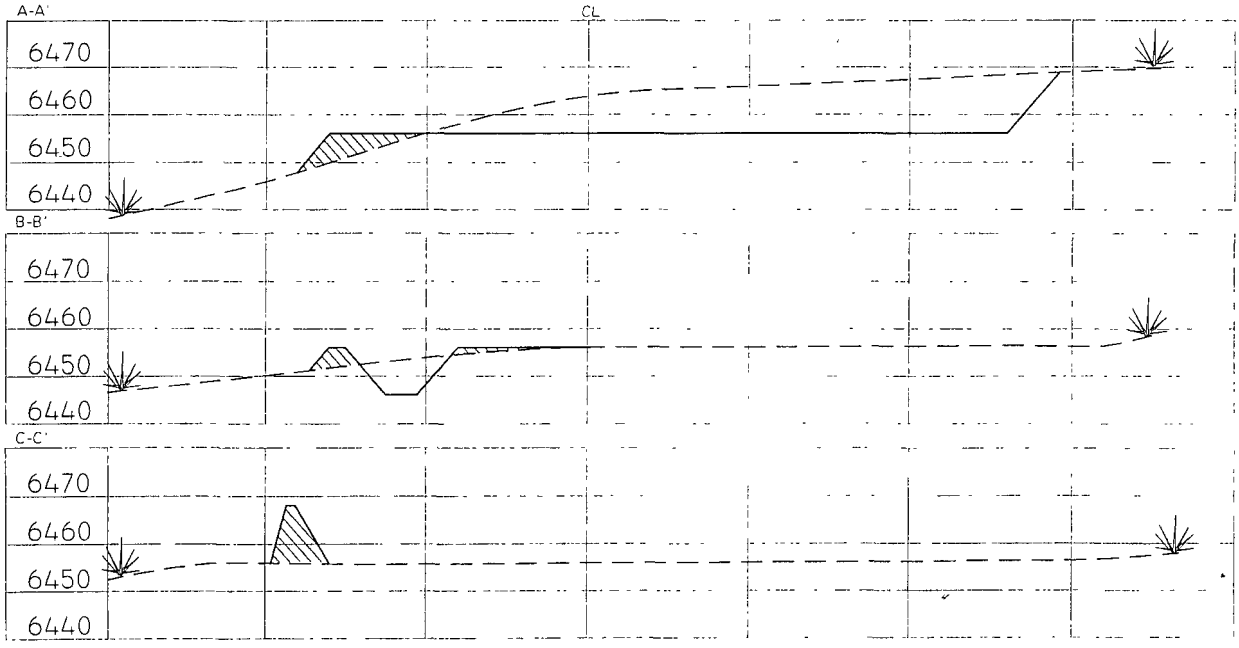
SAN JUAN COUNTY, NEW MEXICO

Lat: 36.91737°
Long: 107.50985° (83)



Area of Construction Zone - 330'x400' or 3.03 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 sideslopes and drainages Final Pad Dimensions are to be verified by Contractor

VANN SURVEYS
P O Box 1306
Farmington, NM

NEBU 255
SL: 1,420' FNL & 1,015' FWL, Unit E 7-31N-6W
BHL: Same
San Juan Co., NM

DRILLING PLAN

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

Formation	TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2338	Aquifer
Kirtland	2458	
Fruitland	2825	Gas
Fruitland 1st Coal	3058	Gas
Pictured Cliffs Tongue	3264	Gas
Pictured Cliffs	3403	Gas
Lewis	3536	
TD	3636	

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 ~~#1~~ 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.
- Safety valve & subs to fit all drill string connections in use

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
0-2825	8-3/4"	7"	K-55	23#	LTC	New
0- TD	6-1/4"	4-1/2"	J-55	11.6 #	LTC	New

Casing Size	Collapse Resistance	Internal Yield	Body Yield
9 5/8"	1400 psi	2270 psi	254K psi
7"	3270 psi	4360 psi	366K psi
4 ½"	4960 psi	5350 psi	184K psi

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). In some situations an ACP and DV tool may be run.

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***

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 sx 50/50 Poz with 94#/sx Standard Cement, 0.3% Halad-344, .25 #/sx Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sx; Water: 5.23 gal/sx *
* ***Minor variations possible due to existing conditions***

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

Lead: 575 sx 50/50 Poz with 50% Class B Cement, 50% San Juan Poz, .4% Halad-344, .1% CFR-3, 3% Bentonite, 5#/sx Gilsonite, .25#/sx Flocele. Density: 13.0 lb/gal; Yield: 1.46 cuft/sk; Water: 6.42 gal/sx *
Tail: 75 sx 50/50 Poz, Yd-1.45, Water Gal/sx 6.8, Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl
* ***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:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-2825'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
2825'-TD	Water /Mud	8.4-9.0	29-70	8.0	NC	

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.

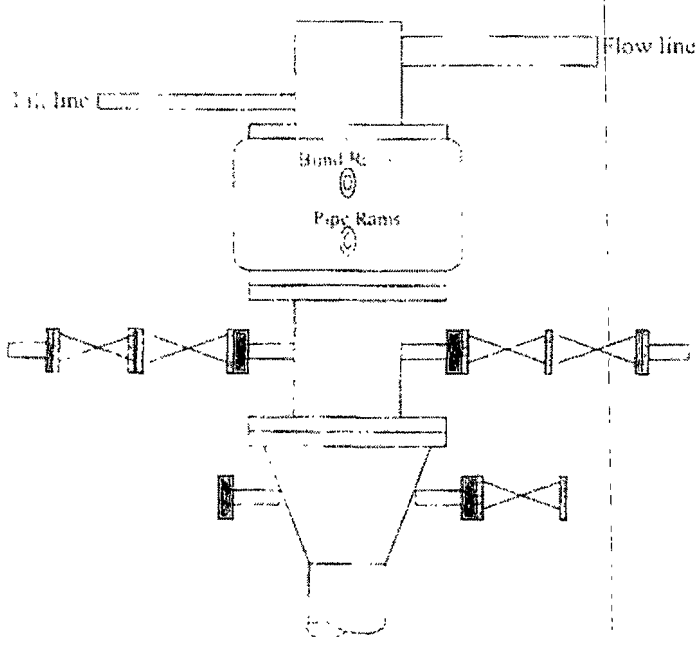
7. OTHER INFORMATION:

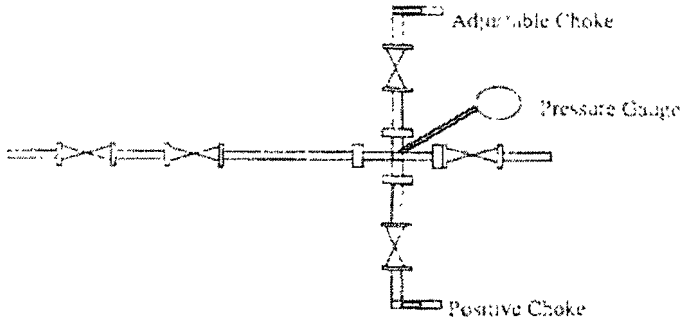
The anticipated starting date and duration of the operation will be as follows:

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