

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **Devon Energy Production Company, L.P.**3a. Address
20 N. Broadway, Oklahoma City, OK 731023b. Phone No (include area code)
405-552-7917

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)

**SL: 2,395' FNL & 1,160' FWL, SW NW, Unit E, Sec. 35, T31N- R7W
BHL: 700' FSL & 1,940' FWL, SE SW, Unit N, Sec. 35, T31N- R7W**5. Lease Serial No
SF 079003

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Northeast Blanco Unit8. Well Name and No.
NEBU 2579. API Well No.
30-045-3465010. Field and Pool, or Exploratory Area
S Los Pinos F/S Pictured Cliffs11. County or Parish, State
San Juan, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA


TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Horizontal Well
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, L.P. would like to request permission to drill the above NEBU 257H well as a horizontal well. Attached you will find a new C-102, Drill and Surface Plan, Directional Documentation, Exhibit D, and Directions.

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.

**RCVD JUL 3 '08
OIL CONS. DIV.****CONDITIONS OF APPROVAL**
Adhere to previously issued stipulations.**NOTIFY AZIEC OGD 24 HRS. DIST. 3
PRIOR TO CASING & CEMENT**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Melisa Castro		Title Senior Staff Operations Technician
Signature 		Date June 19, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L. Saliers	Title PE	Date 7-2-2008
Conditions of approval, if any, are attached. Approval of this notice 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		
Office FFO		

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)

NMOCD**Hold C104
for Directional Survey
and "As Drilled" plat**

District I
1625 N. French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-34650		2 Pool Code 80690		3 Pool Name S. Las Pinos F/s Pictured Cliffs	
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 257
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6205

10 Surface Location

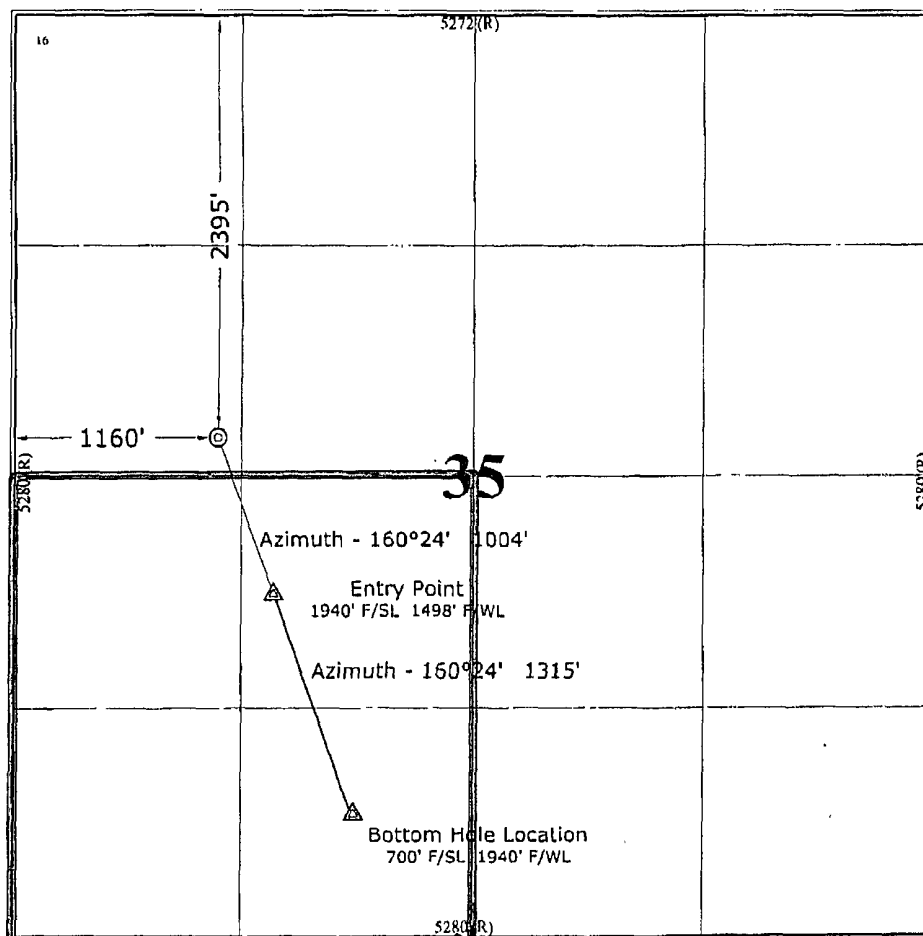
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	31 N	7 W		2395	NORTH	1160	WEST	SAN JUAN

11 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
N	35	31 N	7 W		700	SOUTH	1940	WEST	SAN JUAN

12 Dedicated Acres w/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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature: *[Signature]* Date: 6-19-08
Printed Name: Melica Castro

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

Revised May 08, 2008
July 11, 2007

Date of Survey
Signature and Seal of Professional Surveyor

GARY D. VANN
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
7016
Certificate Number

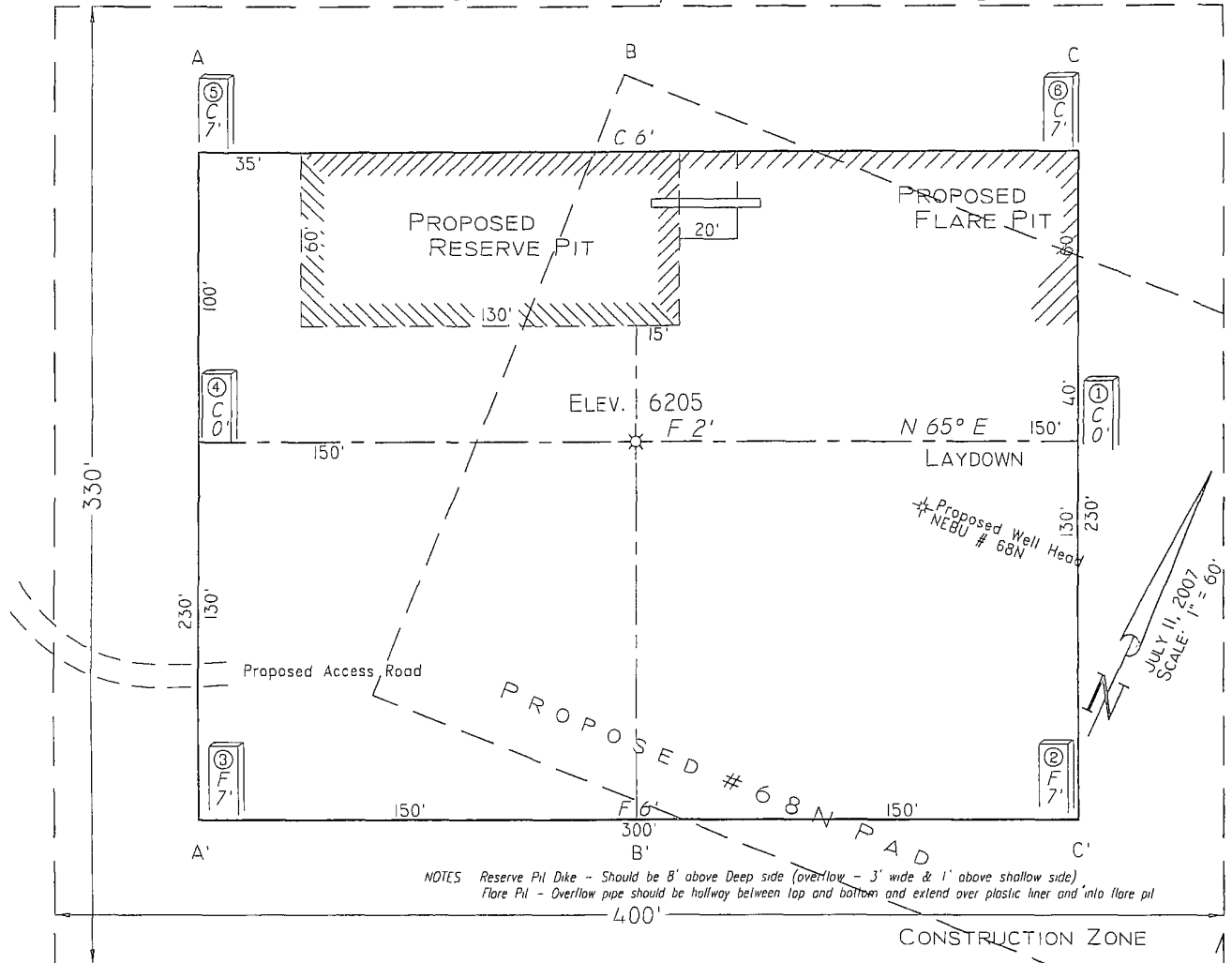
(R) - GLO Record

05/09/2008 9:07AM (GMT-05:00)

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

Nebu # 257
2395' F/NL 1160' F/WL
SEC. 35, T31N, R7W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

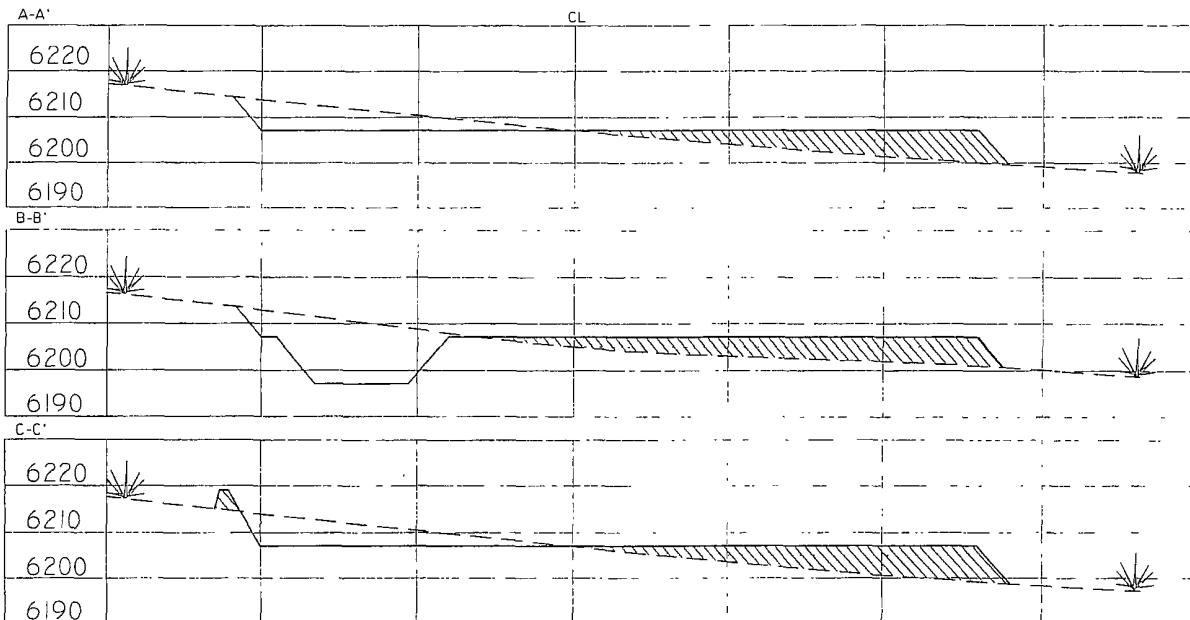
Lat: 36.85667°
Long: 107.54536° (83)



NOTES Reserve Pit Dike - Should be 6' above Deep side (overflow - 3' wide & 1' above shallow side)
Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit

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

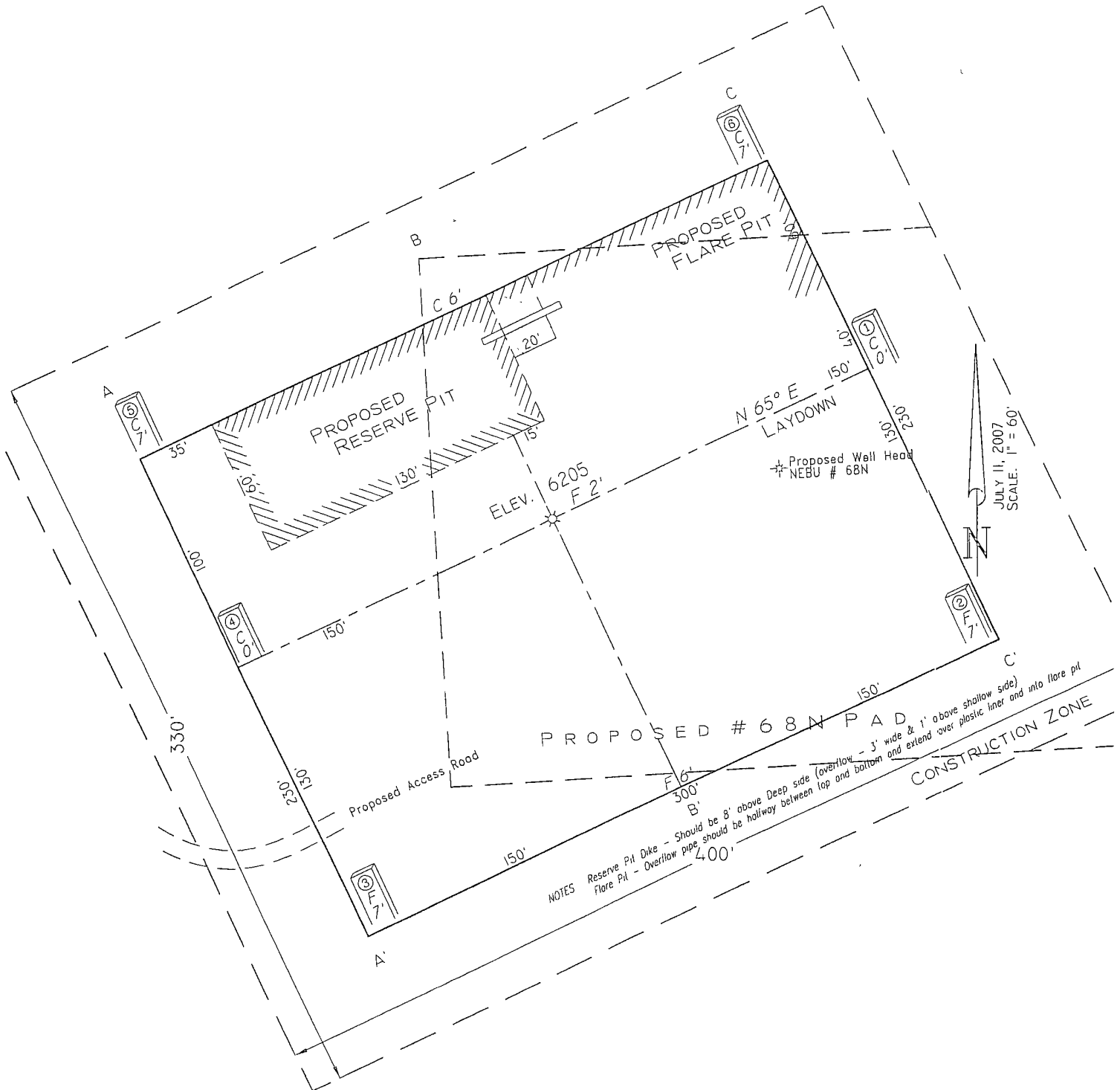
Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor

VANN SURVEYS
P O Box 1306
Farmington, NM

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

Nebu # 257
2395' F/NL 1160' F/WL
SEC. 35, T31N, R7W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36.85667°
Long: 107.54536° (83)



NEBU 257H
SL: 2,395' FNL & 1,160' FWL, Unit E 35-31N-7W
BHL: 700' FSL & 1,940' FWL, Unit N 35-31N-7W
San Juan Co., NM

DRILLING PLAN FOR HORIZONTAL WELL

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	2037	2037	Aquifer
Kirtland	2187	2187	
Fruitland	2647	2627	Gas
Fruitland 1 st Coal	2917	2825	Gas
Pictured Cliffs Tongue	3409	3023	Gas
Pictured Cliffs	3691	3115	Gas
TD	5010	3142	

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.
- 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:

TMD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3732	0-3125	8-3/4"	7"	K-55	23#	LTC	New
0- TD	0- TD	6-1/4"	4-1/2"	N-80	11.6 #	LTC BTC	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 1/2"	6350 psi	7780 psi	267K 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 string will not be cemented. In some situations an ACP and DV tool may be run.

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. Yield 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**

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

4. DRILLING FLUIDS PROGRAM:

TMD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3732'	0-3125'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3732'-TD	3125'-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:

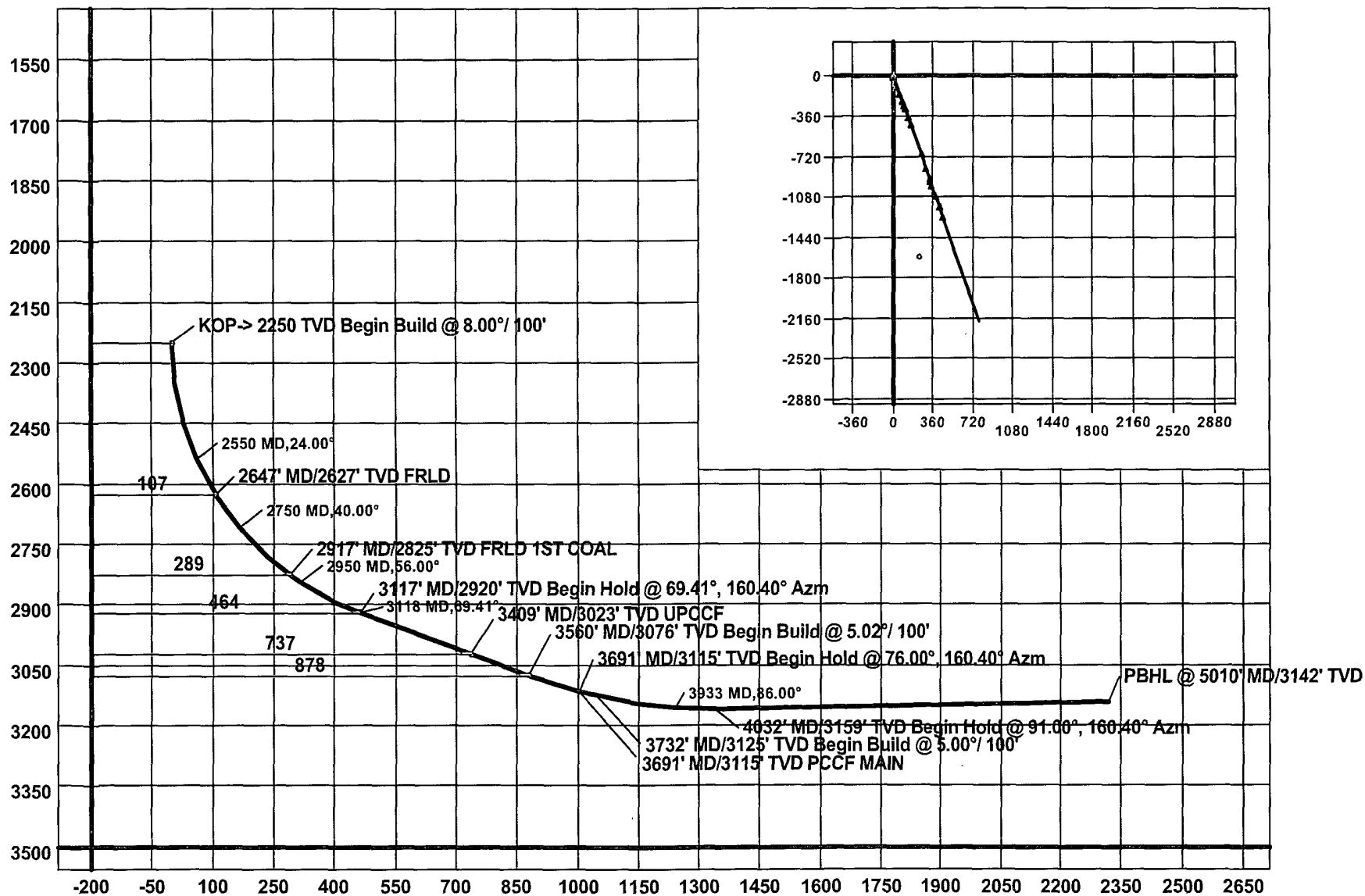
Wireline Logs: None

Mud Logs: Possible mud logging in Fruitland Coal & Pictured Cliffs.

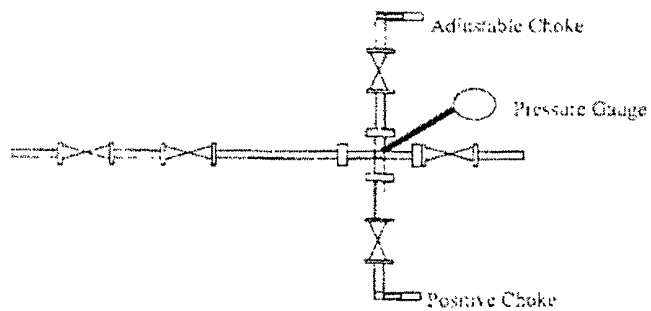
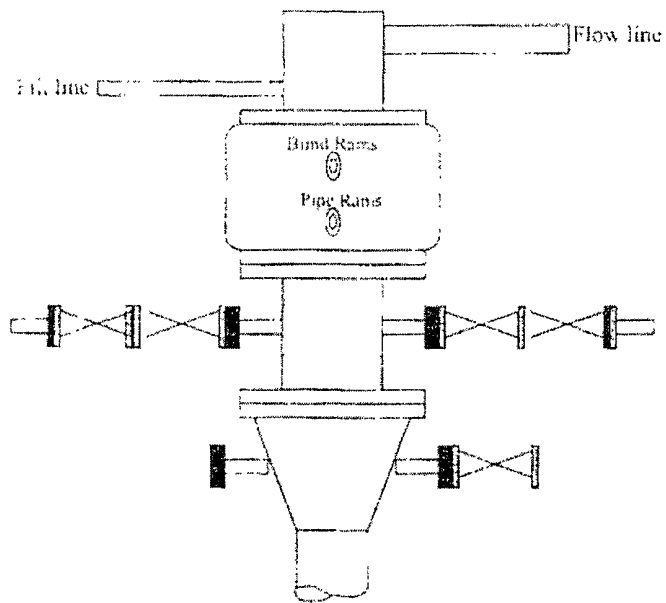
Survey: Deviation surveys will be taken every 500' from 0-TD of 6-1/4" hole or first succeeding bit change.

Cores: None anticipated.

Company: Devon Energy
 Lease/Well: NEBU # 257
 Location: San Juan County



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 3150 requirements for 2M systems.