

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

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-079082 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator DEVON ENERGY PRODUCTION CO LP Contact: PATTI RIECHERS E-Mail: patti.riechers@dmv.com | | 7. If Unit or CA Agreement, Name and No. NEBU 445A |
| 3a. Address 20 N BROADWAY, SUITE 1500 OKLAHOMA CITY, OK 73102 | | 8. Lease Name and Well No. NORTHEAST BLANCO UNIT 445A |
| 3b. Phone No. (include area code) Ph: 405.228.4248 Fx: 405.228.4848 | | 9. API Well No. 3004532120 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW Lot C 660FNL 1815FWL At proposed prod. zone NENW 660FNL 1815FWL | | 10. Field and Pool, or Exploratory FRUITLAND COAL |
| 14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 29 MILES NORTHWEST OF AZTEC, NM | | 11. Sec., T., R., M., or Blk. and Survey or Area Sec 25 T31N R8W Mer NMP |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660 | | 12. County or Parish SAN JUAN |
| 16. No. of Acres in Lease 1022.45 | | 13. State NM |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | | 14. Spacing Unit dedicated to this well 1310.83 22000 W 2 |
| 19. Proposed Depth 3440 MD | | 15. BLM/BIA Bond No. on file CO-1104 |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 6408 GL | | 23. Estimated duration 20 DAYS |
| 22. Approximate date work will start | | |

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

| | | |
|--|--|---------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) PATTI RIECHERS | Date 01/09/2004 |
| Title AUTHORIZED SIGNATURE | | |
| Approved by David J. Markiewicz | Name (Printed/Typed) | Date FEB 25 2004 |
| Title | | Office |

Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

Electronic Submission #26692 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Farmington

Operations AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

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

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

NMOC

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 30-045-32120 | | ² Pool Code 71629 | | ³ Pool Name Basin Fruitland coal | |
| ⁴ Property Code 19641 | | ⁵ Property Name NEBU | | | ⁶ Well Number # 445A |
| ⁷ OGRID No. 6137 | | ⁸ Operator Name Devon Energy Production Company, L.P. | | | ⁹ Elevation 6408 |

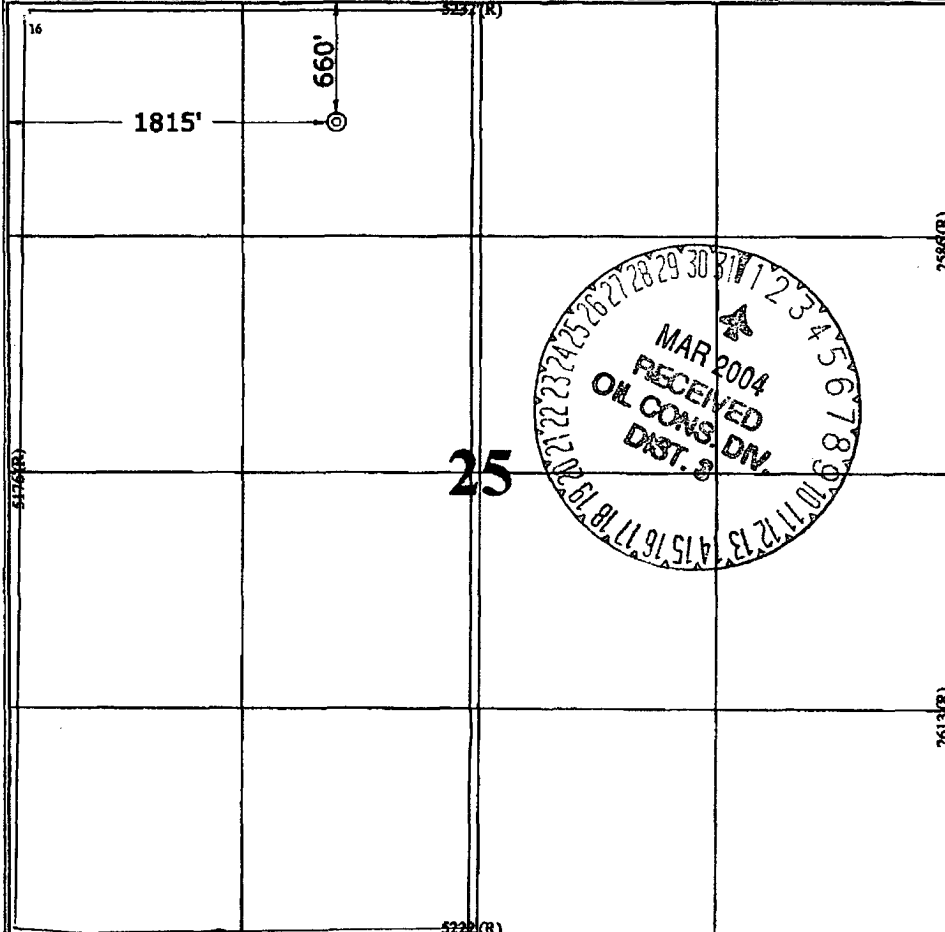
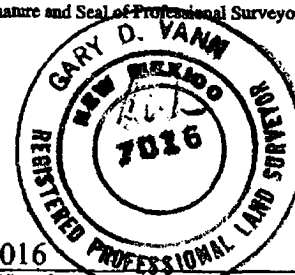
¹⁰ Surface Location

| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C | 25 | 31 N | 8 W | | 660 | NORTH | 1815 | WEST | SAN JUAN |

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 310.83 | | 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

| | |
|--|--|
|  | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>Patti Richers</i> Printed Name: Patti Richers Title: Engineering Tech Date: <i>Jan 9, 2004</i> D#:</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>August 20, 2003</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p>7016 Certificate Number</p> |

**NEBU 445A
Unit C 25-31N-8W
San Juan Co., NM**

DRILLING PLAN

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

| Formation | TYD (ft) | Hydrocarbon/Water Bearing Zones |
|----------------------------|---------------------|--|
| San Jose | Surface | |
| Ojo Alamo | 2238 | Aquifer |
| Kirtland | 2346 | |
| Fruitland | 2902 | Gas |
| 1 st Frlid Coal | 3015 | Gas |
| Upper PC Sand Tongue | 3260 | Gas |
| Lower FRLD | 3300 | Gas |
| Pictured Cliffs | 3340 | Gas |
| TD | 3440 | |

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 ~~3400~~ psi. 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 |
| 0-3005 | 8-3/4" | 7" | K-55 | 23# | LTC | New |
| 0- TD | 6-1/4" | 5-1/2" | K-55 | 15.5 # | LTC | New |

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 ft³/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 ft3/sx.
 Cement designed to circulate to surface.
 Pending hole conditions, cement baskets may be installed above TD

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 ft3/sx.

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, |
| 285-3005' | LSND | 8.4-9.0 | 29-70 | 8.0 | 10-12 | LCM as needed |
| 3005 - 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.

devon

Release
Feb 5, 2004

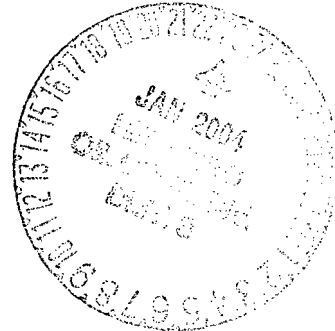
Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

January 12, 2004

(Certified Mail – Return Receipt Requested)

ConocoPhillips Company
P. O. Box 2197
Houston, TX 77252-2197

RE: Notification of Application for Permit to Drill
NEBU 445A Well
660 FNL x 1815' FWL Section 25, T31N, R8W
San Juan County, New Mexico



Attention: Jennifer Barber

Devon Energy Production Company L.P. ("Devon") is submitting the enclosed Application for Permit to Drill the Northeast Blanco Unit 445A Well to the appropriate regulatory agency(s) for approval.

Pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003, consider the enclosed copy of this Application for Permit to Drill, including NMOCD form C-102, to serve as notice of Devon's intent to drill an Optional Infill Well in the High Productivity Area of the Basin-Fruitland Coal Pool.

Affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Cordially,

DEVON ENERGY PRODUCTION COMPANY L.P.

Teresia D. McGinnis, CPL
Contract Landman
(405) 228-7533
Teresia.mcginis@devon.com

cc: NMOCD, District III
1000 Rio Brazo Road
Aztec, NM 87410
ATTN: Steve Hayden

Attachment: BLM Form 3160-3
NMOCD Form C-102
Area Map

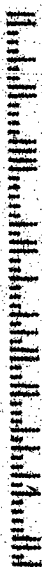
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Devon Energy Production Company
Attention: Teresa D. McGinnis
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

RECEIVED
MAT 12 12
JAN 21 2004
LAND DEPT.

44 5A



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips Company
ATTN: Jennifer Barber
P. O. Box 2197
Houston, TX 77252-2197

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) ☐ Addressee
JAN 16 2004 Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7003 1680 0002 1829 1002

PS Form 3811, August 2001

Domestic Return Receipt

102596-02-M-1540