

RECEIVED

APR 02 2008

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Bureau of Land Management  
Farmington Field Office

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


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. <b>Northeast Blanco Unit</b>
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		8. Lease Name and Well No. <b>NEBU 485A</b>
2. Name of Operator <b>Devon Energy Production Company, L.P.</b>		9. API Well No. <b>30-039-30511</b>
3a. Address <b>20 N. Broadway Oklahoma City, OK 73102</b>	3b. Phone No. (include area code) <b>405-552-7917</b>	10. Field and Pool, or Exploratory <b>Basin Fruitland Coal</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>1,900 FSL &amp; 1,345' FEL, Unit J, NW SE</b> At proposed prod. zone <b>Same</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>J Sec. 3, T30N, R7W</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately 35.5 miles</b>		12. County or Parish <b>Rio Arriba</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>1,345'</b>	16. No. of acres in lease <b>638.75 Acres</b>	17. Spacing Unit dedicated to this well <b>E12</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>438'</b>	19. Proposed Depth <b>3,301'</b>	20. BLM/BIA Bond No. on file <b>CO 1104</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc) <b>GR 6,296'</b>	22. Approximate date work will start* <b>04/27/2008</b>	23. Estimated duration <b>Unknown</b>

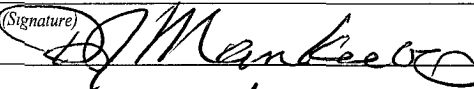
24. Attachments

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   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)     |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |


25. Signature 	Name (Printed/Typed) <b>Melisa Castro</b>	Date <b>3-27-08</b>
---	--	------------------------

Title  
**Senior Staff Operations Technician**

Approved by (Signature) 	Name (Printed/Typed) <b>J. Manbeck</b>	Date <b>6/23/08</b>
Title <b>AFM</b>	Office <b>FEO</b>	

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

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT  H<sub>2</sub>S POTENTIAL EXIST

This action is subject to technical and procedural review pursuant to 43 CFR and appeal pursuant to 43 CFR 3165

DRILLING OPERATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH AT "GENERAL REQUIREMENTS".

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NMOCD

JUN 30 2008

OW

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

RECEIVED

APR 02 2008

☐ AMENDED REPORT

Bureau of Land Management

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-30511</b>	<sup>2</sup> Pool Code <b>71629</b>	<sup>3</sup> Pool Name <b>Basin Flatland Coal</b>
<sup>4</sup> Property Code <b>19641</b>	<sup>5</sup> Property Name <b>NEBU</b>	<sup>6</sup> Well Number <b># 485A</b>
<sup>7</sup> OGRID No <b>6137</b>	<sup>8</sup> Operator Name <b>Devon Energy Production Company, L.P.</b>	<sup>9</sup> Elevation <b>6296</b>

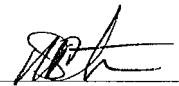
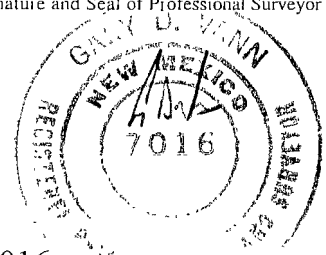
<sup>10</sup> Surface Location

UL or Lot No <b>J</b>	Section <b>3</b>	Township <b>30 N</b>	Range <b>7 W</b>	Lot Idn	Feet from the <b>1900</b>	North/South line <b>SOUTH</b>	Feet from the <b>1345</b>	East/West line <b>EAST</b>	County <b>Rio Arriba</b>
--------------------------	---------------------	-------------------------	---------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------------

<sup>11</sup> Bottom Hole Location If Different From Surface

<sup>7</sup> UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>612-318.75</b>									
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No						

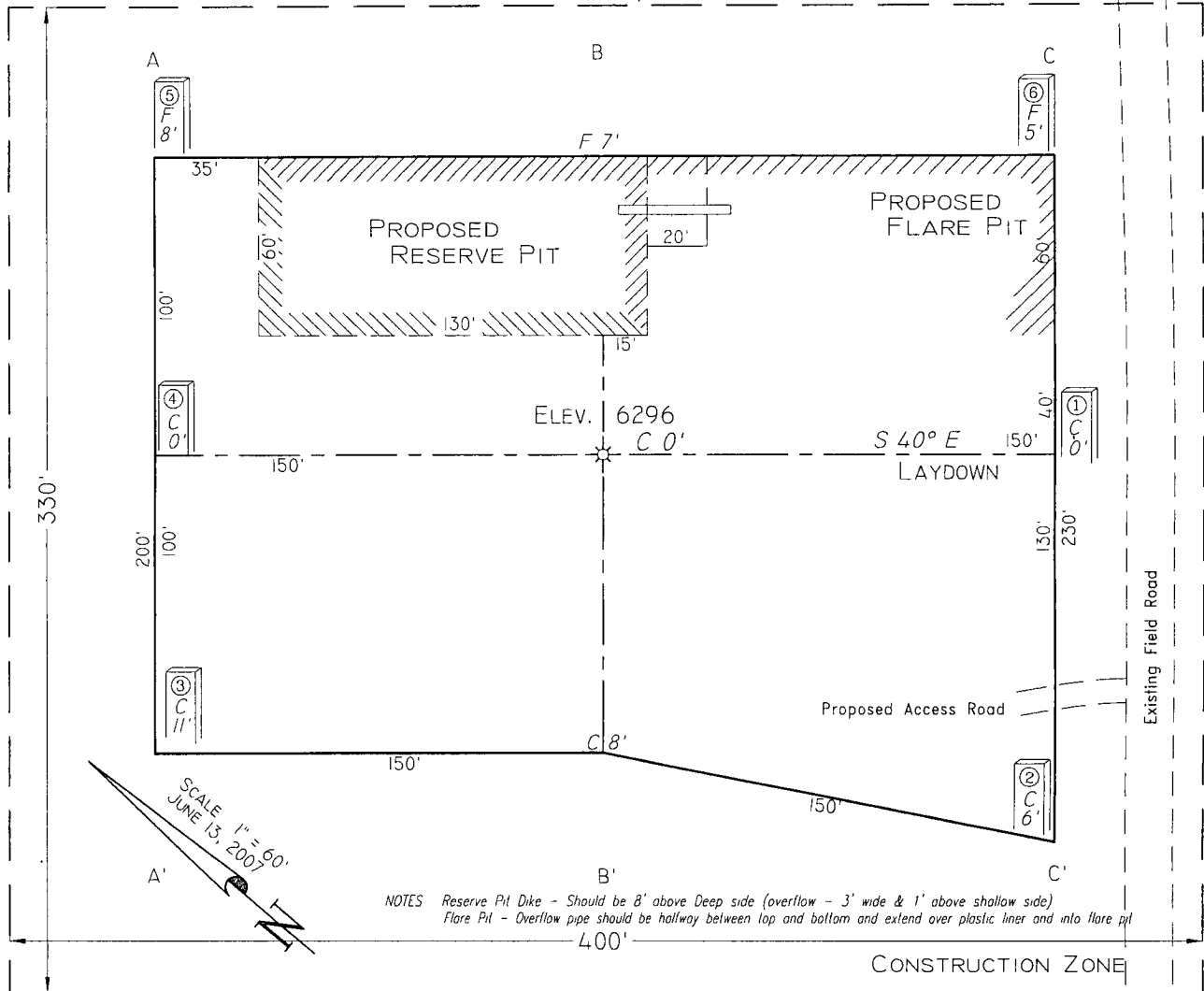
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup>	<sup>17</sup> OPERATOR CERTIFICATION
Lot 8	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
Lot 7	
Lot 6	Signature
Lot 5	<b>Melissa Castro</b>
	Printed Name
	<b>Staff Operations Technician</b>
	Title
	<b>March 27, 2008</b>
	Date
	<sup>18</sup> SURVEYOR CERTIFICATION
	<i>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</i>
	<b>June 13, 2007</b>
	Date of Survey
	Signature and Seal of Professional Surveyor
	
	<b>7016</b>
	Certificate Number

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

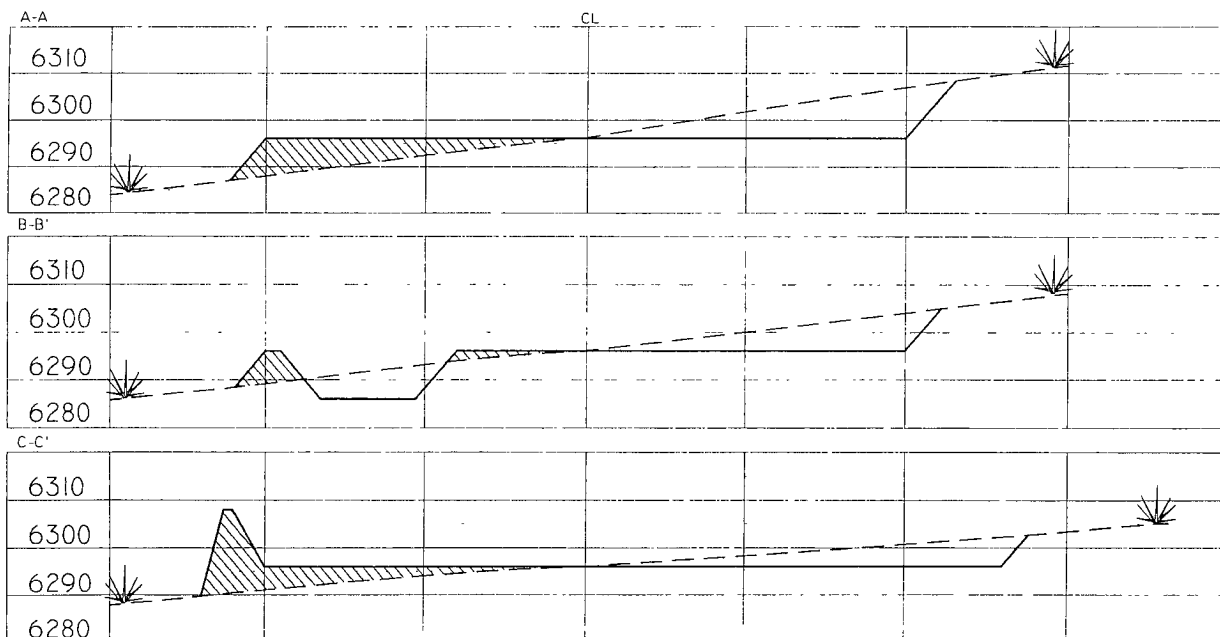
Nebu # 485A  
 1900' F/SL 1345' F/EL  
 SEC. 3, T30N, R7W, N.M.P.M.  
 RIO ARriba COUNTY, NEW MEXICO

Lat: 36.83957°  
 Long: 107.55392° (8b)



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

SCALE 1"=60' HORIZ  
 1"=40' VERT

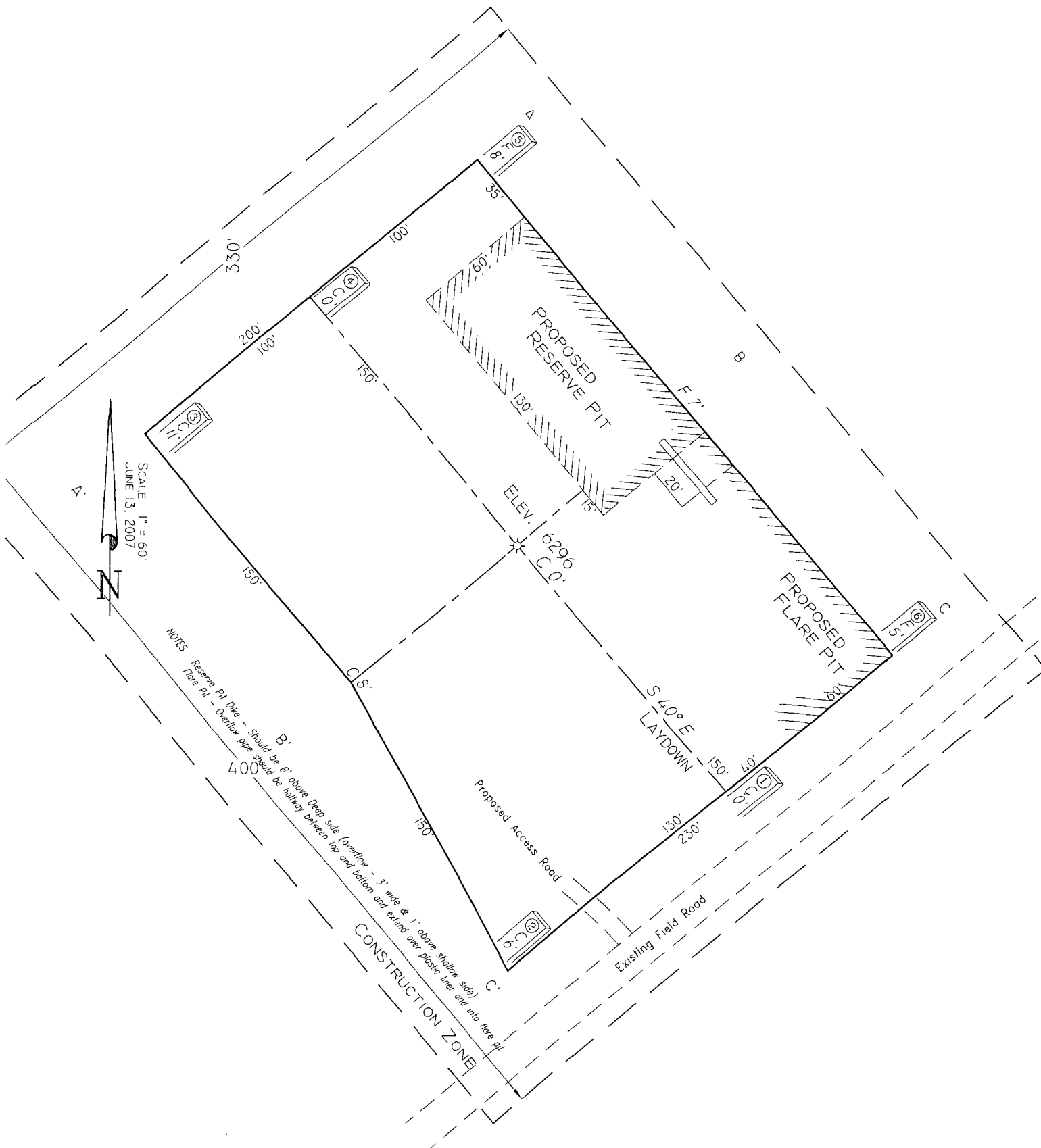


**NOTE** Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

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

Lat: 36.83957°  
Long: 107.55392° (83)



## NEBU 485A

From the town of Aztec, NM, take State HWY 173 for 18 miles to State HWY 511. Turn left on State HWY 511 and travel 5.7 miles to Dam Road. Turn right onto Dam Road and travel 1.8 miles to Del Lasso Loos. Travel 5.1 miles on De Lasso Loos to Smith Pass and turn left. Travel 1.2 miles on Smith Pass to State Road 527. Turn left onto State Road and travel 3.2 miles. At Y in road go right and turn right again traveling 0.2 miles to well site. Well site is on north side of road.

**NEBU 485A**  
**SL: 1,900' FSL & 1,345' FEL, Unit J 3-30N-7W**  
**BHL: Same**  
**Rio Arriba 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	2116	Aquifer
Kirtland	2286	
Fruitland	2696	Gas
Fruitland 1 <sup>st</sup> Coal	2922	
Pictured Cliffs Tongue	3111	Gas
Pictured Cliffs Main	3201	Gas
PTD	3301	

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 #<sup>2</sup>4 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 300 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
0-2746	8-3/4"	7"	J-55	23#	LTC	New
0- TD	6-1/4"	5-1/2"*	J-55	15.5 #	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
5 1/2"	4040 psi	4810 psi	248K 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)

**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. Yield 1.19 ft<sup>3</sup>/sx, cement  
Designed to circulate to surface.

**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 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,  
1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft<sup>3</sup>/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 class B 50/50 POZ, 3% gel, 5#  
gilsonite, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47  
ft<sup>3</sup>/sx. \*\*

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

#### 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,
285-2746	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2746 - 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 within 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.

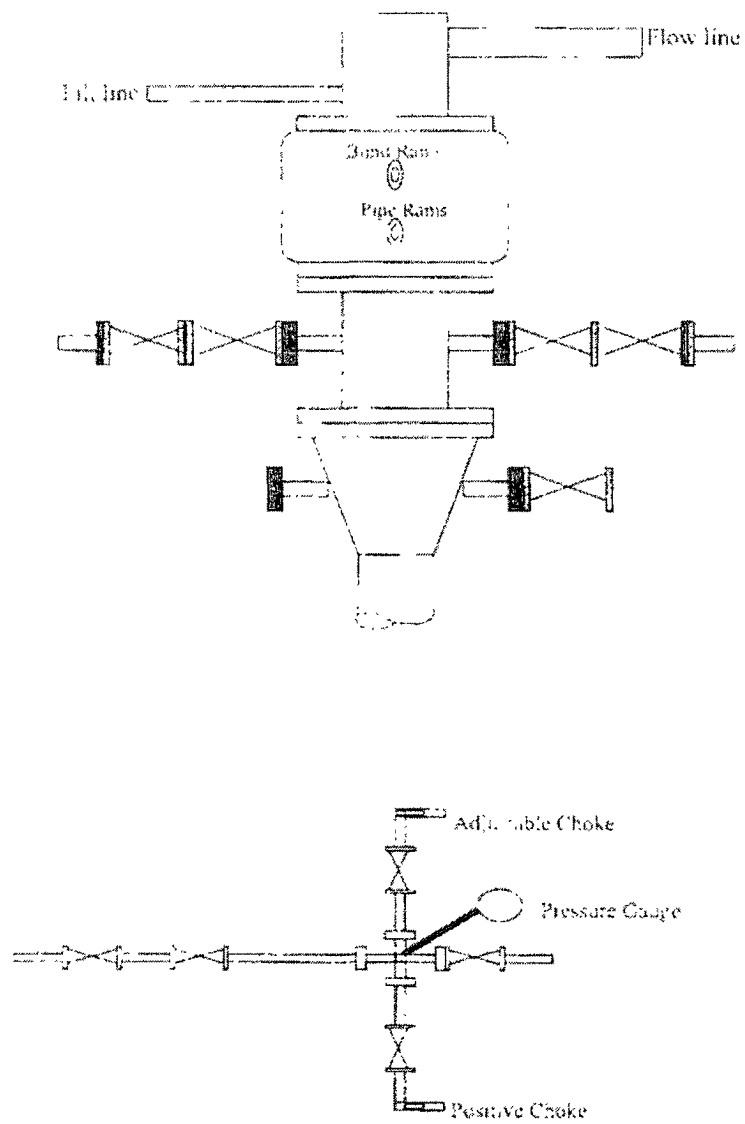
**7. OTHER INFORMATION:**

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 C1R 3160 requirements for 2M systems.