

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2005 SEP 16 AM

APPLICATION FOR PERMIT TO DRILL OR REENTER RECEIVED

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SE079010
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 type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Company, L.P.		7. If Unit or CA Agreement, Name and No. Northeast Blanco Unit
3a. Address PO Box 6459 Farmington, NM 87419	3b. Phone No. (include area code) 505-632-0244	8. Lease Name and Well No. NEBU 339
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface Unit P, SE SE, 1,140' FSL & 1,045' FEL At proposed prod. zone Unit M, SW SW, 1,140' FSL & 200' FWL		9. API Well No. 30-045-33339
14. Distance in miles and direction from nearest town or post office* Approximately 14.1 miles		10. Field and Pool, or Exploratory Blanco Mesaverde/Pictured Cliffs
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,045'	16. No. of acres in lease 2,560	11. Sec., T. R. M. or Blk. and Survey or Area P Sec. 26, T31N, R7W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 5,954'	12. County or Parish NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6,334'	22. Approximate date work will start* 11/13/2005	13. State NM
17. Spacing Unit dedicated to this well. 320 AC MV 25, 31N, 7W 160 Acres PL 50/4 160		
20. BLM/BIA Bond No. on file		
23. Estimated duration Unknown		

24. Attachments

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

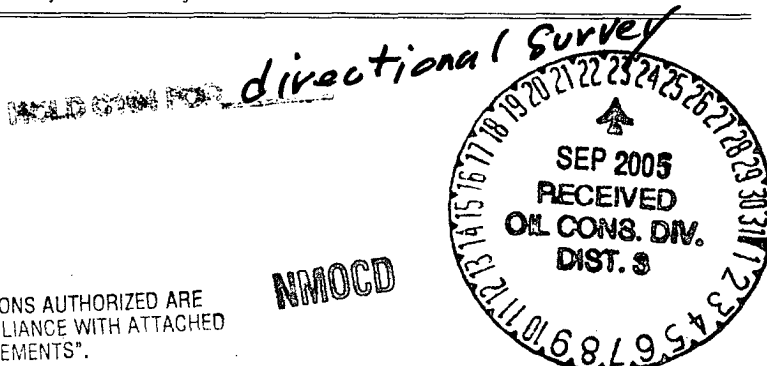
- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).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

25. Signature <i>M.S. Zimmerman</i>	Name (Printed/Typed) Melisa Zimmerman	Date 9-13-05
Title Senior Operations Technician		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 9/21/05
Title PFO		

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 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.

*(Instructions on page 2)



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

2005 SEP 16 AM 8 17 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-33339		2 Pool Code 72319/80690		3 Property Name Blanco Mesaverte / S Los Pinos Fm / sd Pictured Cliffs	
4 Property Code 19641		5 Property Name NEBU		6 Well Number # 339	
7 OGRID No. 46137		8 Operator Name Devon Energy Production Company, L.P.		9 Elevation 6334	

10 Surface Location

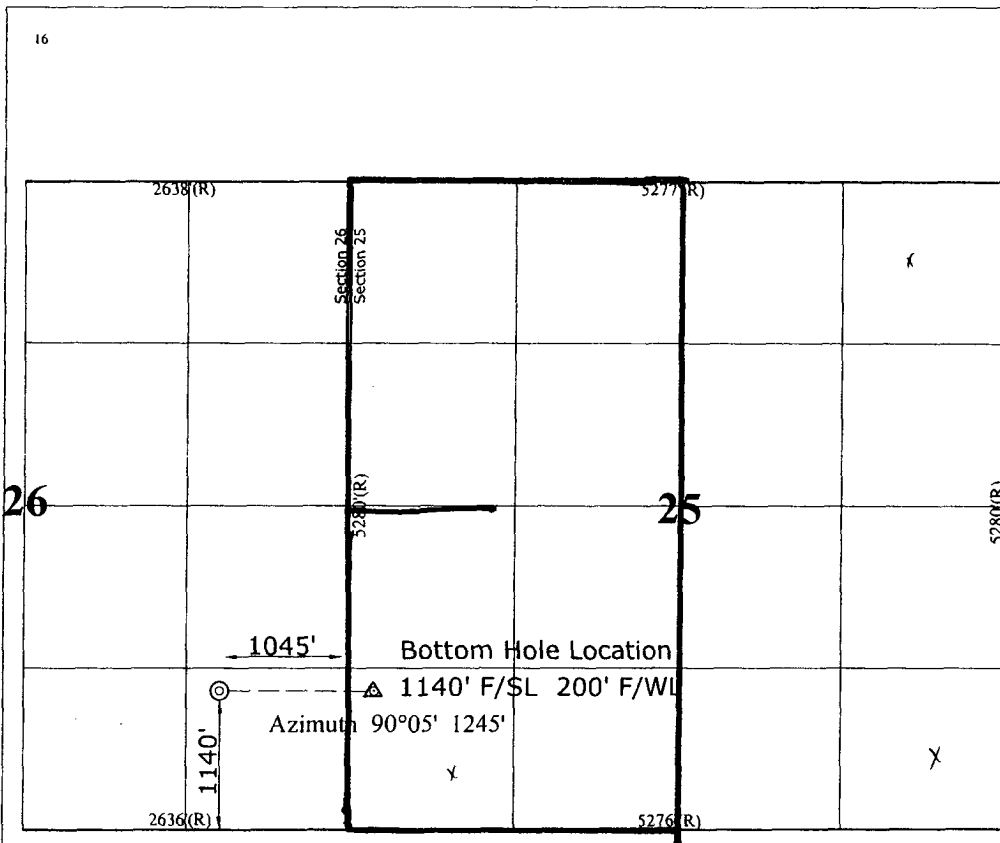
UL or Lot No. P	Section 26	Township 31 N	Range 7 W	Lot Idn	Feet from the 1140	North/South line SOUTH	Feet from the 1045	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no. M	Section 25	Township 31 N	Range 7 W	Lot Idn	Feet from the 1140	North/South line SOUTH	Feet from the 200	East/West line WEST	County SAN JUAN
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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



17 OPERATOR CERTIFICATION

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

Signature: *M.S. Sli*
Printed Name: *Melissa Zimmerman*
Title: *SR. Operations Technician*
Date: *September 13, 2005*

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.

Revised June 23, 2005
November 17, 2004

Date of Survey

Signature and Seal of Professional Surveyor

GARY D. VANN
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
7016
Certificate Number

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.
30-045-33339

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
SF 079010

7. Lease Name or Unit Agreement Name

NORTHEAST BLANCO UNIT

8. Well Number
339

9. OGRID Number
6137

10. Pool name or Wildcat
Blanco Mesaverde/S L. P F/S Pictured Cliffs

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 P : 1,140' feet from the South line and 1,045' feet from the East line

Section 26 Township 31N Range 7W NMPM County - SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
GR 6,334'

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

Pit Location: UL P Sect 26 Twp 31N Rng 7W Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well 200'

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 9-13-05

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

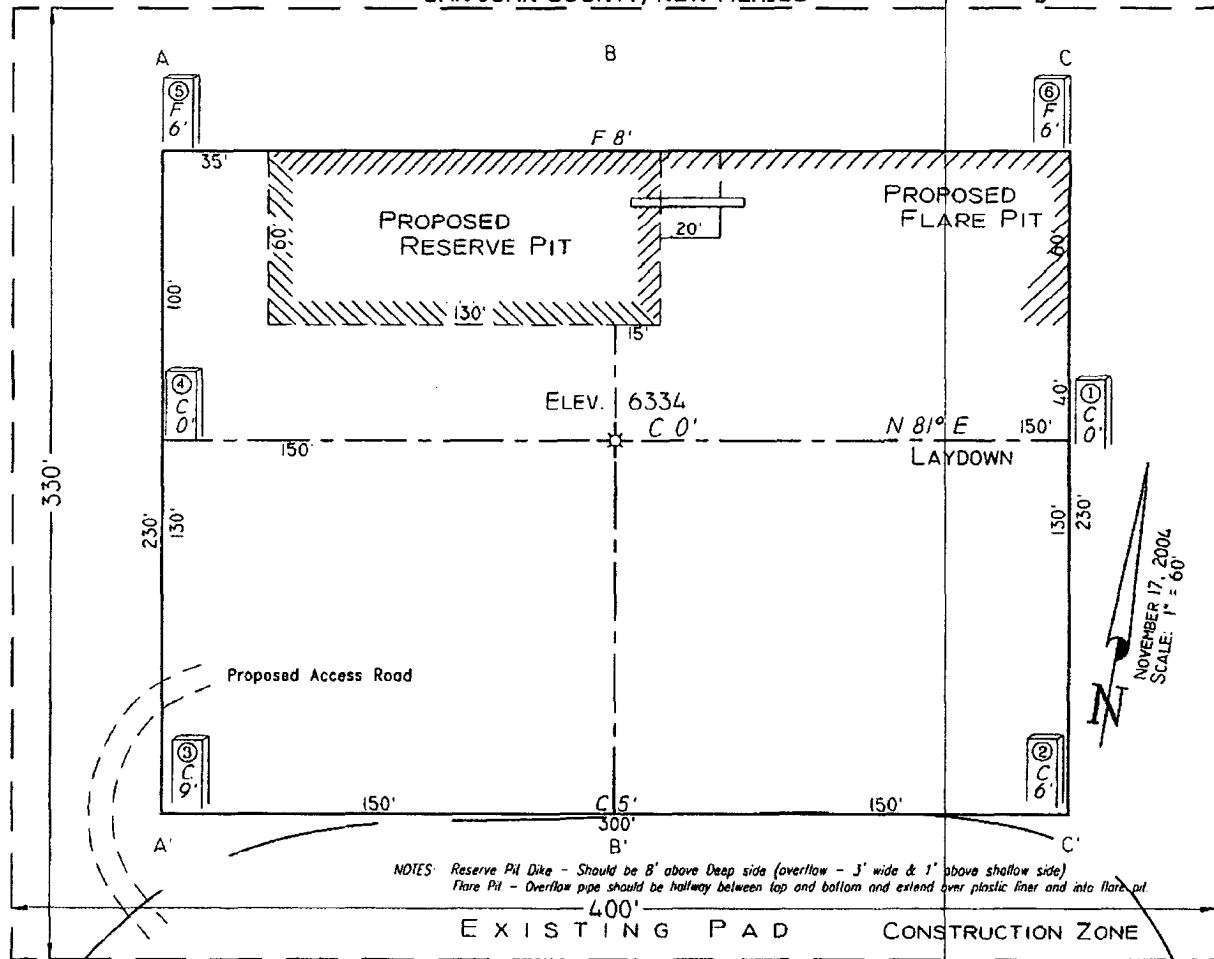
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE SEP 23 2005
Conditions of approval, if any:

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

Nebu # 339
 1140' F/SL 1045' F/EL
 SEC. 26, T31N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°51'59"
 Long: 107°32'08"

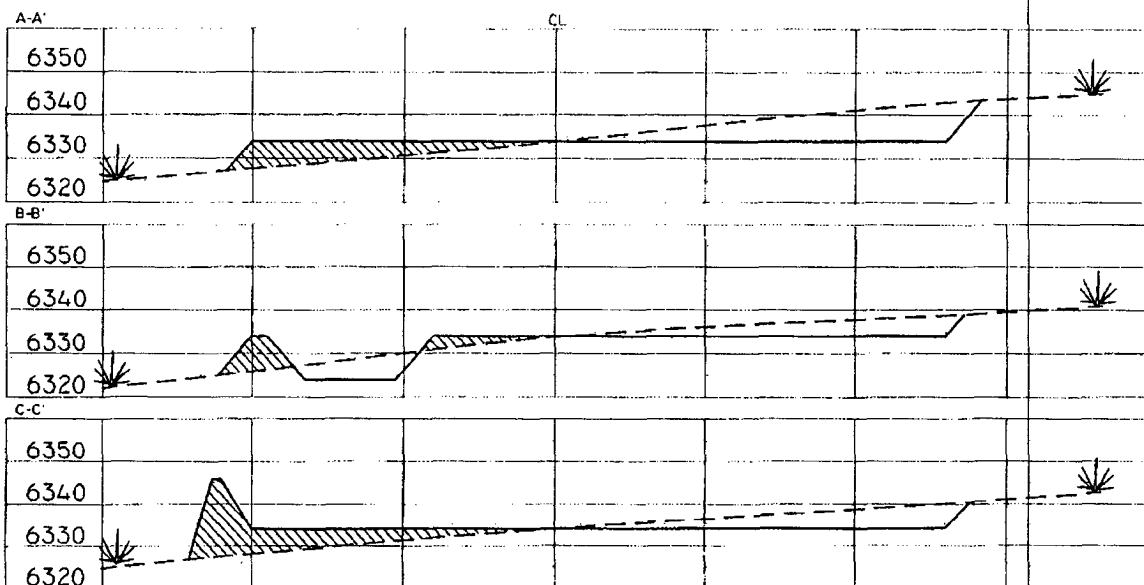


NOTES: Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
 Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit

EXISTING PAD CONSTRUCTION ZONE

Area of Construction Zone - 330'x400' or 3.03 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 side slopes and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

07/26/2005 09:14AM

NEBU 339
Unit P 26-T31N-R7W
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	2226	2451	Aquifer
Kirtland	2329	2571	
Fruitland	2785	3075	Gas
Pictured Cliffs Tongue	3150	3448	Gas
Pictured Cliffs	3262	3561	Gas
Lewis	3356	3655	Gas
Intermediate TD	3456	3755	
Mesaverde	4006	4305	Gas
Chacra \ Otera	4393	4692	Gas
Cliff House	5200	5499	Gas
Menefee	5239	5538	Gas
Point Lookout	5510	5809	Gas
Mancos	5854	6153	Gas
TD	5954	6253	

*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

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:

Logs: Density
Neutron
Induction

In the event open hole logs are not run in the well, a cased hole evaluation log will be run from

Survey: Deviation surveys will be taken every 500' of the 8 3/4" hole, or first succeeding bit change. The hole will be air drilled from intermediate TD – well TD. The equipment used in this type of operation will not allow for single shot surveys without considerable operational delays. A survey will be taken at TD. Similar wells in this area have not shown significant deviation in this section of the hole.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered within the 8 3/4" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

7. OTHER INFORMATION:

The anticipated starting date and duration of the operation will be as follows:

Starting Date:	Upon Approval
Duration:	20 days

If the well is completed as a dry hole or as a producer, Well Completion or Recompletion Report and Log (Form 3160-4) will be submitted within 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3160. Copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, daily drilling reports, daily completion reports, and all other surveys or data obtained and compiled during the drilling, completion, and/or workover operations, will be submitted directly to the Authorized Officer or filed with Form 3160-4.

Company: Devon Energy
Lease/Well: NEBU 339
Location: San Juan County
State/Country: NM

