

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

2007 AUG - 1 8:19

5 Lease Serial No.
SF 079001-A

6. If Indian, Allottee or Tribe Name

210 FARLINGTON NM

7 If Unit or CA Agreement, Name and No
Northeast Blanco Unit

8. Lease Name and Well No.
NEBU 419A

9 API Well No.
20-039-30308

1a. Type of work: ☒ DRILL ☐ REENTER

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

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

3a. Address 20 N. Broadway
Oklahoma City, OK 73102

3b. Phone No. (include area code)
405-552-7917

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 2,525' FNL & 1,305' FWL, Unit E, SW NW
At proposed prod zone 1,200' FNL & 700' FWL, Unit D, NW NW

11 Sec, T R M. or Blk. and Survey or Area
E Sec. 3, 30N, 7W

14. Distance in miles and direction from nearest town or post office*
Approximately 35.8 miles

12. County or Parish
Rio Arriba

13. State
NM

15 Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig unit line, if any)
700'

16. No. of acres in lease
319.13 Acres

17. Spacing Unit dedicated to this well
329.13 w/2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft
117'

19. Proposed Depth
3,811' TMD 3330' TVD

20. BLM/BIA Bond No. on file
CO 1104

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
GR 6,324'

22. Approximate date work will start*
09/25/2007

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

Name (Printed/Typed)
Melisa Castro

Date

7-25-07

Title

Senior Staff Operations Technician

Approved by (Signature)

Name (Printed/Typed)

Office

PFO

Date

8/17/07

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

Obtain a pit permit from NMOCD
prior to constructing location

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

RCVD AUG 21 '07

OIL CONS. DIV.

DIST. 3

HOLD 0404 FOR directional survey
NMOCD 8-31-07-aw

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

2007 AUG - 1 AM 8:19
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 76629		3 Pool Name Basin Fruitland Coal	
4 Property Code 19641		5 Property Name NEBU		6 Well Number # 419A	
7 OGRID No 6137		8 Operator Name Devon Energy Production Company, L.P.		9 Elevation 6324	

10 Surface Location

UL or Lot No E	Section 3	Township 30 N	Range 7 W	Lot Idn	Feet from the 2525	North/South line NORTH	Feet from the 1305	East/West line WEST	County Rio Arriba
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11 Bottom Hole Location If Different From Surface

7 UL or lot no. Lot 8 (D)	Section 3	Township 30 N	Range 7 W	Lot Idn	Feet from the 1200	North/South line NORTH	Feet from the 700	East/West line WEST	County Rio Arriba
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12 Dedicated Acres 319.13 w/2	13 Joint or Infill	14 Consolidation Code	15 Order No.
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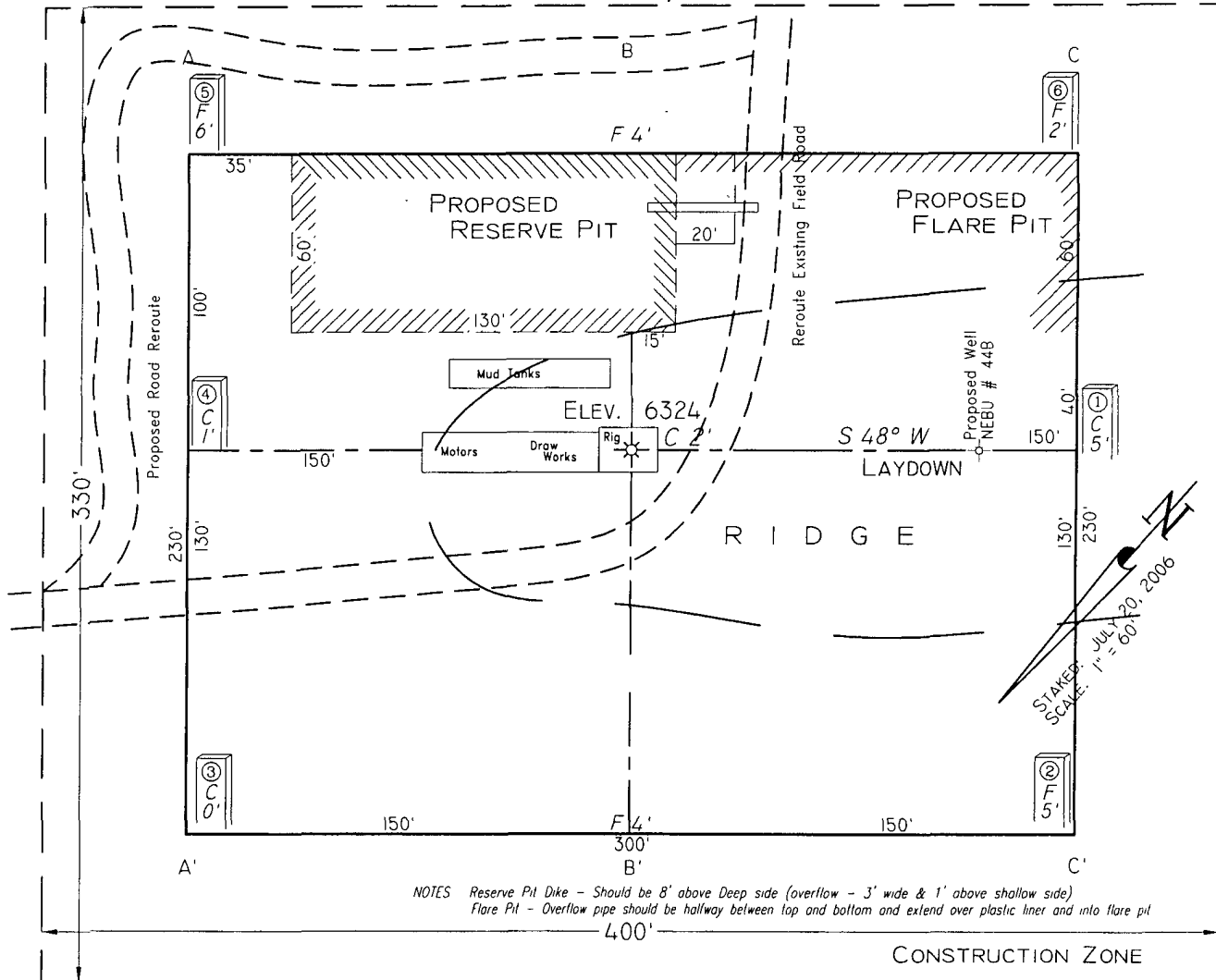
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>Lot 8</p> <p>Bottom Hole Location 1200' F/NL 700' F/WL</p> <p>2525'</p> <p>Azimuth - 335°28' 1457'</p> <p>1305'</p> <p>5269'(R)</p> <p>5280'(R)</p> <p>5289'(R)</p>				<p>17 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>Signature <i>Melisa Castro</i></p> <p>Printed Name Melisa Castro</p> <p>Title SR Staff Operations Technician</p> <p>Date July 25, 2007</p>			
<p>18 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>July 20, 2006</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>GARY D. VANN NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 7016</p> <p>7016</p> <p>Certificate Number</p>							

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

Nebu # 419A
 2525' F/NL 1305' F/WL
 SEC. 3, T30N, R7W, N.M.P.M.
 RIO ARRIBA COUNTY, NEW MEXICO

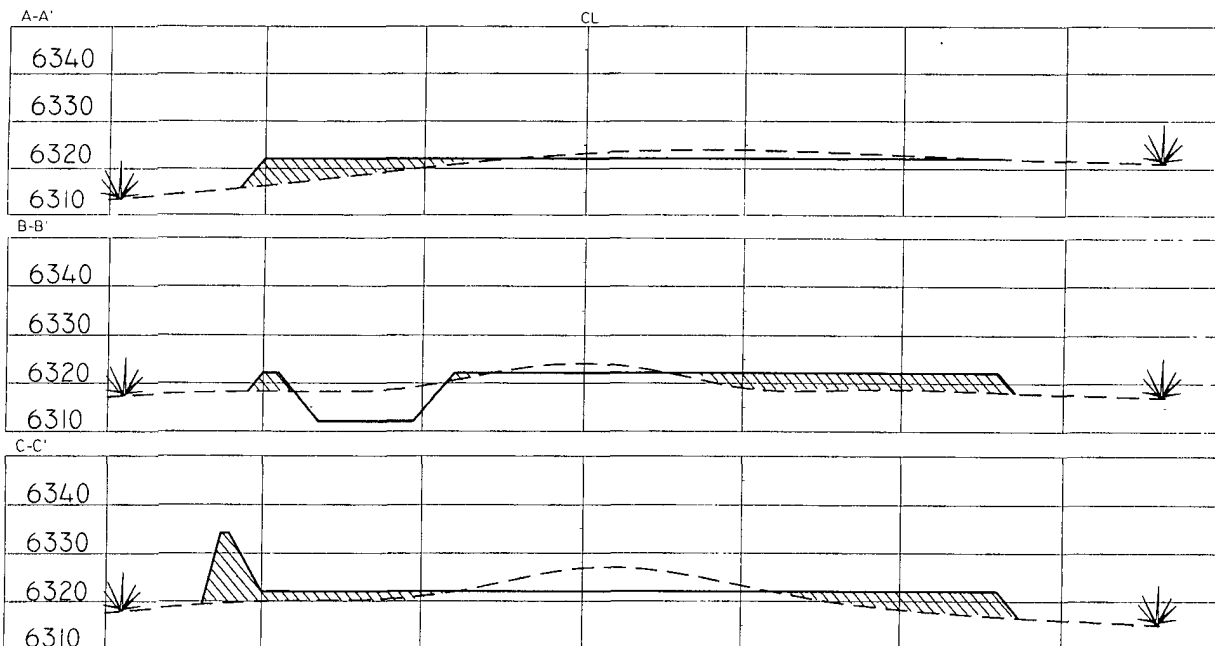
Lat: 36.84184°
 Long: 107.56295° (83)



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 Lat & Long are for mapping purposes only and are not to be relied on for re-establishment of well location.

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 419A
Unit E 3-30N-7W
San Juan Co., NM**

DRILLING PLAN

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

Formation	TMD (ft)	TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2584	2147	Aquifer
Kirtland	2774	2314	
Fruitland	3235	2754	Gas
Fruitland 1 st Coal	3462	2981	Gas
Pictured Cliffs Tongue	3622	3141	Gas
Pictured Cliffs Main	3711	3230	Gas
PTD	3811	3330	

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, with a size of 2", 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:

TMD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32.3 # 32#	STC	New
0-3285	0-2804	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:

TMD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-3285	285-2804	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
3285 - TD	2804 - 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.

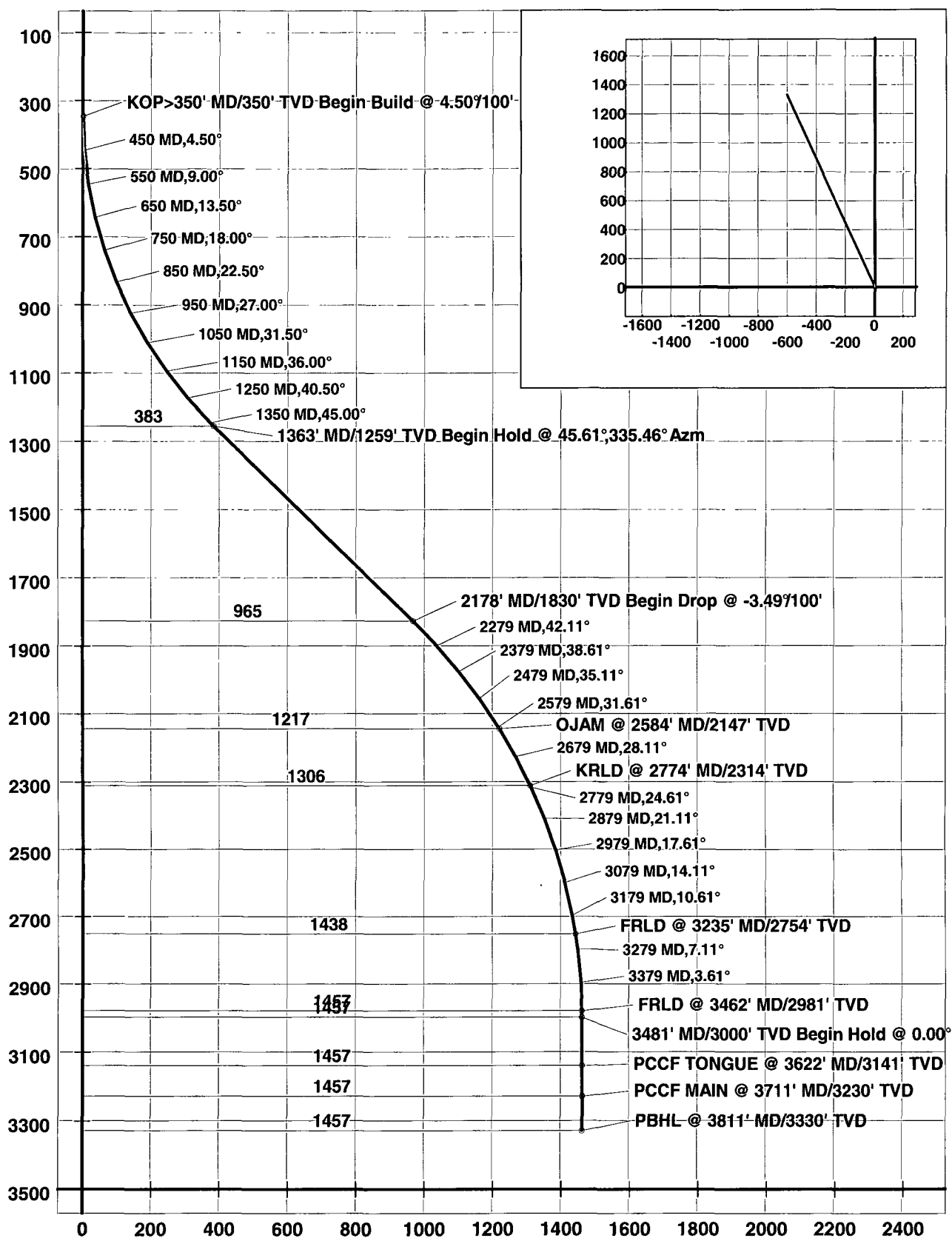
7. OTHER INFORMATION:

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

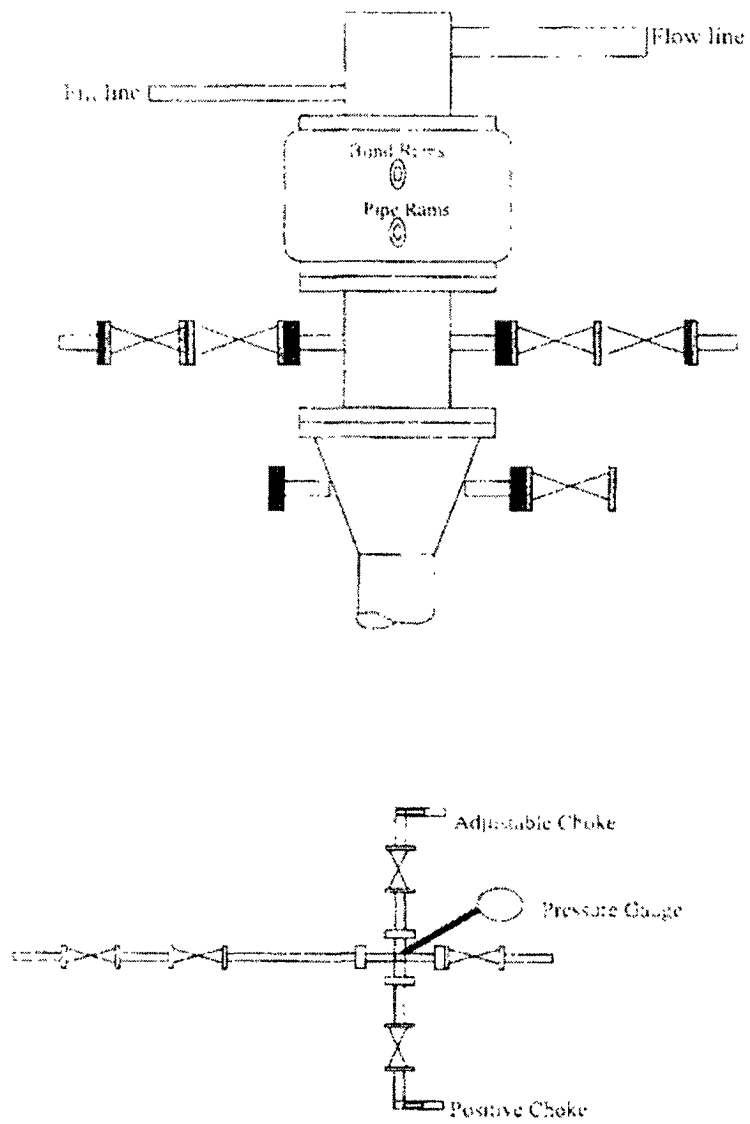
Starting Date:	Upon Approval
Duration:	20 days

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.

Company: Devon Energy
Lease/Well: NEBU 419 A
Location: Rio Arriba County
State/Country: NM



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 3060 requirements for 2M systems.