

RECEIVED

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-079010
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 checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Attn: Diane Busch Devon Energy Production Company, L.P.		7. If Unit or CA Agreement, Name and No. NORTHEAST BLANCO UNIT
3a. Address 20 N. Broadway Oklahoma City, OK 73102		8. Lease Name and Well No. NEBU 325M
3b. Phone No. (include area code) (405) 228-4362		9. API Well No. 3004531289
4. Location of well (Report location clearly and in accordance with any State requirements*) At surface 405' FSL & 75' FWL SW SW Unit M At bottom hole Same At proposed prod. zone Same		10. Field and Pool, or Exploratory Blanco Mesaverde Basin Dakota
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 27 miles southeast of Ignacio, Colorado		11. Sec., T., R., M., or Blk. And Survey or Area Sec M 23 T 31N R 7W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 75'	16. No. of Acres in lease 2560	17. Spacing Unit dedicated to this well 320 W 2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8160'	20. BLM/ BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, RT, GR, etc.) 6447' GL	22. Approximate date work will start* Upon Approval	23. Estimated Duration 20 Days

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 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, 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 Diane Busch	Name (Printed/ Typed) Diane Busch	Date 12-16-02
Title Sr. Operations Technician		
Approved By (Signature)	Name (Printed/ Typed)	Date
Title Office		

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 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

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

NMOC

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

(R) - GLO Record

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: July 31, 1996

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 the reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Devon Energy Production Company, L.P. Attn: Diane Busch

3a. Address

20 N. Broadway Oklahoma City, OK 73102

3b. Phone No. (include area code)

(405) 228-4362

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

405' FSL & 75' FWL SW/4, SW/4, Sec. 23, T 31N R. 7W

Latitude

Longitude

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Altering Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and abandon

☐ Plug back

☐ Production (Start/ Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-off

☐ Well Integrity

☒ Other **Changes to submitted**

2003 APD

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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required susequet reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in anew interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

#1. Anticipated bottom hole pressure is 3400 psi.

#2. Under #3, Intermediate String, the Yield should be 1.47

#3. Anticipated # of centralizers for intermediate & production casing are as follows:

1. **Intermediate:** The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 2000' (estamatd 12 centralizers used).

2. **Production:** The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 4500' (estimated 22 centralizers used).

#4. Density's: Should be 13 ppg

#5. The inconsistency with #4 chart: The hole will be air drilled from 3675'-7740'. The well will be mud drilled from 7740'-TD.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

Diane Busch

Title

Sr. Operations Technician

Signature

Diane Busch

Date

1-3-03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ David J. Markiewicz

Title

Date

FEB 25 2003

Conditions of approval, if any are attached. Approval of this notice does not warrant Office 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.

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

(Instructions on reverse)

NMOCD

**NEBU 325M
Unit M 23-31N-7W
San Juan Co., NM**

DRILLING PLAN

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

Formation	Depth (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2300	Aquifer
Kirtland	2410	
Fruitland	2890	Gas
Pictured Cliffs	3295	Gas
Lewis	3525	Gas
Intermediate TD	3675	
Huerfanito bentonite	4110	
Massive Cliff House	5335	Gas
Menefee	5350	Gas
Massive Point Lookout	5615	Gas
Mancos	5970	Gas
Gallup	6940	Gas
Greenhorn	7690	
Graneros	7740	
Dakota	7850	Gas
TD	8160	

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 which shows the size and pressure ratings.

2000# BOP With Pipe Rams
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.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

Depth	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3675'	8-3/4"	7"	K-55	23#	LTC	New
0-TD	6-1/4"	4-1/2"	K-55	11.6 #	LTC	New

All casing strings below the conductor 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.

The bottom three joints of the surface casing will have a minimum of one centralizer per joint and one centralizer every fourth joint thereafter.

B. The proposed cementing program will be as follows:

Surface String: Cement will be circulated to surface.

Lead: 200 sks Class "B" with additives mixed at 15.6 ppg, 1.19 ft³/sks.

Intermediate String: Cement will be circulated to surface.

Lead: 575 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft³/sks prior to foaming, 9 ppg, 2.18 ft³/sks after foaming.

Tail: 75 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft³/sks.

If hole conditions dictate, an alternate, two stage cement design will be used. Stage 1: 85 sacks Class B 50/50 POZ, 3% Gel, 5# Gilsonte, 1/4# Flocele, 1/10% CFR 3, .2% Halad 344, Yield ft³/sks. Stage 2: 450 sacks Class B 50/50 POZ, 3% Gel, 5# Gilsonte, 1/4# Flocele, .1% CFR 3, .2% Halad 344, Yield 1.47 ft³/sks. Cement designed to circulate to surface.

Production String: TOC designed to circulate to surface, cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

Lead: 500 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.47 ft³/sks.

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
0-3675'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3675'-7740'	Air				NC	
7740'-TD	Mud	8.5-9.0*	30-50	8.0-10.0	8-10cc @ TD	Low solids – nondispersed. * Min Wt. to control formation pressure.

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:

Logs: Platform Express AIT/GR/SP: Intermediate casing point to the base of the surface casing and TD to the base of the intermediate casing.

Platform Express CNL/LDT/PE: Intermediate casing point to the base of the surface casing and TD to the base of the intermediate casing.

- Logging program may vary pending hole conditions.

Survey: Deviation surveys will be taken every 500' from 0-3675' or first succeeding bit change. The hole will be air drilled from 3675'-TD. The equipment used in this type of operation will not allow for single shot surveys without considerable operational delays. A survey will be taken at TD. Similar wells in this area have not shown significant deviation in this section of the hole.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered at approximately 2890'. Estimated formation pressure is 300 psi. The drilling mud will be pretreated with 30% LCM prior to penetrating the zone. 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.