

RECEIVED

MAR 18 2008

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office

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


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF 079043
1b. Type of Well. <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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 Northeast Blanco Unit
3a. Address PO Box 6459 Farmington, NM 87419		8. Lease Name and Well No NEBU 336
3b. Phone No. (include area code) 505-632-0244		9. API Well No. 30-045-34649
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1,010' FSL & 1,775' FEL, SW SE, Unit O At proposed prod zone 2,500' FSL & 800' FEL, NE SE, Unit I		10. Field and Pool, or Exploratory Basin Dakota
14. Distance in miles and direction from nearest town or post office* Approximately 18.1 miles		11. Sec, T R M or Blk and Survey or Area Sec. 28, T31N, R7W
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drug unit line, if any) 1,010'	16. No. of acres in lease 2,315 Acres	17. Spacing Unit dedicated to this well 320 Acres F/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 289'	19. Proposed Depth 8,021'	20. BLM/BIA Bond No on file CO 1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6,394' This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	22. Approximate date work will start* 05/13/2008	23. Estimated duration Unknown
24. Attachments		

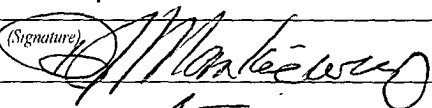
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  Name (Printed/Typed) Melisa CASTRO Date 3-13-08

Title Senior Operations Technician

Approved by (Signature)  Name (Printed/Typed) AFM Date 4/30/08

Title Office FFO

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)

MAY 23 2008

Hold C104

for Directional Survey
and "As Drilled" plat

8 NMOCD

NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

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

MAR 18 2008

AMENDED REPORT
Division of Land Management
Construction Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-34649		2 Pool Code 71599/72319		3 Pool Name Basin Dakota / Blanco Mesavieja	
4 Property Code 19441		5 Property Name NEBU		6 Well Number # 336	
7 GRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.		9 Elevation 6394	

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
O	28	31 N	7 W		1010	SOUTH	1775	EAST	SAN JUAN

11 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
I	28	31 N	7 W		2500	SOUTH	800	EAST	SAN JUAN

12 Dedicated Acres 1/2-320	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: <i>[Signature]</i> Printed Name: Melissa Castro Title: Sr. Staff Operations Technician Date: March 13, 2008
	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: September 11, 2007 November 15, 2004 Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number

(R) - GLO Record

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOC District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action. Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator. Devon Energy Production Company, L.P. Telephone. (405) 552-7917 e-mail address: melisa.castro@dev.com
Address. 20 N Broadway, Oklahoma City, OK 73102
Facility or well name: NEBU 336 API #: 30-045-34619 U/L or Qtr/Qtr O Sec 28 T 31N R 7W
County San Juan Latitude 36 86611 Longitude -107.573333 NAD 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

<u>Pit</u>	<u>Below-grade tank</u>
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u> </u> bbl	Volume <u> </u> bbl Type of fluid. <u> </u> Construction material <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u> </u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <input checked="" type="checkbox"/> 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <input checked="" type="checkbox"/> No (0 points)
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <input checked="" type="checkbox"/> 1000 feet or more (0 points)
Ranking Score (Total Points)	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered. No ☐ Yes ☐ If yes, show depth below ground surface ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒, a general permit ☐, or an (attached) alternative OGD-approved plan ☐.

Date: 3-13-08

Printed Name/Title Melisa Castro, Senior Staff Operations Technician Signature [Signature]

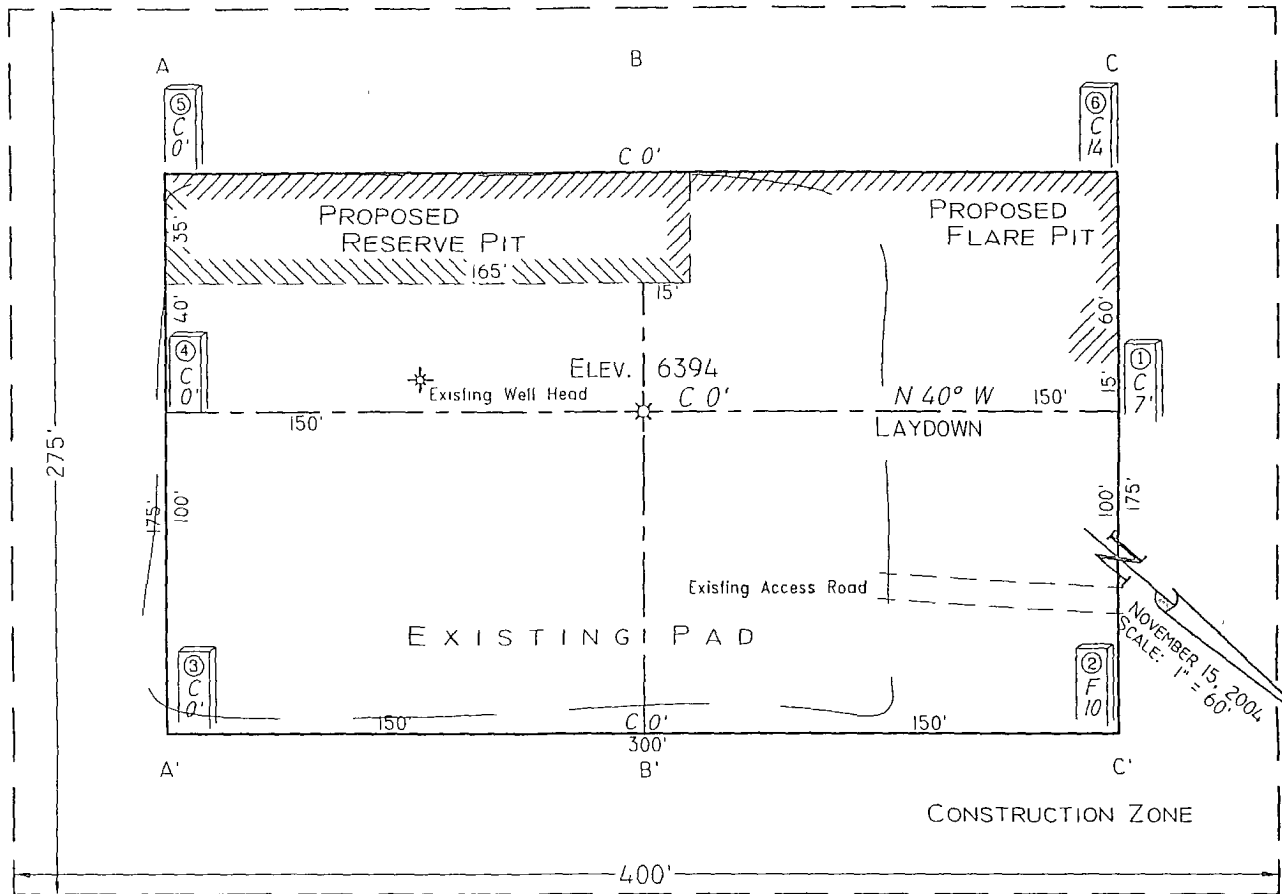
Your certification and NMOC approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Deputy Oil & Gas Inspector, District #3
Printed Name/Title Signature [Signature] Date MAY 23 2008

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

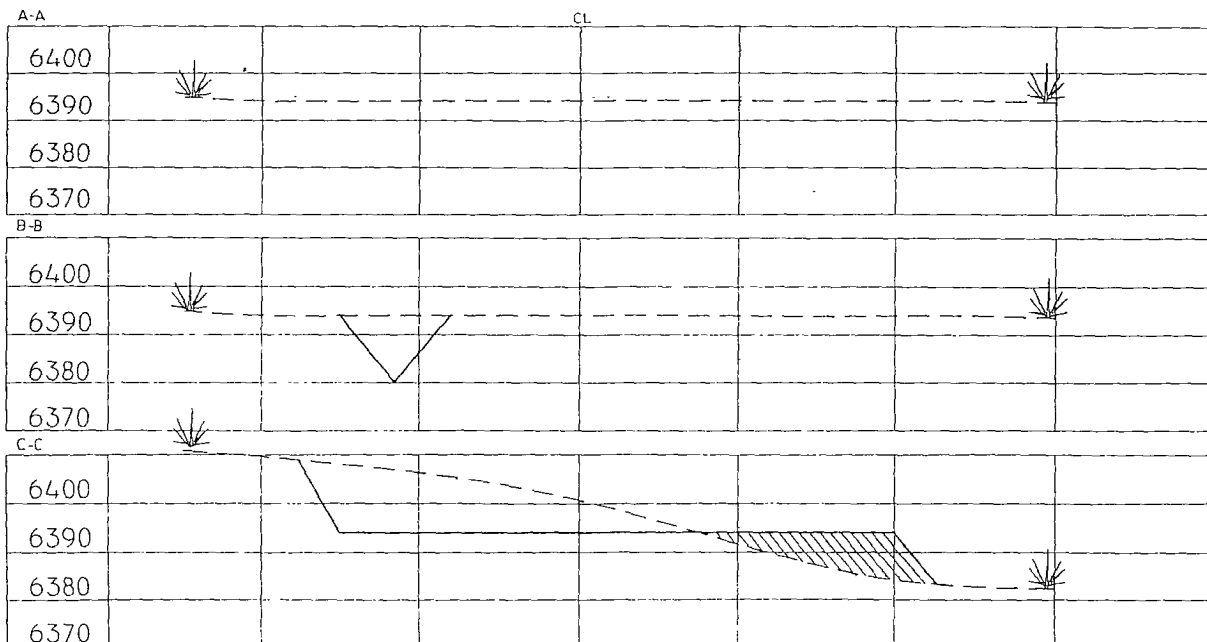
Nebu # 336
1010' F/SL 1775' F/EL
SEC. 28, T31N, R7W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36°51'58"
Long: 107°34'24"



Area of Construction Zone - 330'x400' or 303 acres, more or less

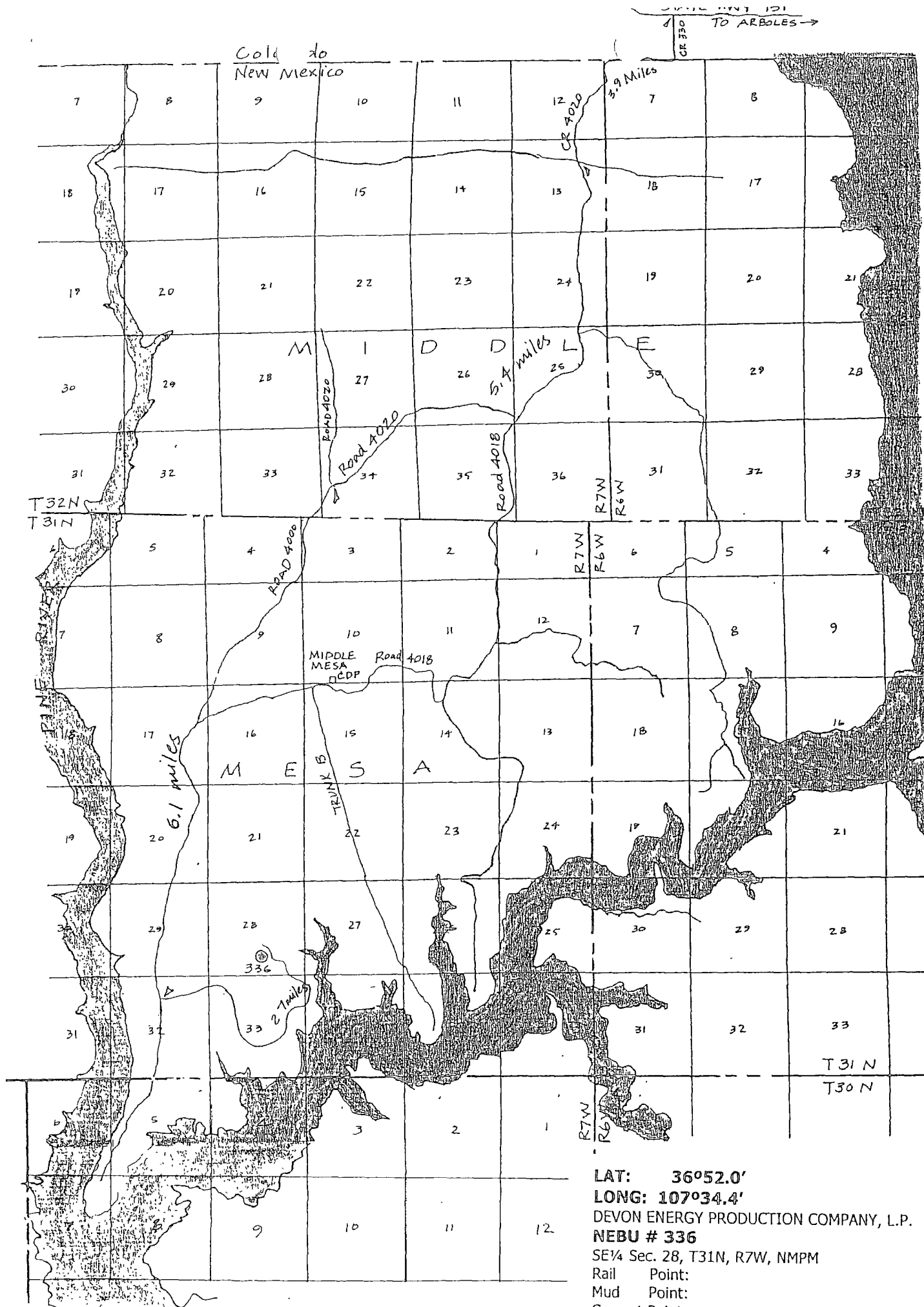
SCALE: 1"=60'-HORIZ.
1"=40'-VERT.



NOTE: Contractor shall call One-Call for location of any marked or unmarked buried pipelines or cables. Well pad and/or access road shall include at least two (2) working drains prior to construction.

Cuts and fills shown are approximate - final finish elevation is to be adjusted so earthwork will balance. Go stakes are approximate and do not include additional areas not for sideslopes and drainage. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEY
P.O. Box 1,
Farmington,



NEBU 336

From the town of Arboles, CO, take State HWY 151 to CR 330. Turn left on CR 330 and go south to CR 4020, travel miles total 9.3. Take 4000 south for 6.1 miles and turn left. Follow road around for 2.7 miles to location.

NEBU 336
SL: 1,010' FSL & 1,775' FEL, Unit O 28-31N-7W
BHL: 2,500' FSL & 800' FEL, Unit I 28-31N-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	2680	2252	Aquifer
Kirtland	2833	2368	
Fruitland	3385	2825	Gas
Fruitland 1 st Coal	3552	2982	Gas
Pictured Cliffs Tongue	3733	3158	Gas
Pictured Cliffs Main	3856	3280	Gas
Lewis	3966	3390	Gas
Intermediate TD	4178	3602	
Huefanito Bentonite	4610	4034	Gas
Chacra / Otera	5119	4543	Gas
Cliff House	5782	5206	Gas
Menefee	5832	5256	Gas
Point Lookout	6111	5353	Gas
Mancos	6528	5952	Gas
Gallup	7481	6905	Gas
Greenhorn	8160	7584	
Graneros	8211	7635	Gas
Paguate	8334	7758	
Cubero	8349	7773	
Oak Canyon	8413	7837	

Encinal Canyon	8439	7863	
Lower Encinal Canyon	8475	7899	
Morrison	8547	7971	
TD	8606	8031	

*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 #~~1~~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.
- *Safety valve & subs to fit all drill strings in use*

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 3400 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#	STC	New
0-4178	0-3602	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
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Casing Size	Collapse Resistance	Internal Yield	Body Yield
9 5/8"	1400 psi	2270 psi	254K psi
7"	3270 psi	4360 psi	366K psi
4 1/2"	4960 psi	5350 psi	184K psi

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)

Intermediate: 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). In some situations an ACP and DV tool may be run.

Production: 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. In some situations an ACP and DV tool may be run.

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:

TMD Interval	TVD Interval	Type	Weight (ppg)	Viscosity	pH	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'-4,178'	285'-3,602'	Water/Mud	8.4-9.0	29-70	8.0	NC	
4,178' - TD	3,602' - 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 therefore 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.

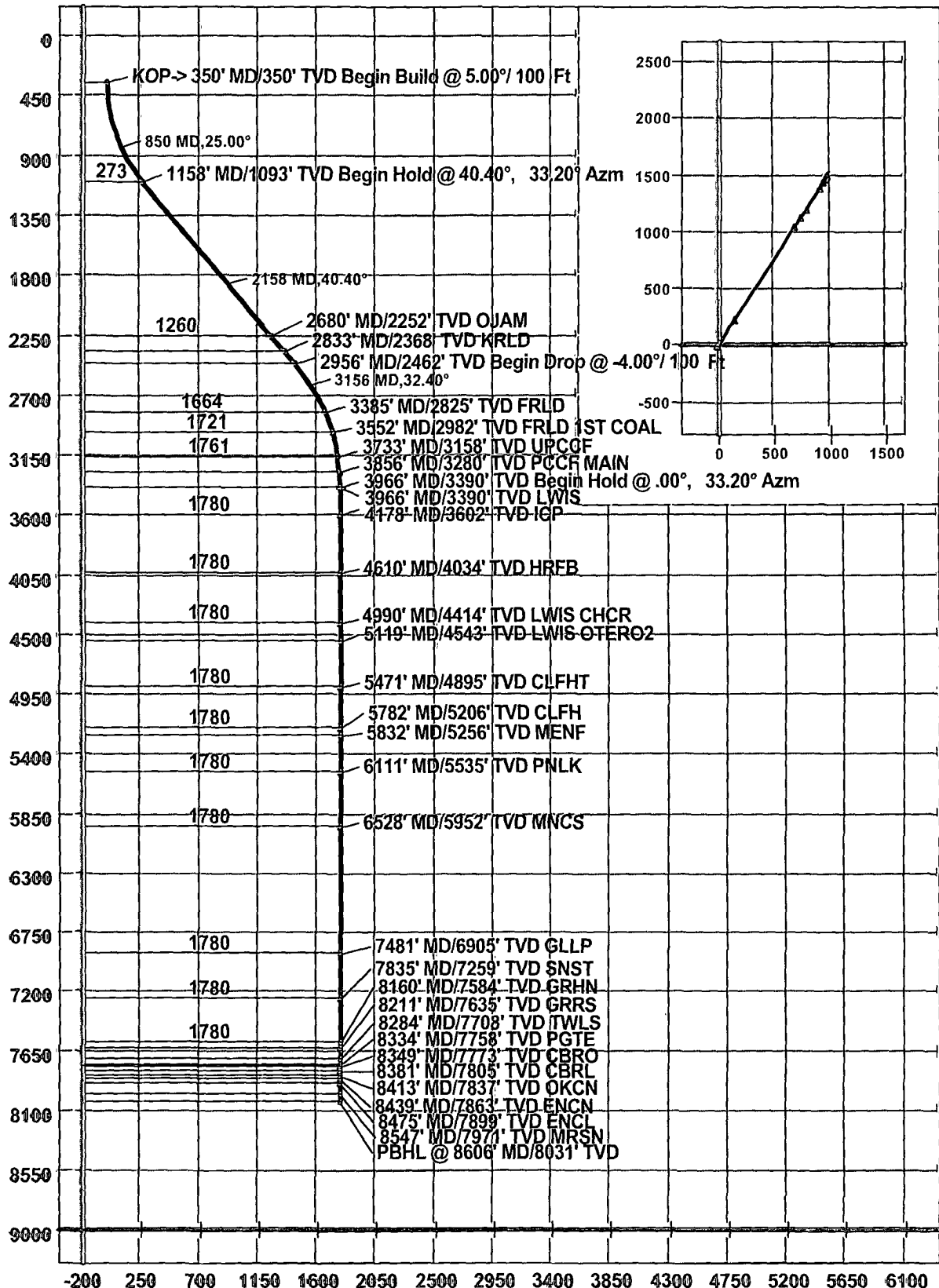
7. OTHER INFORMATION:

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

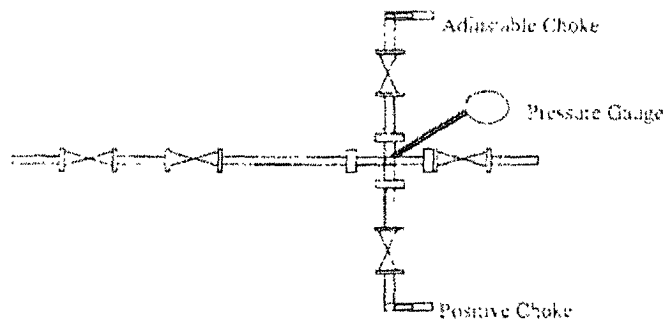
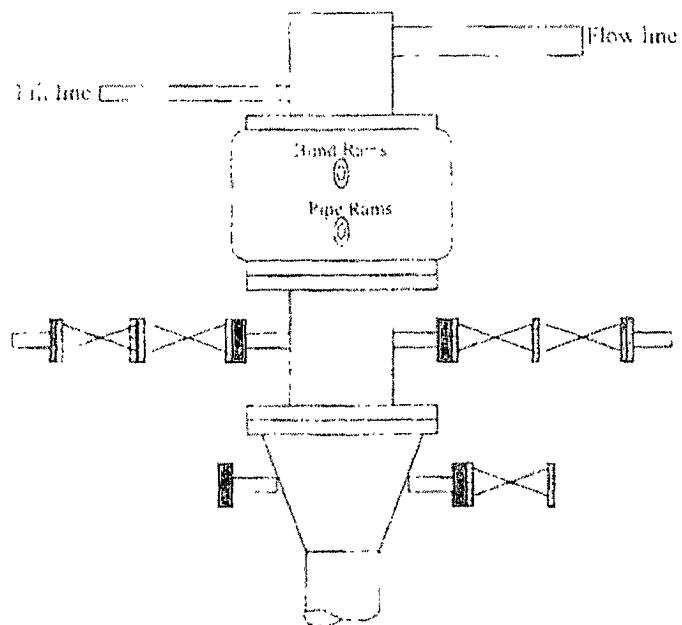
Starting Date:	Upon Approval
Duration:	20 days

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 # 336
 Location: San Juan County



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 #3 CFR 3360 requirement for 2M systems.