

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		59. Lease Serial No. <b>SF-078988</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: Diane Busch Devon Energy Production Company, L.P.</b>		7. If Unit or CA Agreement, Name and No. <b>NORTHEAST BLANCO UNIT</b>	
3a. Address <b>20 N. Broadway Oklahoma City, OK 73102</b>		8. Lease Name and Well No. <b>NEBU 323M</b>	
3b. Phone No. (include area code) <b>(405) 228-4362</b>		9. API Well No. <b>30 045 31366</b>	
4. Location of well (Report location clearly and in accordance with any State requirements.) At surface <b>1845' FSL &amp; 610' FWL NW SW Unit L</b> At bottom hole <b>Same</b> At proposed prod. zone <b>Same</b>		10. Field and Pool, or Exploratory <b>Blanco Mesaverde Basin Dakota</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>Approximately 26 miles southeast of Ignacio, Colorado</b>		11. Sec., T., R., M., or Blk. And Survey or Area Sec. <b>19</b> , T <b>31N</b> , R <b>6W</b> <b>L</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) <b>610'</b>		12. County or Parish <b>San Juan</b>	
16. No. of Acres in lease <b>2560</b>		13. State <b>NM</b>	
17. Spacing Unit dedicated to this well <b>307 320 W/2</b>		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth <b>8070'</b>		20. BLM/ BIA Bond No. on file <b>CO-1104</b>	
21. Elevations (Show whether DF, RT, GR, etc.) <b>6311' GL</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, 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>Diane Busch</i>	Name (Printed/ Typed) <b>Diane Busch</b>	Date <b>1-23-03</b>
Title <b>Sr. Operations Technician</b>		
Approved By (Signature) <i>/s/ Jim Lovato</i>	Name (Printed/ Typed)	Date
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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\* (Instructions on reverse)

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

NMOC

HOLD C104 FOR NSL in Basin Dakota

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.8  
and appeal pursuant to 43 CFR 3165.4

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

1 API Number 30-045-31366		2 Pool Code 72319/71599		3 Pool Name Blanco Mesa Verde / Basin Dakota		
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 323M	
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6311	

10 Surface Location

UL or Lot No. L	Section 19	Township 31 N	Range 6 W	Lot Idn	Feet from the 1845	North/South line SOUTH	Feet from the 610	East/West line WEST	County SAN JUAN
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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 MV-W/300 DK-W/300		13 Joint or Infill		14 Consolidation Code		15 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

16		3285(R)		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Diane Busch Signature DIA NE BUSCH Printed Name SR. OPERATIONS TECH Title 1-23-03 Date	
610'		19		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. December 14, 2002 Date of Survey Signature and Seal of Professional Surveyor GARY D. VANN NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 7016 7016 Certificate Number	
1845'		3271(R)		RECEIVED 2003 JAN 27 PM 1:49 070 Farmington, NM	

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

3b. Phone No. (include area code)

**20 N. Broadway Oklahoma City, OK 73102**

**(405) 228-4362**

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

**1845' FSL & 610' FWL NW/4, SW/4, Sec. 19, T 31N R. 6W**

Latitude

Longitude

5. Lease Serial No.

**SF-078988**

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA. Agreement Designation

**Northeast Blanco Unit**

8. Well Name and No.

**NEBU 323M**

9. API Well No.

10. Field and Pool, or Exploratory Area

**Blanco Mesaverde Basin Dakota**

11. County or Parish, State

**San Juan**

**NM**

**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

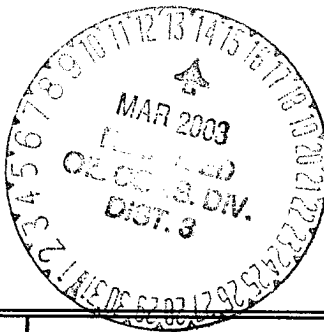
☒ Other **Changes to submitter**

**2003 APD on 1/23/03**

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.)

Based on a conversation between Chip Harraden with the Farmington BLM and Dale Reitz with Devon Energy, please find attached the revised formation tops and casing changes for the already submitted 2003 APD for the above referenced well. (4 pages attached)



RECEIVED  
2003 MAR - 6 PM 1:27  
070 Farmington, NM

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

Name (Printed/ Typed)

**Diane Busch**

Title

**Sr. Operations Technician**

Signature

*Diane Busch*

Date

*3/4/03*

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

**/s/ Jim Lovato**

Title

Date

**MAR 12 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)

NMOCED

**NEBU 323M**  
**Unit L 19-31N-6W**  
**San Juan Co., NM**

**DRILLING PLAN**

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

<b>Formation</b>	<b>Depth (ft)</b>	<b>Hydrocarbon/Water Bearing Zones</b>
San Jose	Surface	
Ojo Alamo	2240	Aquifer
Kirtland	2370	
Fruitland	2700	Gas
Pictured Cliffs	3220	Gas
Lewis	3375	Gas
<b>Intermediate TD</b>	<b>3475</b>	
Huerfanito bentonite	4890	
Massive Cliff House	5220	Gas
Menefee	5265	Gas
Massive Point Lookout	5505	Gas
Mancos	5880	Gas
Gallup	6445	Gas
Greenhorn	7570	
Graneros	7620	
Dakota	7745	Gas
<b>TD</b>	<b>8000</b>	

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 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 3400 psi.

### 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
0-3475'	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.

**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).

**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). Centralizers will be open bow spring or basket bow spring type.

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 ft<sup>3</sup>/sks.

**Intermediate String:** Cement will be circulated to surface.

**Lead:** 575 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft<sup>3</sup>/sks prior to foaming, 9 ppg, 2.18 ft<sup>3</sup>/sks after foaming.

**Tail:** 75 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft<sup>3</sup>/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# Gilsomite, 1/4# Flocele, 1/10% CFR 3, .2% Halad 344, Yield 1.47 ft<sup>3</sup>/sks. Stage 2: 450 sacks Class B 50/50 POZ, 3% gel, 5# Gilsomite, 1/4# Flocele, .1% CFR 3, .2% Halad 344, Yield 1.47 ft<sup>3</sup>/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, Yield 1.47 ft<sup>3</sup>/sks.

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

If hole conditions dictate, an alternate, two stage cement design will be used. Stage 1: 325 sks 50/50 POZ, 3% gel, .9% Halad 9, .2% CFR 3, 5# Gilsomite & 1/4# Flocele. Yield 1.47 13#. Stage 2: Lead: 450 sk 50/50 POZ, 3% Gel, .9% Halad 9, .2% CFR 3, 5# Gilsomite & 1/4# Flocele. Yield 1.47 13 ppg. Tail: 25 sk (5 bbls) Class B .4% Halad 9. Yield 1.18 15.6#.

#### 4. DRILLING FLUIDS PROGRAM:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3475'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3475'-7745'	Air				NC	
7745'-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