Form 3160 -3 (April 2004)

OMB No. 1004-0137 Expires March 31, 2007 UNITED STATES THE DEPARTMENT OF THE INTERIOR Lease Serial No

SF 080557

FORM APPROVED

BUREAU OF LAND MANAGEMENT 6. If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR RECEIVED 7. If Unit or CA Agreement, Name and No. **✓** DRILL la. Type of work: REENTER Northeast Blanco Unit 8. Lease Name and Well No. Single Zone Multiple Zone lb. Type of Well: Oil Well Gas Well NEBU 42F Name of Operator Devon Energy Production Company, L.P. 3a. Address PO Box 6459 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory Farmington, NM 87419 505-632-0244 Basin Dakota 11. Sec., T. R. M. or Blk. and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.*, 265' FSL & 2,988' FEL, Unit N, SE SW Sector 19 At surface N Sec. 19, T31N, R7W At proposed prod. zone 640' FNL & 2,700' FEL, Unit C, NE NW, Section 30, T314874 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* Approximately 30.9 miles San Juan NM 17. Spacing Unit dedicated to this well Distance from proposed* 16. No. of acres in lease location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)

265 320 Acres 259.82 Acres R-2046 20. BLM/BIA Bond No. on file 18. Distance from proposed location* to nearest well, drilling, completed, 19. Proposed Depth 8,097 MD applied for, on this lease, ft. 22. Approximate date work will start* Elevations (Show whether DF, KDB, RT, GL, etc.) 23. Estimated duration GR 6.318' 09/27/2005 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: 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification SUPO shall be filed with the appropriate Forest Service Office). Such other site specific information and/or plans as may be required by the authorized officer. 25. Signature Name (Printed/Typed) Date Melisa Zimmerman Title Senior Operations Technician Approved by (Signatu Name (Printed/Typed) Title Office 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.

*(Instructions on page 2)

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 ag States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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





District I PO Box 1980, Hobbs NM 88241-1980

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994

Instructions on back

District II PO Drawer KK, Artesia, NM 87211-0719

OIL CONSERVATION DIVISION PO Box 2088

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088 Santa Fe, NM 87504-2088 AUG 2 PM 12 31

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT NM

API Number	² Pool	Code 3 Poo	l Name
30.045-33	264 7159	99 Basin Dakota	
Property Code		⁵ Property Name	⁶ Well Number
19441	NEBU		# 42F
OGRID No.		⁸ Operator Name	⁹ Elevation
4637	Devon Energ	y Production Company, L.P.	6318

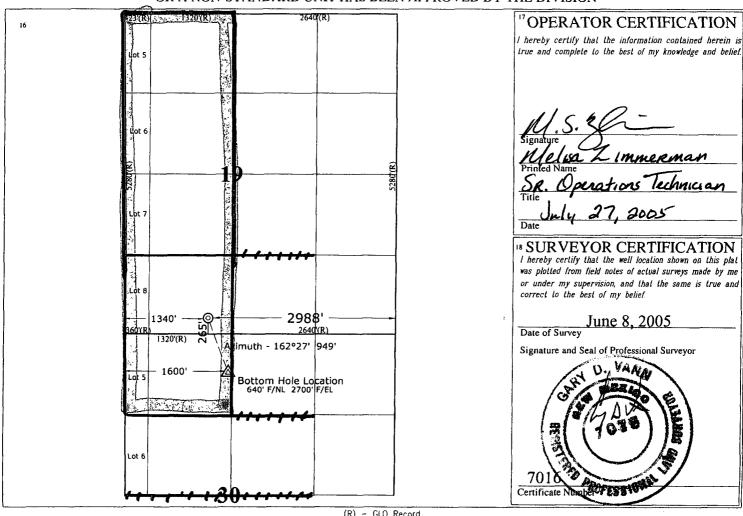
¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	31 N	7 W		265	SOUTH	2988	EAST	SAN JUAN

"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
C	30	31 N	7 W		640	NORTH	2700	EAST	SAN JUAN
12 Dedicated Acre	s ⁽⁾ Join	t or Infill	Consolidatio	n Code	Order No.			······································	
259.82					R-2046	•			

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



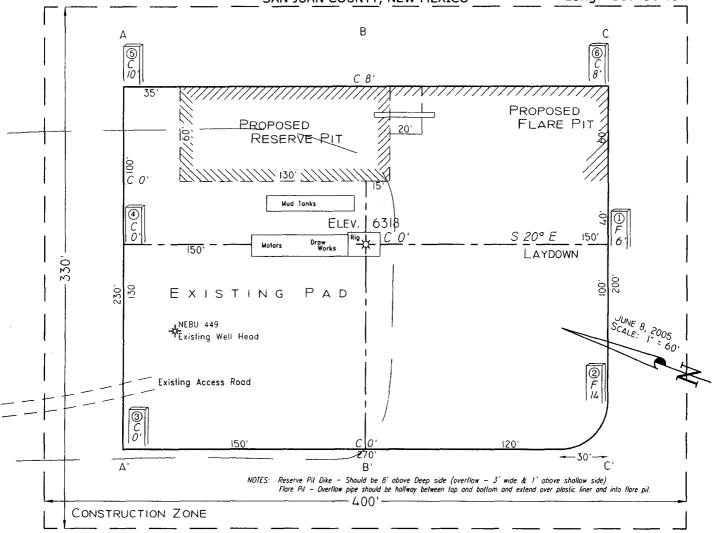
Submit 3 Copies To Appropriate District	State of New M	exico		Form C-103
Office District 1	Energy, Minerals and Nat	ural Resources		March 4, 2004
1625 N. French Dr., Hobbs, NM 88240	-		WELL API NO.	- 33264
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION	N DIVISION	5. Indicate Type	of Lease
District III	1220 South St. Fra	ncis Dr.	STATE	FEE
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 8	7505	6. State Oil & G	
1220 S. St. Francis Dr., Santa Fe, NM 87505			SF 080557	
	CES AND REPORTS ON WELL	S	7. Lease Name of	or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOS				
DIFFERENT RESERVOIR. USE "APPLIC PROPOSALS.)	NORTHEAST I			
1. Type of Well:	8. Well Number 42F			
Oil Well Gas Well	Other			
2. Name of Operator			9. OGRID Num	ber
	ergy Production Company, L.P.		6137 10. Pool name o	r Wildoot
3. Address of Operator PO Box 6459, Navajo Dam, NM	87419	'	Basin Dakota	Wildcat
4. Well Location				
Unit LetterN_:_265	'feet from theSouth lin	e and2,988'fe	et from theEast	_line
Section 19 Townsh	nip 31N Range 7W	NIMBM	County SANI	TIANI
	11. Elevation (Show whether Di		County - SAN J	UAIN
	GR 6,318'	., 1410, 111, 511, 610.)		
Pit or Below-grade Tank Application (For			_	
Pit Location: ULSectTwp	RngPit typeDrilling_Dep	oth to Groundwater_>100	'_Distance from near	rest fresh water well_>1000'_
Distance from nearest surface water	Below-grade Tank Location UL	SectTwp	Rng;	;
feet from theline and	feet from theline			
			· · · · · · · · · · · · · · · · · · ·	
12. Check A	appropriate Box to Indicate	Nature of Notice,	Report or Other	r Data
NOTICE OF IN			SÉQUENT RE	
PERFORM REMEDIAL WORK	PLUG AND ABANDON 🔲	REMEDIAL WOR	< □	ALTERING CASING 🗌
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRI	LLING OPNS.	
PULL OR ALTER CASING	MULTIPLE	CASING TEST AN	ID 🗆	ABANDONMENT
, det or , let en or on on o	COMPLETION	CEMENT JOB		
OTHER: CONSTRUCT DRILLING	PIT 🛛	OTHER:		П
	eted operations. (Clearly state al		l give pertinent de	tes including estimated date
	rk). SEE RULE 1103. For Multi			
or recompletion.	,	•		1 1
14.		A. 553		
	constructing a lined drilling			
with the NMOCD reg	ulations with the cutting o	the liner applyi	ng to the BLM	rules.
I hereby certify that the information	above is true and complete to the	hest of my knowledge	and helief I furt	her certify that any nit or holow-
grade tank has been/will be constructed or	closed according to NMOCD guidelines	⊠, a general permit □	or an (attached) alter	native OCD-approved plan .
SIGNATURE M.S. 3	A ITIT	Sr. Operations Tecl	nician	DATE 7-27-05
				DATE
Type or print name Melisa Zimme	rman E-mail address: Mel	sa.zimmerman@dvn	com Telephon	e No. 405-552-7917
(This among fam Charles are)				
(This space for State use)	. /			MOU A A AA
APPPROVED BY	TITI H	en er a eas mu r	ZICL, (23). (L	DATE DATE 2005
Conditions of approval, if any:	M			DATE

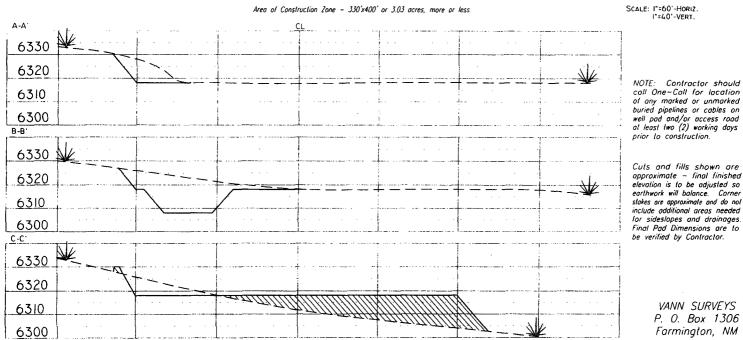
PAD LAYOUT PLAN & PROFILE DEVON ENERGY PRODUCTION COMPANY, L.P.

Nebu # 42F 265' F/SL 1340' F/WL SEC. 19, T31N, R7W, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO

36.8786° Lat: Long: 107.6136°

Lat: 36°52'43" Long: 107°36'49"





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.

> P. O. Box 1306 Farmington, NM

NEBU 42F Unit N 19-31N-7W San Juan Co., NM

DRILLING PLAN

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

Formation	TVD (ft)	TMD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2122	2271	Aquifer
Kirtland	2233	2392	
Fruitland	2732	2915	Gas
Pictured Cliffs Tongue	3176	3364	Gas
Pictured Cliffs Main	3235	3423	Gas
Lewis	3331	3519	Gas
Intermediate TD	3431	3619	
Huerfanito Bentonite	3995	4183	Gas
Chacra \ Otera	4370	4558	Gas
Cliff House	5161	5349	Gas
Menefee	5221	5409	Gas
Point Lookout	5517	5705	Gas
Mancos	5915	6103	Gas
Gallup	6837	7025	Gas
Greenhorn	7537	7725	
Graneros	7591	7779	Gas
Dakota	7710	7898	Gas
Paguate	7720	7908	
Cubero	7750	7938	
Oak Canyon	7808	7996	
Encinal Canyon	7825	8013	

Lower Encinal Canyon	7859	8047	
TD	7909	8097	

^{*}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 precharge 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	TMD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285'	0-285'	12- 1/4"	9-5/8"	H-40	32#	STC	New
0-3431	0-3619	8-3/4"	7"	K-55	23#	LTC	New
0- TD	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)

<u>Intermediate</u>: 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).

<u>Production</u>: The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 3500' (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 sx Class "B" with 100% Standard Cement, 2.00% CaCl2, .25 #/sx Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sx; Water: 5.24 gal/sx

* Minor variations possible due to existing conditions

Intermediate String:

Cement will be circulated to surface.

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

Tail: 75 sx 50/50 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

If hole conditions dictate, an alternate, cement design will be used:

Lead: 575 sx 50/50 Poz with 50% Class B Cement, 50% San Juan Poz, .4% Halad-344, .1% CFR-3, 3% Bentonite, 5#/sx Gilsonite, .25#/sx Flocele. Density: 13.0 lb/gal; Yield: 1.46 cuft/sx; Water: 6.42 gal/sx

Tail: 75 sx 50/50 Poz with 94#/sx Standard Cement, 0.3% Halad-344, .25 #/sx Flocele. Density. 15.6 lb/gal; Yield: 1.18 cuft/sx; Water: 5.23 gal/sx

* Minor variations possible due to existing conditions

Production String:

TOC designed to circulate 1000' into intermediate string, cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

Lead: 250 sx 50/50 Poz with 2% Gel, 0.2% Halad, 0.1% CFR-3, 5 #/sx Gilsonite, 0.25 #/sx Flocele. Mixed at 13 ppg, 1.47 ft 3/sx foamed to 9 ppg, 2.18 ft 3/sx.

Tail: 450 sx 50/50 Poz with 50% Standard Cement, 50% San Juan Poz, 3% Bentonite, 1.40% Halad-9, .10% CFR-3, .10% HR-5, 5 #/sx Gilsonite, 0.25 #/sx Flocele. Density: 13.0 lb/gal; Yield: 1.47 cuft/sx; Water: 6.35 gal/sx *

* Minor variations possible due to existing conditions

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

4. DRILLING FLUIDS PROGRAM:

TVD Interval	TMD Interval	Туре	Weight (ppg)	Viscosity	рН	Water Loss	Remarks
0-285'	0-285'	Spud- foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
285'-3,431'	285'-3,619'	Air				NC	
3,431' - TD	3,619' - TD	Air/N2 or Mud	8.5-9.0*	30-50	8.0-10.0	8-810cc @ TD	Low solids- non-dispersed. * min Wt. to control formation pressure

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.

Survey:

Deviation surveys will be taken every 500' from 0-TD or first succeeding bit change. The hole will be air drilled from intermediate casing point to 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 in 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.

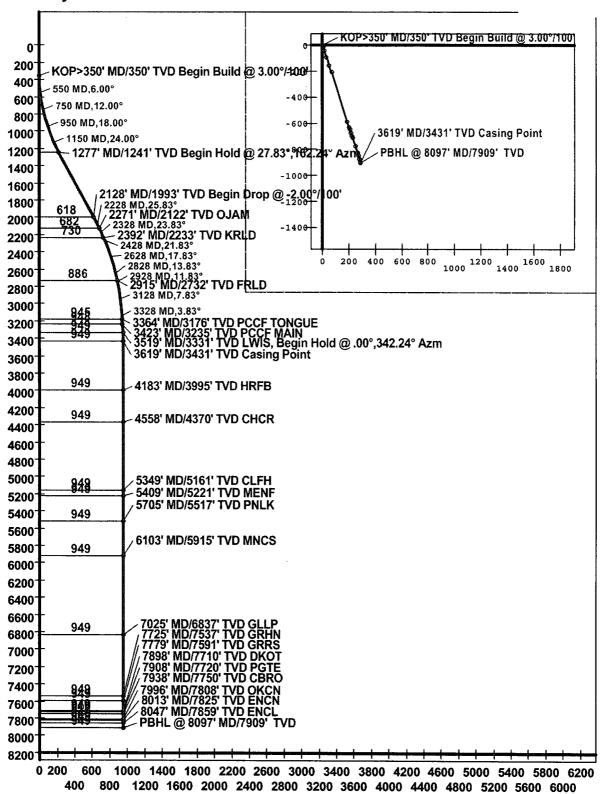
7. OTHER INFORMATION:

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

Company: Devon Energy Lease/Well: NEBU 42F Location: San Juan County

State/Country: NM





Well Control Equipment 2,000 psi Configuration

