

District I
1625 N. Fitch Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Devon Energy Production Company, L.P. PO Box 6459 Navajo Dam, NM 87419		⁴ OGRID Number 6137	
³ Property Code 19641		⁵ API Number 30 - 45 - 32882	
² Property Name Northeast Blanco Unit		⁶ Well No. 338	
⁹ Proposed Pool 1 Blanco Mesaverde		¹⁰ Proposed Pool 2 Los Pinos Foothill Sand, Pictured Cliffs, South	

⁷ Surface Location

UL or lot no. D	Section 16	Township 31N	Range 7W	Lot Idn	Feet from the 790'	North/South line North	Feet from the 940'	East/West line West	County San Juan <input checked="" type="checkbox"/>
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⁸ Proposed 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
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Private State	¹⁵ Ground Level Elevation 6,637'
¹⁶ Multiple N	¹⁷ Proposed Depth 6,245'	¹⁸ Formation Blanco Mesaverde / Pictured Cliffs	¹⁹ Contractor	²⁰ Spud Date Unknown
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32#	0-285'	200	Surface
6 1/4"	4 1/2"	11.6#	0-TD	700	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OGD-approved plan ☐.

Printed name: Melisa Zimmerman

Title: Senior Operations Technician

E-mail Address: Melisa.zimmerman@dmn.com

Date: 2-7-05

Phone: 505-632-0244

OIL CONSERVATION DIVISION

Approved by:

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. 32

Approval Date:

FEB 10 2005

Expiration Date:

FEB 10 2006

Conditions of Approval Attached ☐

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 30-005-32882	2 Pool Code 80690/72319	3 Pool Name Los Pinos FS Pictured Cliffs / Blanco Mesaverde
4 Property Code 19641	5 Property Name NEBU	6 Well Number # 338
7 OGRID No. 6137	8 Operator Name Devon Energy Production Company, L.P.	9 Elevation 6637

10 Surface Location

UL or Lot No. D	Section 16	Township 31 N	Range 7 W	Lot Idn	Feet from the 790	North/South line NORTH	Feet from the 940	East/West line WEST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

12 UL or lot no.	13 Section	14 Township	15 Range	16 Lot Idn	17 Feet from the	18 North/South line	19 Feet from the	20 East/West line	21 County
320									
22 Dedicated Acres 320	23 Joint or Infill	24 Consolidation Code	25 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	5268 (R)	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. M.S. Zimmerman Signature M.S. Zimmerman Printed Name Senior Operations Technician Title 2-7-05 Date
940'	790'	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. October 13, 2004 Date of Survey GARY D. VENN Signature and Seal of Professional Surveyor 7016 Certificate Number
5280 (R)	16	
5279 (R)		

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
E-178-1

7. Lease Name or Unit Agreement Name

NORTHEAST BLANCO UNIT

8. Well Number
338

9. OGRID Number
6137

10. Pool name or Wildcat
Pictured Cliffs / Blanco Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Devon Energy Production Company, L.P.

3. Address of Operator
PO Box 6459, Navajo Dam, NM 87419

4. Well Location
Unit Letter D : 790' feet from the North line and 940' feet from the West line
Section 16 Township 31N Range 7W County - SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
GR 6,637'

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL D Sect 31N Twp 7W Rng Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'
Distance from nearest surface water >1000' Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: CONSTRUCT DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

14.
Devon Energy will be constructing a lined drilling pit. The closure of said pit will be in accordance with the NMOCD regulations with the cutting of the liner applying to the BLM rules.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE M.S. Zimmerman TITLE Sr. Operations Technician DATE 2-7-05

Type or print name Melisa Zimmerman E-mail address: Melisa.zimmerman@dvn.com Telephone No. 405-552-7917

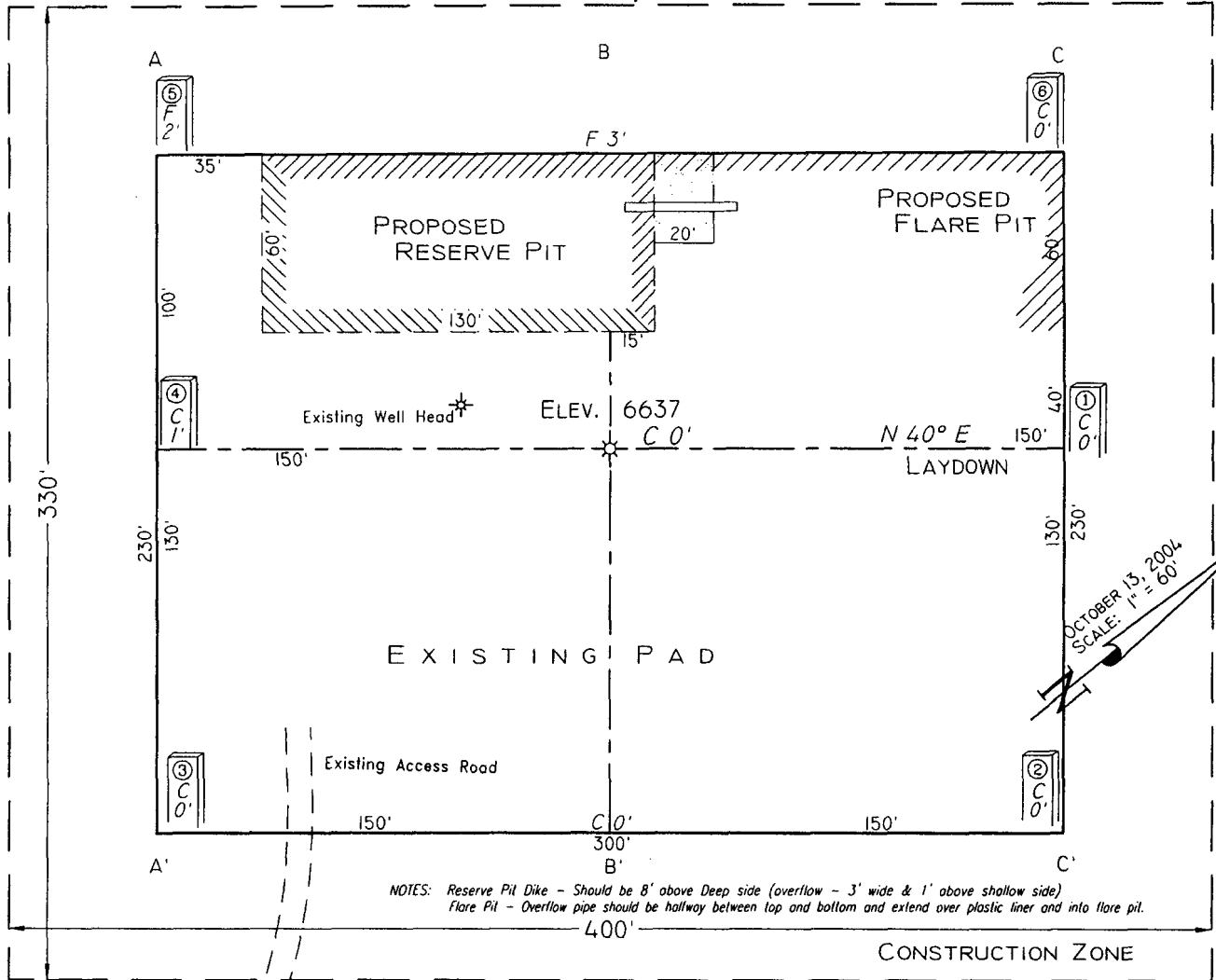
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APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE FEB 10 2005
Conditions of approval, if any:

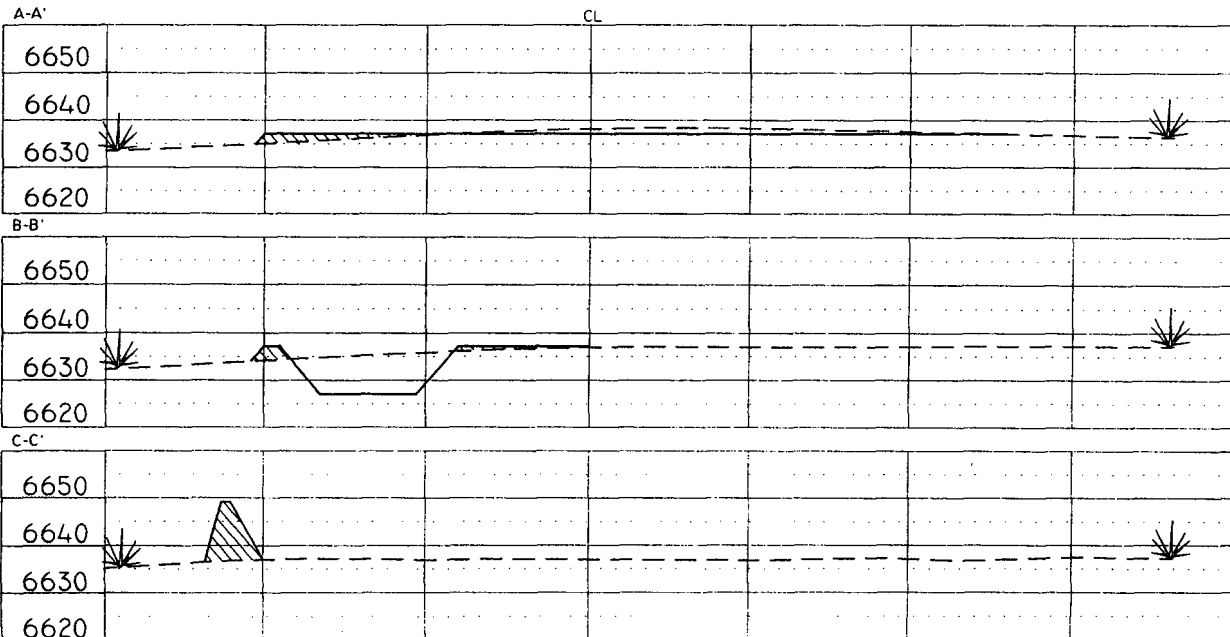
PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.

Nebu # 338
790' F/NL 940' F/WL
SEC. 16, T31N, R7W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36°54'16"
Long: 107°34'56"



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 sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
P. O. Box 1306
Farmington, NM

NEBU 338
Unit D 16-31N-7W
San Juan Co., NM

DRILLING PLAN

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

Formation	TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2427	Aquifer
Kirtland	2530	
Fruitland	3036	Gas
Pictured Cliffs Tongue	3466	Gas
Pictured Cliffs Main	3548	Gas
Lewis	3650	Gas
Intermediate TD	3750	
Mesaverde	4335	Gas
Chacra \ Otera	4745	Gas
Cliff House	5551	Gas
Menefee	5594	Gas
Point Lookout	5855	Gas
Mancos	6145	Gas
TD	6245	

*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:

TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-TD	6-1/4"	4-1/2"	J-55	11.6#	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)

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 3400' (estimated 25 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 100% Standard Cement, 2.00% CaCl₂, .25 #/sk Flocele. Density. 15.6 lb/gal; Yield: 1.18 cuft/sk; Water: 5.24 gal/sk *

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

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 conditions**

Production String:

4-1/2" Production casing cemented in an 6-1/4" hole
11.6# 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

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

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

If hole conditions dictate an alternate cement design will be used.

Lead: 500 Sx Of 50/50/Std/ Poz, Yd-1.45, Water Gal/Sk 6.8, Mixed @ 13ppg Foamed W/ N₂ Down To 9.0# Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.

Tail: 75 Sx50/50/Std/ Poz, Yd-1.45, Water Gal/Sk 6.8, Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.

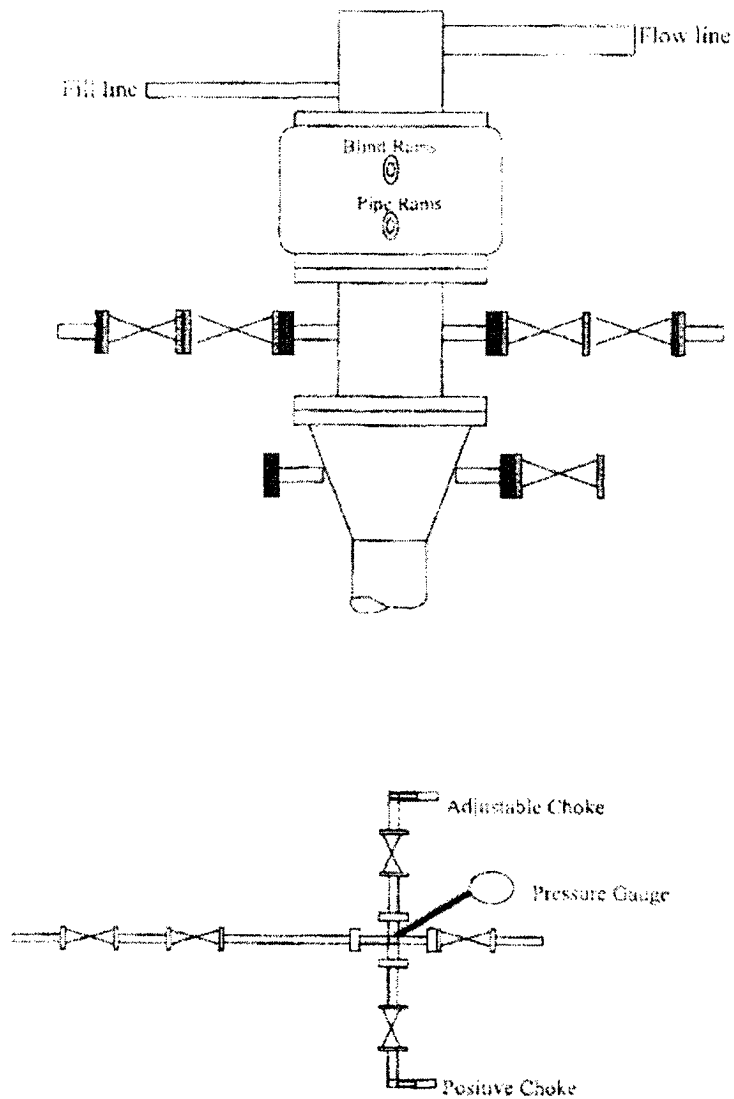
* **Minor variations possible due to existing conditions**

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-TD	LSND /Air	8.4-9.0	29-70	8.0	10-12	LCM as needed

NC = no control

Well Control Equipment 2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, BLM 43 CFR 3160 requirements for 2M systems.