

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

2006 MAR 24 PM 9 00

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

RECEIVED

070 FARMING

5. Lease Serial No.
SF 079042

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No. *NMN/M*
Northeast Blanco Unit *078402 D*

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
NEBU 451A

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

9. API Well No.
30-045-33670

3a. Address PO Box 6459
Farmington, NM 87419

3b. Phone No. (include area code)
505-632-0244

10. Field and Pool, or Exploratory
Basin Fruitland Coal

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 1,825' FSL & 50' FWL, Unit L, NW SW 5-30-07

At proposed prod. zone 2,500' FSL & 1,950' FEL, Unit J, NW SE, (Sec. 6, T30N, R7W lot 13)

11. Sec., T. R. M. or Blk. and Survey or Area

L Sec 5, T30N, R7W

14. Distance in miles and direction from nearest town or post office*
Approximate 16.4 miles

12. County or Parish
San Juan

13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 50'

16. No. of acres in lease
1779.91 Acres

17. Spacing Unit dedicated to this well
320 Acres 338.34 E2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
4,352' TMD

20. BLM/BIA Bond No. on file
C01104

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
GR 6,305'

22. Approximate date work will start*
06/20/2006

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:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *M.S. Zimmerman* Name (Printed/Typed) Melisa Zimmerman Date 3-20-06
Title Senior Operations Technician

Approved by (Signature) *D. Mankiewicz* Name (Printed/Typed) Office PFO Date 4/7/06
Title AFM

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)

HOLD C104 FOR Directional
Survey



NMOC

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
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

2006 MAR 24 AM 9 00

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-33670		2 Pool Code 76629		3 Pool Name Basin Fruitland Coal		
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 451A	
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6305	

10 Surface Location

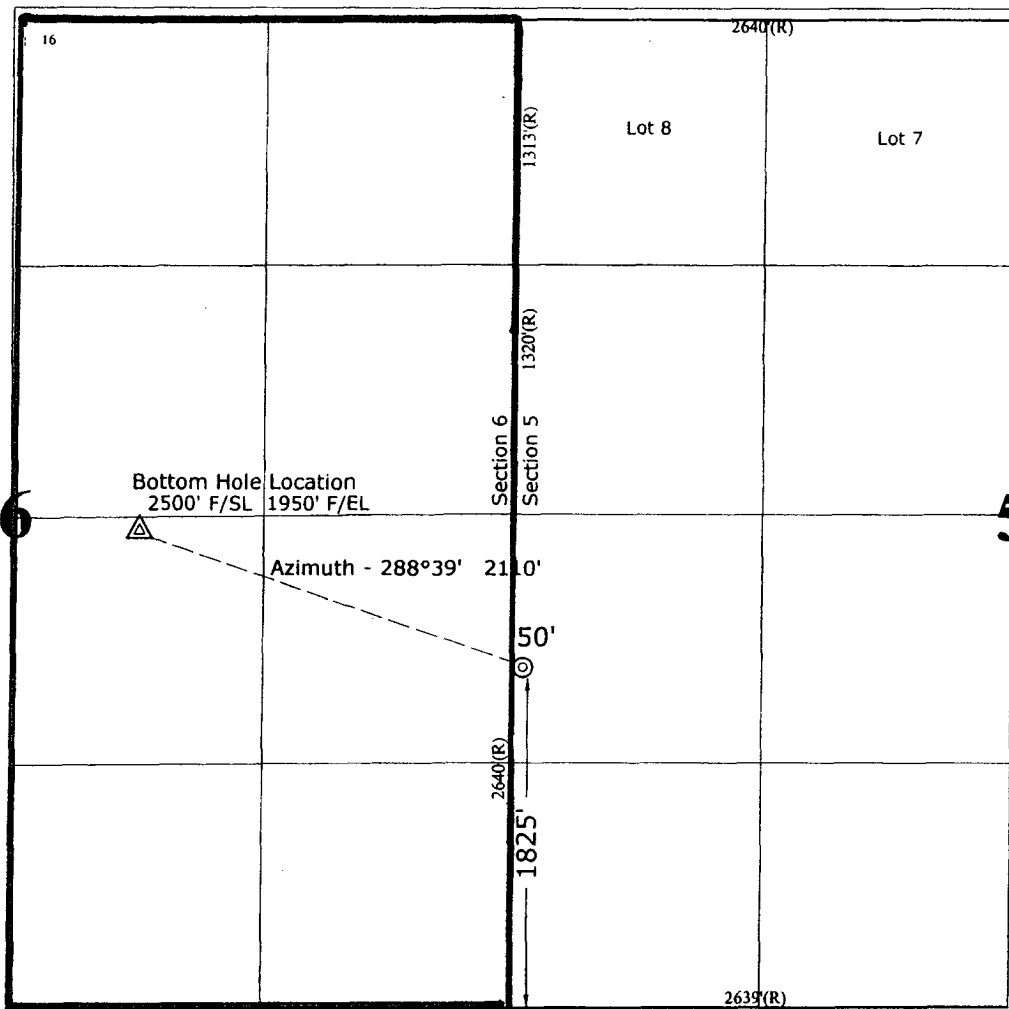
UL or Lot No. L	Section 5	Township 30 N	Range 7 W	Lot Idn	Feet from the 1825	North/South line SOUTH	Feet from the 50	East/West line WEST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no. J	Section 6	Township 30 N	Range 7 W	Lot Idn 13	Feet from the 2500	North/South line SOUTH	Feet from the 1950	East/West line EAST	County SAN JUAN
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12 Dedicated Acres 334.34 F/L 320.47	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 Melisa S. Zimmerman	
Printed Name Sr. Operations Technician	
Title March 20, 2006	
Date	

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 BHL Footage: January 20, 2006	
September 17, 2004	
Date of Survey	
Signature and Seal of Professional 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

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

Form C-103
March 4, 2004

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.)		WELL API NO. 30-045-33670
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, L.P.		6. State Oil & Gas Lease No. SF 079042
3. Address of Operator PO Box 6459, Navajo Dam, NM 87419		7. Lease Name or Unit Agreement Name NORTHEAST BLANCO UNIT
4. Well Location Unit Letter <u>L</u> : <u>1,825'</u> feet from the <u>South</u> line and <u>50'</u> feet from the <u>West</u> line Section <u>5</u> Township <u>30N</u> Range <u>7W</u> NMPM County - <u>SAN JUAN</u>		8. Well Number 451A
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 6,305'		9. OGRID Number 6137
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)		
Pit Location: UL <u>L</u> Sect <u>5</u> Twp <u>30N</u> Rng <u>7W</u> Pit type <u>Drilling</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>200'</u> 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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: CONSTRUCT DRILLING PIT <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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 3-20-06

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

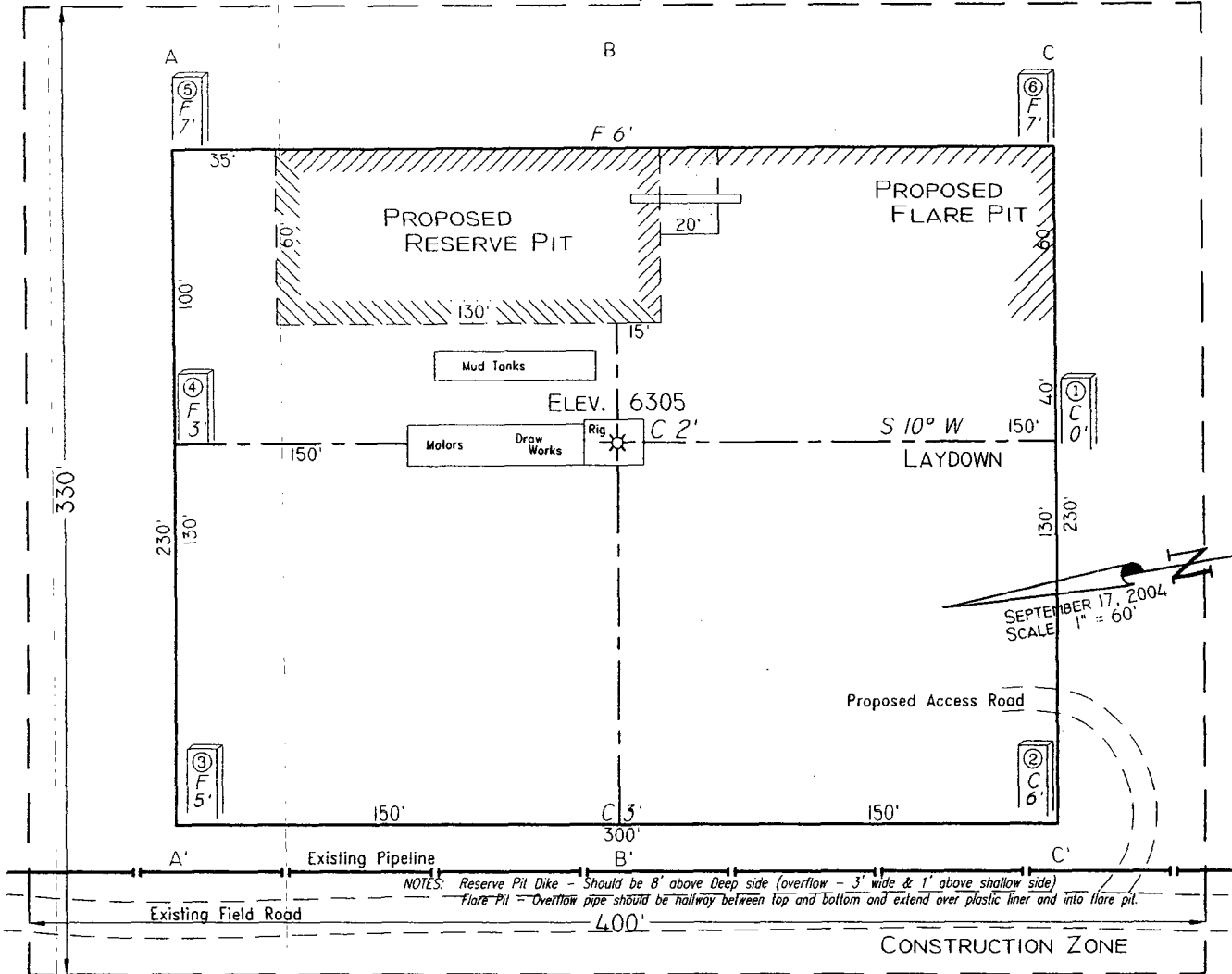
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 40 DATE APR 10 2006
Conditions of approval, if any:

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

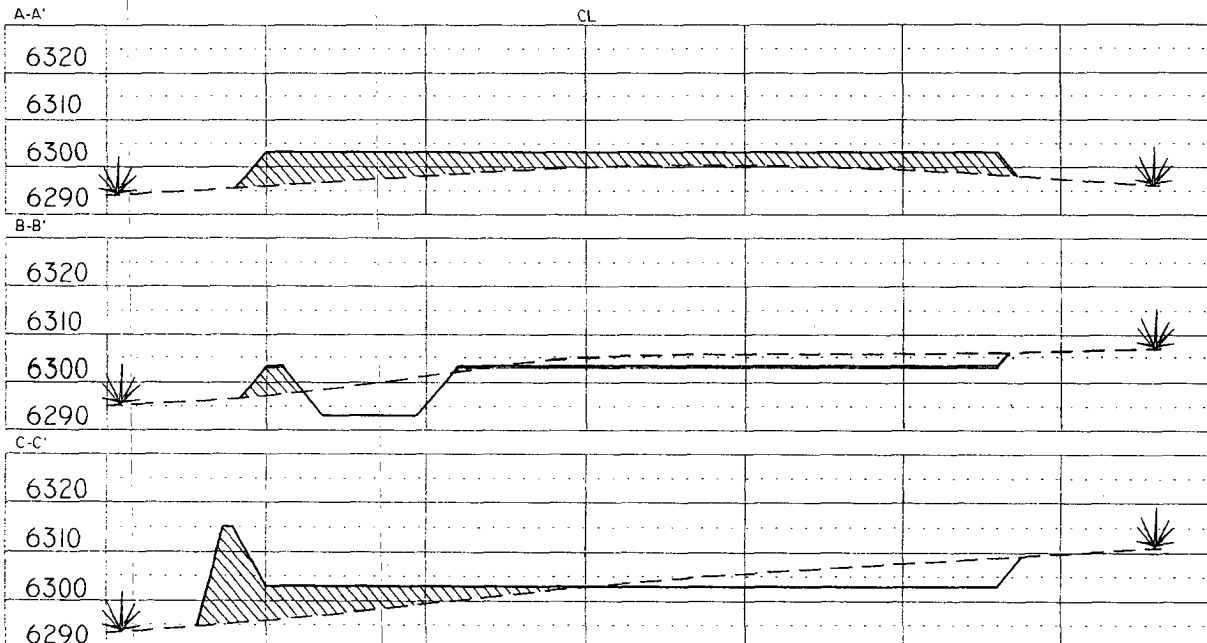
Nebu # 451A
 1825' F/SL 50' F/WL
 SEC. 5, T30N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°50'22"
 Long: 107°36'12"



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 451A
Unit L 5-30N-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	2162	3144	Aquifer
Kirtland	2270	3267	
Fruitland	2752	3773	Gas
Fruitland 1 st Coal	2916	3938	Gas
Pictured Cliffs Tongue	3230	4252	Gas
PTD	3330	4352	

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
0-2752	0-3773	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. Yield 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,
285-2752	285-3773	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2752 - TD	3773 - 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.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered in the 8 ¾" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

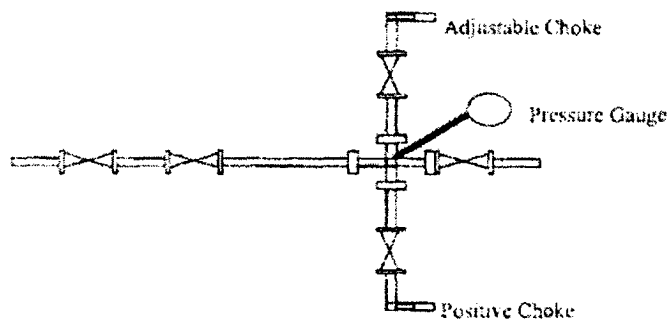
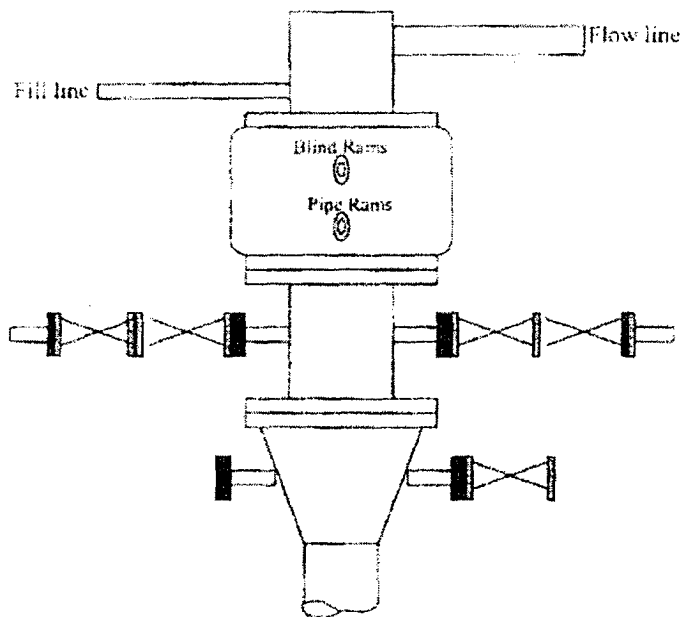
7. OTHER INFORMATION:

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 CFR 3160 requirements for 2M systems.

Company: Devon Energy
 Lease/Well: NEBU 451 A
 Location: San Juan County
 State/Country: NM

