

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. <b>NM-03356</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 checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>Attn: Dwane Oliver Devon Energy Production Company, L.P.</b>		7. If Unit or CA Agreement, Name and No. <b>NORTHEAST BLANCO UNIT</b>
3a. Address <b>PO Box 6459 Navajo Dam ,NM 87419</b>		8. Lease Name and Well No. <b>NEBU 482A</b>
3b. Phone No. (include area code) <b>( 505 ) 632-0244</b>		9. API Well No. <b>3004532019</b>
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface <b>1310 FNL &amp; 1080 FWL NW NW Unit D</b> At bottom hole <b>1750 FNL &amp; 1250 FWL SW NW Unit E</b> At proposed prod. zone		10. Field and Pool, or Exploratory <b>Fruitland Coal</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>Approximately 23.7 miles southeast of Ignacio Co.</b>		11. Sec., T., R., M., or Blk. And Survey or Area <b>Sec. D 15 ,T 31N ,R 7W</b> <b>BH Sec E 15 T 31N R 7W</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) <b>1080'</b>	16. No. of Acres in lease <b>840</b>	17. Spacing Unit dedicated to this well <b>320 w/2</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>3555'</b>	20. BLM/ BIA Bond No. on file <b>CO-1104</b>
21. Elevations (Show whether DF, RT, GR, etc.) <b>6589'</b>	22. Aproximate date work will start* <b>Upon Approval</b>	23. Estimated Duration <b>20 Days</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 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 <i>Dwane Oliver</i>	Name (Printed/ Typed) <b>Dwane Oliver</b>	Date <b>11-20-03</b>
Title <b>Devon Representative</b>		
Approved By (Signature) <i>David J. Marlowe</i>	Name (Printed/ Typed)	Date <b>DEC - 5 2003</b>
Title <b>Office</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 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 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 43 CFR 3165.4

THIS ACTION IS SUBJECT TO TECHNICAL AND PROCEDURAL REVIEW PURSUANT TO 43 CFR 3165.3 AND 43 CFR 3165.4

HOLD G104 FOR Directional Survey

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

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

<sup>1</sup> API Number 30045-32019	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 19641	<sup>5</sup> Property Name NEBU	<sup>6</sup> Well Number # 482A
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name Devon Energy Production Company, L.P.	<sup>9</sup> Elevation 6589

<sup>10</sup> Surface Location

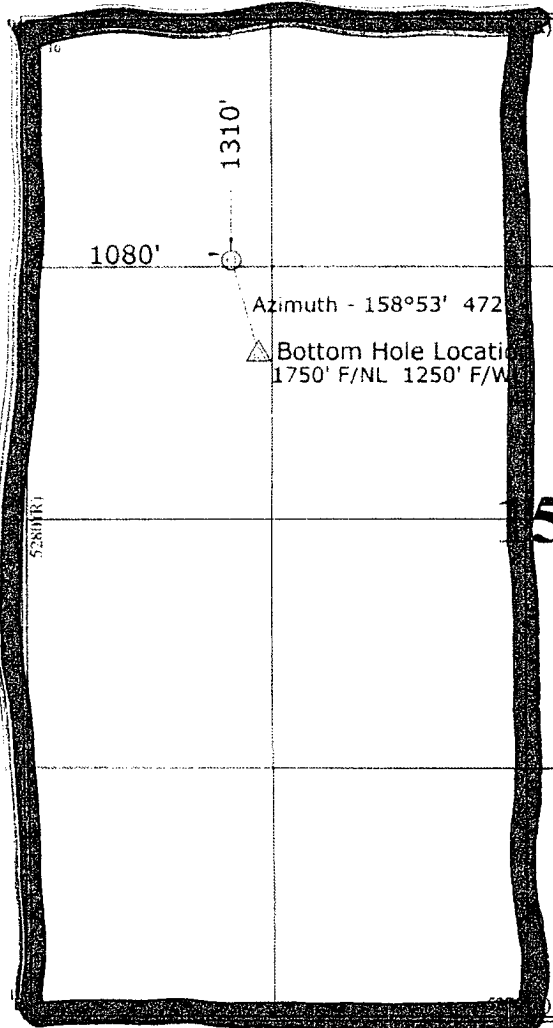
U/L or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	31 N	7 W		1310	NORTH	1080	WEST	SAN JUAN

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

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	15	31 N	7 W		1750	NORTH	1250	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres 320 1/2	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION

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

*Devon W. Oliver*  
Signature  
Devon W. Oliver  
Printed Name  
Devon Rep.  
Title  
11-20-03  
Date

<sup>18</sup> 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.

July 7, 2003

Date of Survey  
Signature and Seal of Professional Surveyor

GARY C. YANN  
NEW MEXICO  
REGISTERED PROFESSIONAL LAND SURVEYOR  
7016  
Certificate Number

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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.

RECEIVED  
FORM APPROVED

OMB No. 1004-0135

Expires: July 31, 1996 12:08

5. Lease Serial No.

**NM-03356**

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA. Agreement Designation

**Northeast Blanco Unit**

8. Well Name and No.

**NEBU 482A**

9. API Well No.

**3004532019**

10. Field and Pool, or Exploratory Area

**Fruitland Coal**

11. County or Parish, State

**San Juan**

**NM**

*SUBMIT IN TRIPLICATE- Other Instructions on the reverse side*

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

**Devon Energy Prod Lp.**

3a. Address

**PO Box 6459 Navajo Dam, Nm 87419**

3b. Phone No. (include area code)

**505-632-0244**

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

**1310' FNL & 1080' FWL SW/4, NW/4, Sec. 15, T 31 N R. 7 W**

Latitude

Longitude

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

TYPE OF SUBMISSION

☐ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ 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

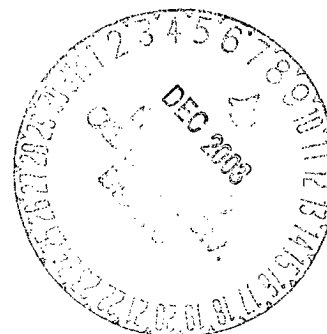
☐ Water Shut-off

☐ Well Integrity

☒ Other **Change TD**

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 susequnet reports shqll 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.)

We are changing proposed TD from 3604' to 3504' , which is the top of the Pictured Cliff sand.



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

Name (Printed/ Typed)

**Dwane Oliver**

Title

**Devon Representative**

Signature

Date

**11-24-03**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

**DEC - 5 2003**

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

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

**NEBU 482A  
Unit D Sec 15 31-7  
San Juan Co., NM**

**DRILLING PLAN**

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

<b>Formation</b>	<b>TMD (ft)</b>	<b>TVD (ft)</b>	<b>Hydrocarbon/Water Bearing Zones</b>
San Jose	Surface	Surface	
Ojo Alamo	2424	2380'	Aquifer
Kirtland	2547	2500'	
Fruitland	3049	3000'	Gas
Pictured Cliffs	3504	3455'	Gas
<b>TD</b>	<b>3604</b>	<b>3555'</b>	

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 #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 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 <sup>300</sup>~~3400~~ psi.

### 3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

TMD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3249'	0-3200'	8-3/4"	7"	J K-55	23#	LTC	New
0-TD	0-TD	6-1/4"	<sup>5.5"</sup> <del>4-1/2"</del>	J K-55	15.5 #	LTC	New

Surface casing will be tested to 750 psi. All casing strings below the surface casing 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 250'.  
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,

¼" 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

**Liner:** 5-1/2" liner  
 (decision on running liner will be made pending hole conditions)  
 15.5# J-55 LT&C 8 Rnd  
 Shoe  
 Not Cemented

If well does not respond to proposed to completion, the 5 ½ " liner will be cemented using class B 50/50 POZ, 3% gel, 5# gilsonite, ¼" Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft<sup>3</sup>/sx.

#### 4. DRILLING FLUIDS PROGRAM:

TMD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-250'	0-250'	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
250'-3249'	250'-3200'	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
0-TD	0-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:** Potential mud logging in Fruitland Coal.

**Survey:** Deviation surveys will be taken every 500' from 0-TD or first succeeding bit change.