

District I  
1625 N. French 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**

<sup>1</sup> Operator Name and Address Devon Energy Production Company, L.P. PO Box 6459 Navajo Dam, NM 87419		<sup>2</sup> OGRID Number 6137
<sup>3</sup> Property Code 19641	<sup>4</sup> Property Name Northeast Blanco Unit	<sup>5</sup> Well No. 427A
<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal 71629		<sup>10</sup> Proposed Pool 2

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	30N	7W		1,800'	South	580'	West	Rio Arriba

**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
E	16	30N	7W		1,580'	North	1,020'	West	Rio Arriba

**Additional Well Information**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 6,311'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 4,143'	<sup>18</sup> Formation Fruitland Coal	<sup>19</sup> Contractor	<sup>20</sup> Spud Date Unknown
Depth to Groundwater >100'		Distance from nearest fresh water well >1,000'		Distance from nearest surface water 1,000' >200'
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"/>				

**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
8 3/4"	7"	23#	0-3,556'	575	Surface
6 1/4"	5 1/2"	15.5#	3,606'-TD	700	Surface

<sup>22</sup> 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.

HOLD C194 FOR Directional survey



<sup>23</sup> 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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OGD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION</b>	
Sign: <u>M. Zimmerman</u>		Approved by: <u>[Signature]</u>	
Printed name: Melisa Zimmerman		Title: <u>DEPUTY OIL &amp; GAS INSPECTOR, DIST. 8</u>	
Title: Senior Operations Technician		Approval Date: <u>APR 11 2006</u> Expiration Date: <u>APR 11 2007</u>	
E-mail Address: Melisa.zimmerman@dvnm.com			
Date: <u>4-6-06</u>	Phone: 505-632-0244	Conditions of Approval Attached <input type="checkbox"/>	

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

<sup>1</sup> API Number <b>30-039-29871</b>	<sup>2</sup> Pool Code <b>74629</b>	<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>
<sup>4</sup> Property Code <b>19641</b>	<sup>5</sup> Property Name <b>NEBU</b>	<sup>6</sup> Well Number <b># 427A</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>Devon Energy Production Company, L.P.</b>	<sup>9</sup> Elevation <b>6311</b>

<sup>10</sup> Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>16</b>	<b>30 N</b>	<b>7 W</b>		<b>1800</b>	<b>SOUTH</b>	<b>580</b>	<b>WEST</b>	<b>Rio Arriba</b>

<sup>11</sup> 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
<b>E</b>	<b>16</b>	<b>30 N</b>	<b>7 W</b>		<b>1580</b>	<b>NORTH</b>	<b>1020</b>	<b>WEST</b>	<b>Rio Arriba</b>

<sup>12</sup> Dedicated Acres <b>320-W/2</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<div><p>Bottom Hole Location 1580' F/NL 1020' F/WL</p><p>Azimuth - 12°59' 1950'</p><p>580'</p><p>1800'</p></div>	<div><p><b>16</b></p></div>	<div><p><sup>17</sup> 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><i>M.S. G.</i> Signature <b>Melisa S. Zimmerman</b> Printed Name <b>S.A. Operations Technician</b> Title <b>March 22, 2006</b> Date</p><p><sup>18</sup> 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>Revised BHL Footage: January 5, 2006 <b>September 20, 2004</b> Date of Survey</p><p>Signature and Seal of Professional Surveyor</p><p><b>GARY D. VANN</b> <b>NEW MEXICO</b> <b>REGISTERED PROFESSIONAL SURVEYOR</b> <b>4016</b></p><p><b>7016</b> Certificate Number</p></div>
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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  
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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. <u>30-039-29871</u>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-178-1

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 L : 1,800' feet from the South line and 580' feet from the West line

Section 16 Township 30N Range 7W NMPM County - Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
GR 6,311'

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

Pit Location: UL L Sect 16 Twp 30N Rng 7W 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 4-6-06

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

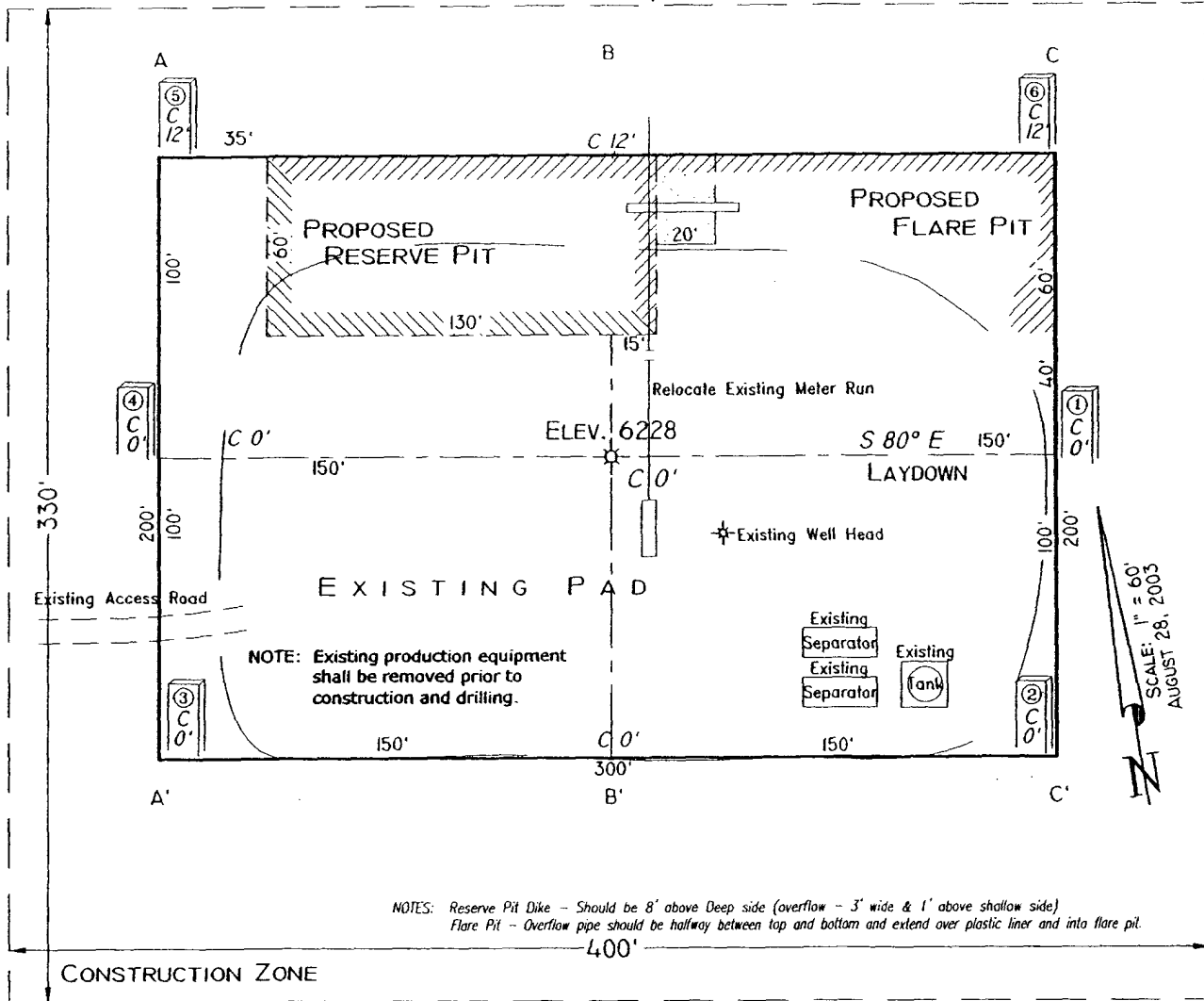
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 03 DATE APR 11 2006

Conditions of approval, if any:

**PAD LAYOUT PLAN & PROFILE**  
**DEVON ENERGY PRODUCTION COMPANY, L.P.**  
 NEBU # 427A  
 180' F/NL 1020' F/WL  
 SEC. 16, T30N, R7W, N.M.P.M.  
 RIO ARriba COUNTY, NEW MEXICO

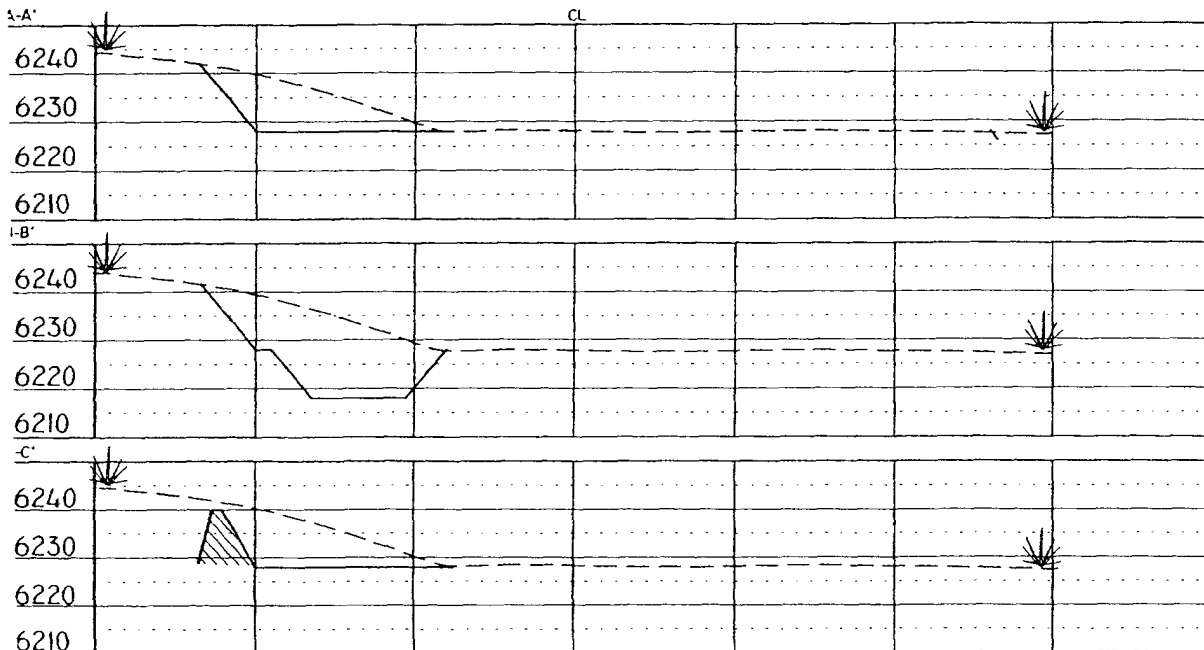
36.819444  
 107.581944  
 Lat: 36°49'10"  
 Long: 107°34'55"



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.

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

VANN SURVEYS  
 P. O. Box 1306  
 Farmington, NM

**NEBU 427A  
Unit D 16-30N-7W  
Rio Arriba Co., NM**

**DRILLING PLAN**

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

<b>Formation</b>	<b>TVD (ft)</b>	<b>TMD (ft)</b>	<b>Hydrocarbon/Water Bearing Zones</b>
San Jose	Surface	Surface	
Ojo Alamo	2113	2963	Aquifer
Kirtland	2224	3093	
Fruitland	2664	3556	Gas
Pictured Cliffs	3150	4043	Gas
<b>PTD</b>	<b>3250</b>	<b>4143</b>	

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:

TVD	TMD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2664	0-3556	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. Yeild 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, 1/4"# 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 1/2 " liner will be cemented using 300 sacks class B 50/50 POZ, 3% gel, 5# gilsonite, 1/4"# 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	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,
285-2664	285-3556	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2664 - TD	3556 - 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 3/4" hole or first succeeding bit change.

**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:**

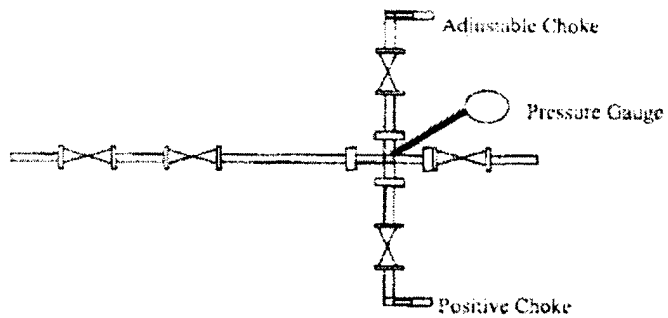
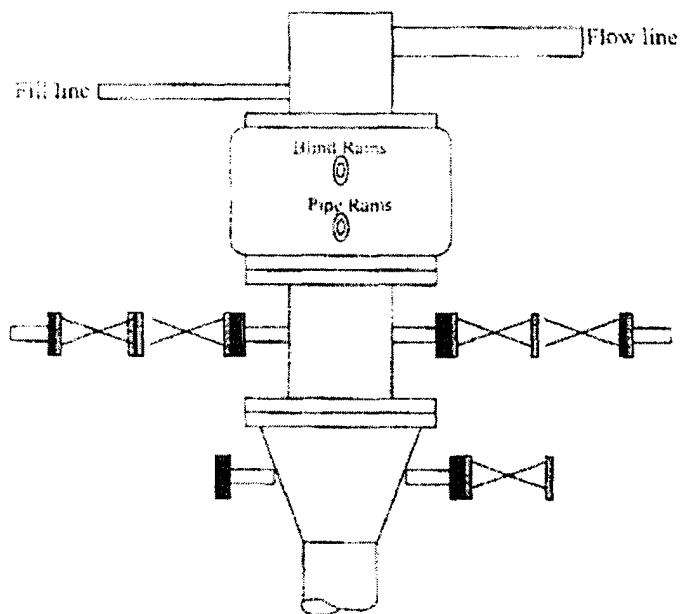
The anticipated starting date and duration of the operation will be as follows:

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.



## 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 CTR 3160 requirements for 2M systems.