

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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		CONFIDENTIAL	
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		7. If Unit or CA Agreement, Name and No. <u>nmm78402D</u>	
2. Name of Operator DEVON ENERGY CORP.		8. Lease Name and Well No. NEBU 438A	
3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102		9. API Well No. <u>3004532280</u>	
3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553		10. Field and Pool, or Exploratory FRUITLAND COAL	
4. Location of Well (Report location clearly and in accordance with any State requirements:*) At surface SWSE Lot O 815FSL 2545FEL At proposed prod. zone SWSE Lot O 1200FSL 1500FEL		11. Sec., T., R., M., or Blk. and Survey or Area 0 Sec 18 T31N R6W Mer NMP SME: BLM	
14. Distance in miles and direction from nearest town or post office* 24 MILES SOUTH, SOUTHEAST OF IGNACIO, CO.		12. County or Parish SAN JAUN	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		13. State NM	
16. No. of Acres in Lease 2560.00		17. Spacing Unit dedicated to this well 320.00 <u>E/2</u>	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file	
19. Proposed Depth 3616 MD 3329 TVD		21. Estimated duration	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6363 GL		22. Approximate date work will start	
23. Estimated duration		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CHARLES MUZZY	Date 04/06/2004
Title SR. STAFF OPERATIONS TECH		
Approved by (Signature) <u>[Signature]</u>	Name (Printed/Typed)	Date <u>4/26/04</u>
Title <u>AFM</u>	Office <u>FFO</u>	

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 #29329 verified by the BLM Well Information System
For DEVON ENERGY CORP., sent to the Farmington

DRILLING 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 **

OPERATOR

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 30-045-32280		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal		
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 438A	
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6363	

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
O	18	31 N	6 W		815	SOUTH	2545	EAST	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
O	18	31 N	6 W		1200	SOUTH	1500	EAST	SAN JUAN

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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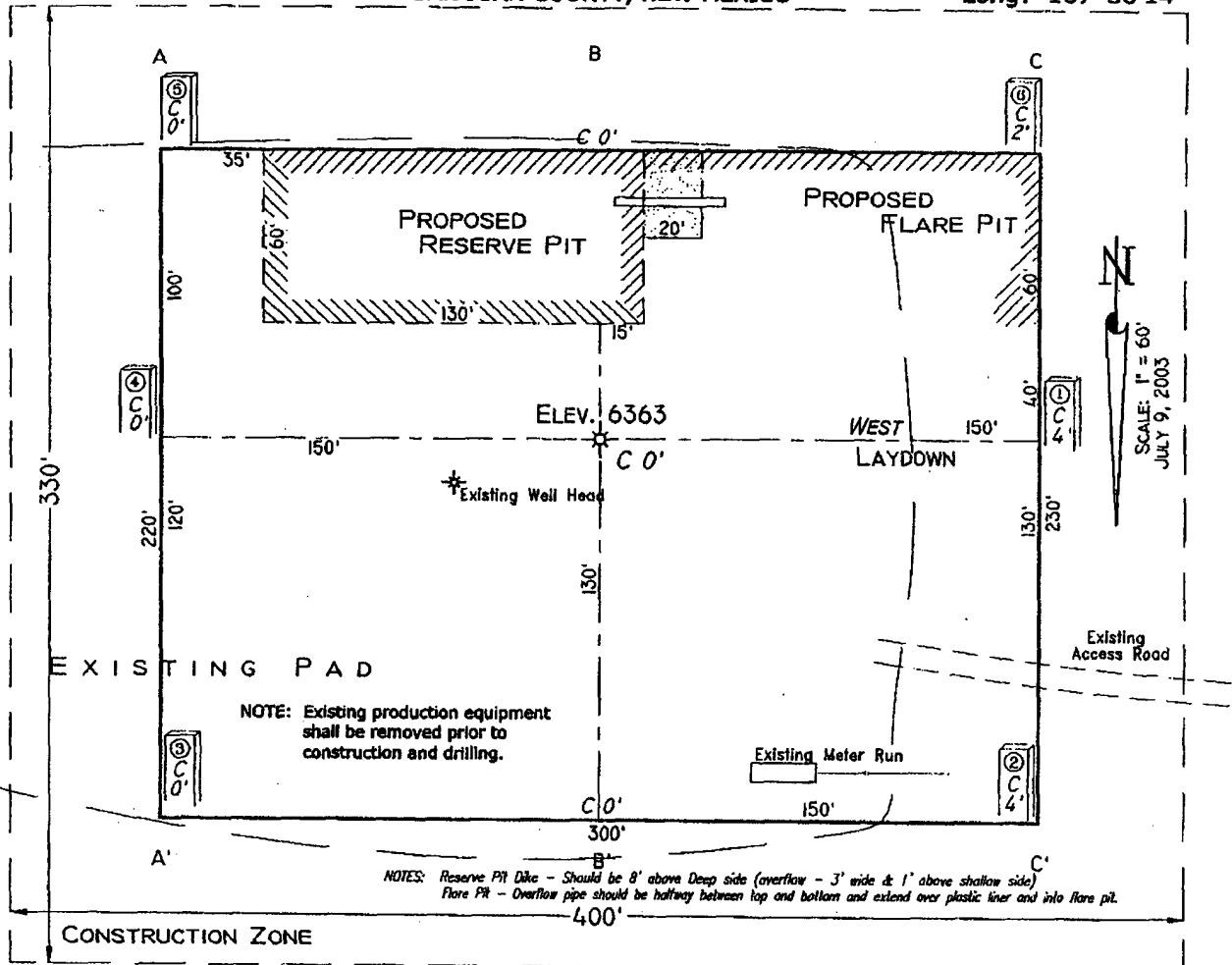
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>16</p> <p>527 (R)</p> <p>18</p> <p>528 (R)</p> <p>528 (R)</p> <p>528 (R)</p>	<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 <u>Charles Muzzy</u></p> <p>Printed Name <u>Charles Muzzy</u></p> <p>Title <u>SR Operations Tech</u></p> <p>Date <u>4-6-04</u></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>Date of Survey <u>July 9, 2003</u></p> <p>Signature and Seal of Professional Surveyor</p> <p> </p>
	<p>Bottom Hole Location 1200' F/SL 1500' F/EL</p> <p>2545'</p> <p>815'</p> <p>Azimuth - 69°47' 1114'</p>	<p>7016</p> <p>Certificate Number</p>

(R) - GLO Record

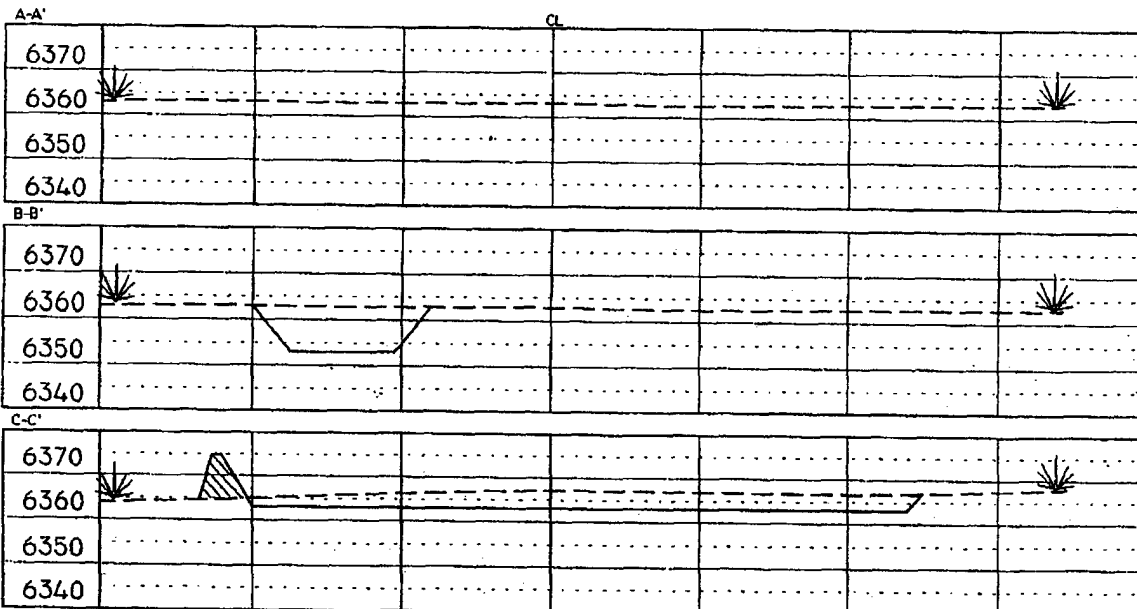
PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.
NEBU #438A
815' F/SL 2545' F/EL
SEC. 18, T31N, R6W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36°53'40"
 Long: 107°30'14"



Area of Construction Zone - 330'x400' or 1.03 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 sidelaps and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

**NEBU 438A
Unit O 18-31N-6W
San Juan Co., NM**

DRILLING PLAN

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

Formation	TVD (ft)	TMD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2318	2593	Aquifer
Kirtland	2434	2715	
Fruitland	2871	3158	Gas
Main PC Sand	3229	3516	Gas
PTD	3329	3616	

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 1000 psi.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

IVD	TMD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2871	0-3158	8-3/4"	7"	J-55	23#	LTC	New
0- TD	0- TD	6-1/4"	5-1/2"*	J-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.

*** Minor variations possible due to existing hole conditions**

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

Lead: 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite, ¼"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx.

Tail: 25 sx Class 'B'. 1.18 ft³/sx. *

Cement designed to circulate to surface.

Pending hole conditions, cement baskets may be installed above TD

** Minor variations possible due to existing hole conditions.*

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 ½ " liner will be cemented using 300 sacks class B 50/50 POZ, 3% gel, 5# gilsonite, ¼"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx. **

*** Minor variations possible due to existing hole conditions*

4. DRILLING FLUIDS PROGRAM:

TVS	TMD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-2871	285-3158	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2871 - TD	3158 - 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.