

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. SF-079082-A |
| 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 Company, L.P. | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address PO Box 6459, Navajo Dam, NM 87419 | 3b. Phone No. (include area code) 505-632-0244 | 8. Lease Name and Well No. NEBU 471A |
| 4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1150' FSL, 1840' FEL At proposed prod. zone | | 9. API Well No. 30-045-33159 |
| 14. Distance in miles and direction from nearest town or post office* 24 Miles South, Southeast of Ignacio, CO | | 10. Field and Pool, or Exploratory Basin Fruitland Coal |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) | 16. No. of acres in lease | 11. Sec., T, R, M. or Blk. and Survey or Area Sec 18 T31N R8W 25 |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 3483' TVD | 12. County or Parish San Juan |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6472' GL | 22. Approximate date work will start* | 13. State NM |
| 17. Spacing Unit dedicated to this well E/2 308.65 | | |
| 20. BLM/BIA Bond No. on file | | |
| 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:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 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. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|-----------------------------------|------------------------------------------|------------------|
| 25. Signature <i>M.S. Zimm</i> | Name (Printed/Typed) Melisa Zimmerman | Date 10-26-04 |
| Title Senior Operations Tech. | | |

| | | |
|-----------------------------------------------|-----------------------------|-----------------|
| Approved by (Signature) <i>[Signature]</i> | Name (Printed/Typed) FEO | Date 9/26/05 |
| Title AEM | | |

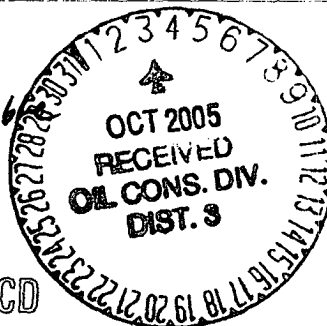
Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1061 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.

HOLD C104 FOR

New C-102 - scanable copy
+ New Bop diagram



NMOCD

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

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

2005 JUN 10 PM 1 26
RECEIVED
OTO FARMINGTON NM

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RECEIVED
070 FARMINGTON NH
2005 JUN 10 PM 1 26

1840

0511-

OPERATOR CERTIFICATION

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

Signature
Melisa Zimmerman
Printed Name
Senior Operations Tech.
Title
10-24-04
Date

SURVEYOR CERTIFICATION

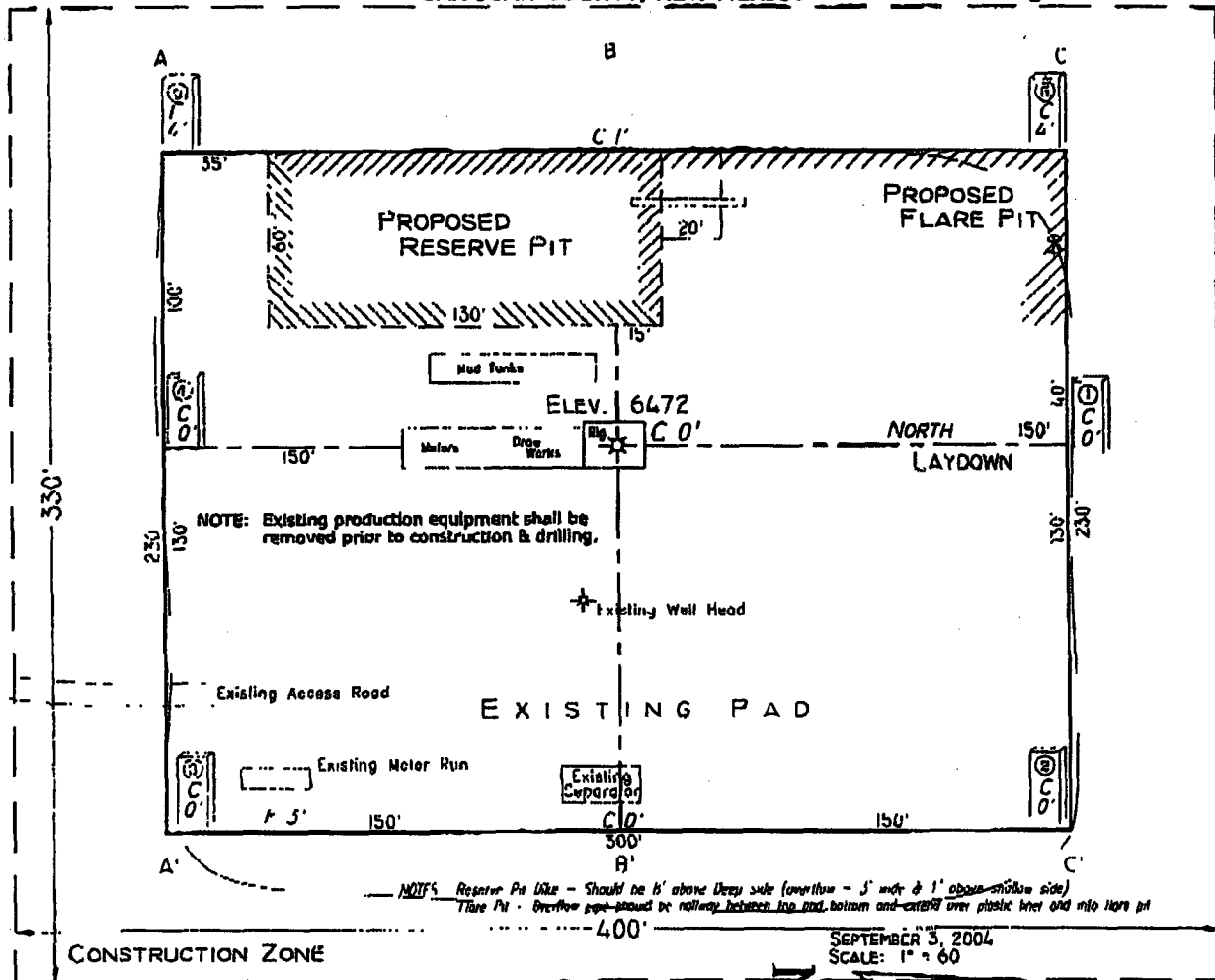
I hereby certify that the information shown on this plan was obtained from best sources available, and that the same is true and correct to the best of my belief.

September 3, 2004
Date of Survey
Signature and Seal of Professional Surveyor

7016

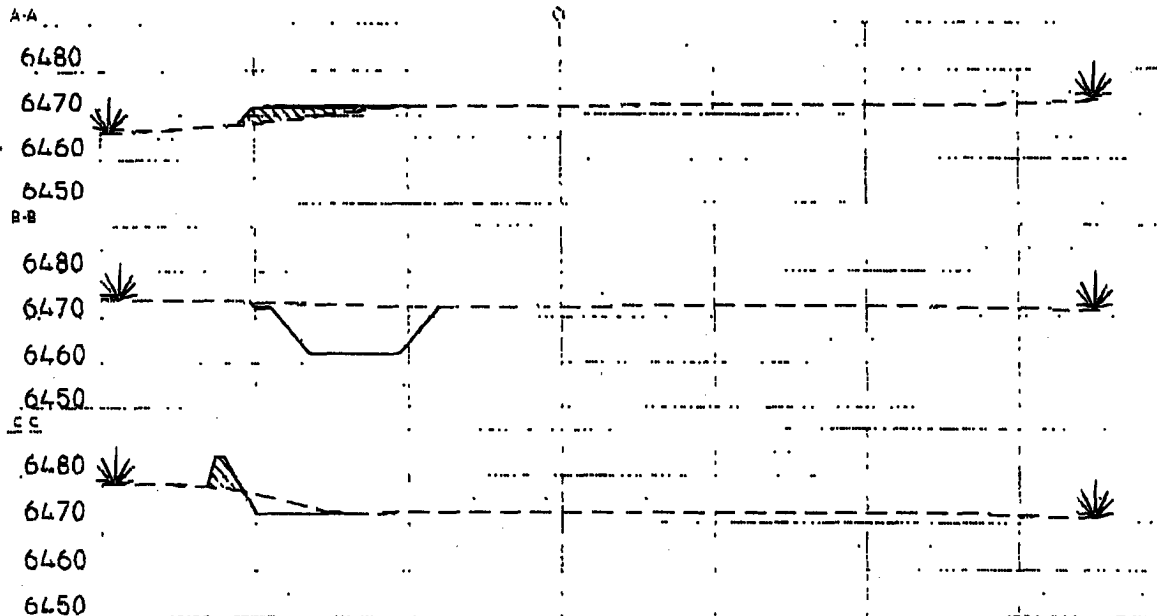
PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.
 Ncbu # 471A
 1150' F/SL 1840' F/EL
 SEC. 25, T31N, R8W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°51'53"
 Long: 107°37'28"



Area of Construction Zone - 330'x400' or 0.03 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 utilities 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

**NEBU 471A
Unit O 25-31N-8W
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 | 2283 | Aquifer |
| Kirtland | 2383 | |
| Fruitland | 2897 | Gas |
| Pictured Cliffs | 3383 | Gas |
| PTD | 3483 | |

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 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 |
| 0-2897 | 8-3/4" | 7" | J-55 | 23# | LTC | New |
| 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.

Production String: 7" Production casing cemented in an 8-3/4" hole
23# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe

Lead cement with 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 cement with 75 sacks Class B, with 0.4% Halad 344, 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 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:

| TVD | Type | Weight (ppg) | Viscosity | pH | Water Loss | Remarks |
|-----------|------|--------------|-----------|-----|------------|----------------|
| 0-285 | Spud | 8.4-9.0 | 29-70 | 8.0 | NC | FW gel, |
| 285-2897 | LSND | 8.4-9.0 | 29-70 | 8.0 | 10-12 | LCM as needed |
| 2897 - 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.

Survey: Deviation surveys will be taken every 500' from 0-TD of 8 ¾" hole or first succeeding bit change.

Cores: None anticipated.

Well Control Equipment 2,000-psi Configuration

