

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

Form 3160 -
(April 2004)

RECEIVED

MAR 18 2008

RCVD JUL 10 '08
OIL CONS. DIV.
DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 078988
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 20 N. Broadway Oklahoma City, OK 73102		8. Lease Name and Well No. NEBU 251 H
3b. Phone No. (include area code) 405-552-7917		9. API Well No. 30-045-34646
4. Location of Well (At surface 2257-5L 2330 FEL V.L.O. At proposed prod. zone 2000 FSL 700 FUL (L))		10. Field and Pool, or Exploratory Rosa Pictured Cliffs
14. Distance in miles and direction from nearest town or post office* Approximately 12.1 miles		11. Sec., T R M. or Blk. and Survey or Area Sec. 6, T31N, R6W
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 1,570'	16. No. of acres in lease 2560 Acres	17. Spacing Unit dedicated to this well 160 Acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 135'	19. Proposed Depth 5688/3387	20. BLM/BIA Bond No. on file CO 1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6,425'	22. Approximate date work will start* 05/12/2008	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 | 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 [Signature]	Name (Printed/Typed) Melisa Castro	Date 3-13-08
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Title
Senior Staff Operations Technician

Approved by (Signature) [Signature]	Name (Printed/Typed)	Date 7/9/08
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Title
Acting AFM Murrells

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)

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

JUL 11 2008

[Signature]

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

NMOC

Hold C104

for Directional Survey
and "As Drilled" plat

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

District I
1625 N French Dr., Hobbs NM 88240

District II
1301 W Grand Avenue, Artesia, NM 87210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30045-34646		2 Pool Code 96175		3 Pool Name Rosa Pictured Cliffs			
4 Property Code 19641		5 Property Name NEBU				6 Well Number # 251	
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.				9 Elevation 6386	

10 Surface Location

UL or Lot No O	Section 6	Township 31 N	Range 6 W	Lot Idn	Feet from the 235	North/South line SOUTH	Feet from the 2330	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no L	Section 6	Township 31 N	Range 6 W	Lot Idn	Feet from the 2000	North/South line SOUTH	Feet from the 700	East/West line WEST	County SAN JUAN
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12 Dedicated Acres W/4-160	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

16		17 OPERATOR CERTIFICATION	
		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
		Signature [Signature] Date 6-19-08	
		Printed Name Melisa Castro	
18 SURVEYOR CERTIFICATION		19	
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 May 07, 2008 March 26, 2008	
Date of Survey		Signature and Seal of Professional Surveyor	
7016			
Certificate Number		7016	

(R) - GLO Record
(M) - measured

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	JUN 20 2008
2. Name of Operator Devon Energy Production Company, L.P.	Bureau of Land Management Farmingdale Field Office
3a. Address 20 N. Broadway, Oklahoma City, OK 73102	3b. Phone No. (include area code) 405-552-7917
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) SL: 235' FSL & 2,330' FEL, SW SE, Unit O, Sec. 6, T31N- R6W BHL: 2,000' FSL & 700' FWL, NW SW, Unit L, Sec. 6, T31N- R6W	
5. Lease Serial No. SF 078988	
6. If Indian, Allottee or Tribe Name Northeast Blanco Unit	
7. If Unit or CA/Agreement, Name and/or No. NEBU 251 H	
8. Well Name and No. 30-045-34646	
9. API Well No. 10. Field and Pool, or Exploratory Area Rosa Pictured Cliffs	
11. County or Parish, State San Juan, NM	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Name Change
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Company, L.P. would like to request permission to change the name of the NEBU 251 to NEBU 251H due to well being changed from a directional well to a horizontal well.

RCVD JUL 10 '08
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Melisa Castro		Title Senior Staff Operations Technician
Signature		Date June 19, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by		Title Acting ADM	Date 7/9/08
Conditions of approval, if any, are attached. Approval of this notice 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.		Office	

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)

NMOC

UNITED STATES
DEPARTMENT OF THE INTERIOR
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RECEIVED

JUN 20 2008

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Bureau of Land Management
Farmington Field Office

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Devon Energy Production Company, L.P.3a. Address
20 N. Broadway, Oklahoma City, OK 731023b. Phone No. (include area code)
405-552-7917

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)

SL: 235' FSL & 2,330' FEL, SW SE, Unit O, Sec. 6, T31N- R6W
BHL: 2,000' FSL & 700' FWL, NW SW, Unit L, Sec. 6, T31N- R6W7 If Unit or CA/Agreement, Name and/or No
Northeast Blanco Unit8. Well Name and No.
NEBU 251H

9. API Well No.

30-045-34646

10. Field and Pool, or Exploratory Area
Rosa Pictured Cliffs11. County or Parish, State
San Juan, NM


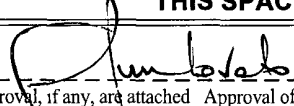
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Horizontal Well
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, L.P. would like to request permission to drill the above NEBU 251H well as a horizontal well. Attached you will find a new C-102, Drill and Surface Plan, Directional Documentation, Exhibit D, and Directions.

RCVD JUL 10 '08
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Melisa Castro		Title Senior Staff Operations Technician	
Signature 		Date June 19, 2008	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by 		Title Acting AAM Mines	Date 7/9/08
Conditions of approval, if any, are attached. Approval of this notice 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.		Office	
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.			

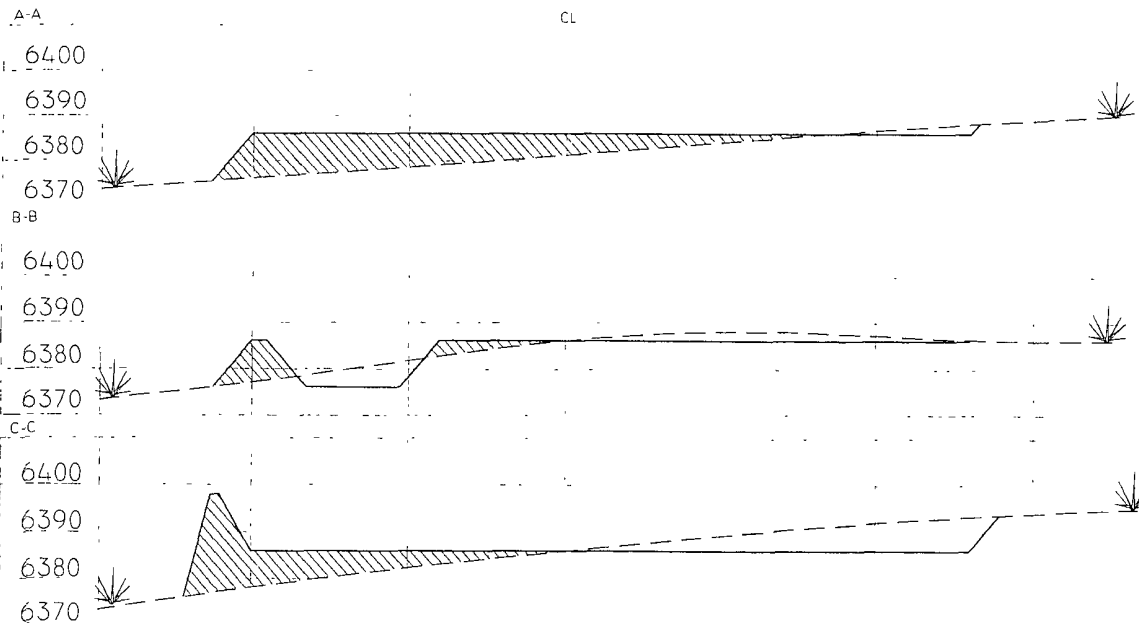
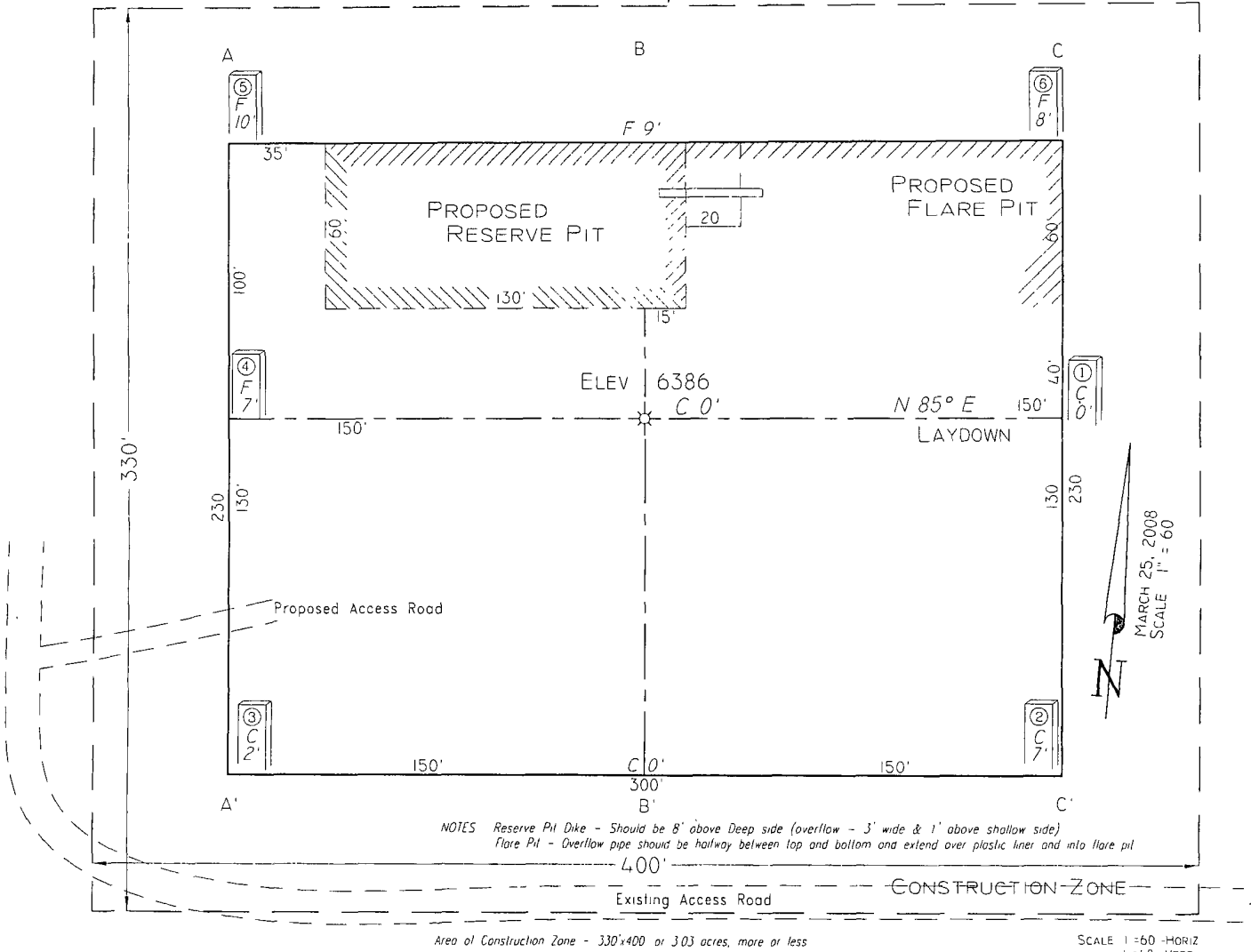
(Instructions on page 2)

NMOC

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

Nebu # 251
235' F/SL 2330' F/EL
SEC. 6, T31N, R6W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36.92191°
Long: 107.50324° (83)



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 251

From the town of Arboles, CO, take State HWY 151 to CR 330 and turn south. Travel on CR 330 to CR 4020 continuing south. Travel on CR 4020 southwest to CR 4018, take CR 4018 south for a total of 10.1 miles. Turn left road will turn to the south take first left turn and stay on road to end. Well site will be at end of the road.

NEBU 251H
SL: 235' FSL & 2,330' FEL, Unit O 6-31N-6W
BHL: 2,000' FSL & 700' FWL, Unit L 6-31N-6W
San Juan Co., NM

DRILLING PLAN FOR HORIZONTAL WELL

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	2268	2268	Aquifer
Kirtland	2436	2436	
Fruitland	2854	2819	Gas
Fruitland 1 st Coal	3139	3002	Gas
Pictured Cliffs Tongue	3745	3222	Gas
Pictured Cliffs	4093	3344	Gas
TD	5688	3387	

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 #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 string connections 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 1500 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
0-4128	0-3356	8-3/4"	7"	K-55	23#	LTC	New
0- TD	0- TD	6-1/4"	4-1/2"	N-80	11.6 #	LTC BTC	New

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"	6350 psi	7780 psi	267K 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.

4-1/2" Casing: The string will not be cemented. In some situations an ACP and DV tool may be run.

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 sx 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 conditions**

Intermediate String: Cement will be circulated to surface.

Lead: 500 sx Of 50/50/Std/ Poz, Yd-1.45, Water Gal/Sk 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 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**

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/sk; Water: 6.42 gal/sx *

Tail: 75 sx 50/50 Poz, Yd-1.45, Water Gal/sx 6.8, Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl

* **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	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-4128'	0-3356'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
4128'-TD	3356'-TD	Water/Mud	8.4-9.0	29-70	8.0	NC	

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: Possible mud logging in Fruitland Coal & Pictured Cliffs.

Survey: Deviation surveys will be taken every 500' from 0-TD of 6-1/4" hole or first succeeding bit change.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered at approximately 3030' TMD. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

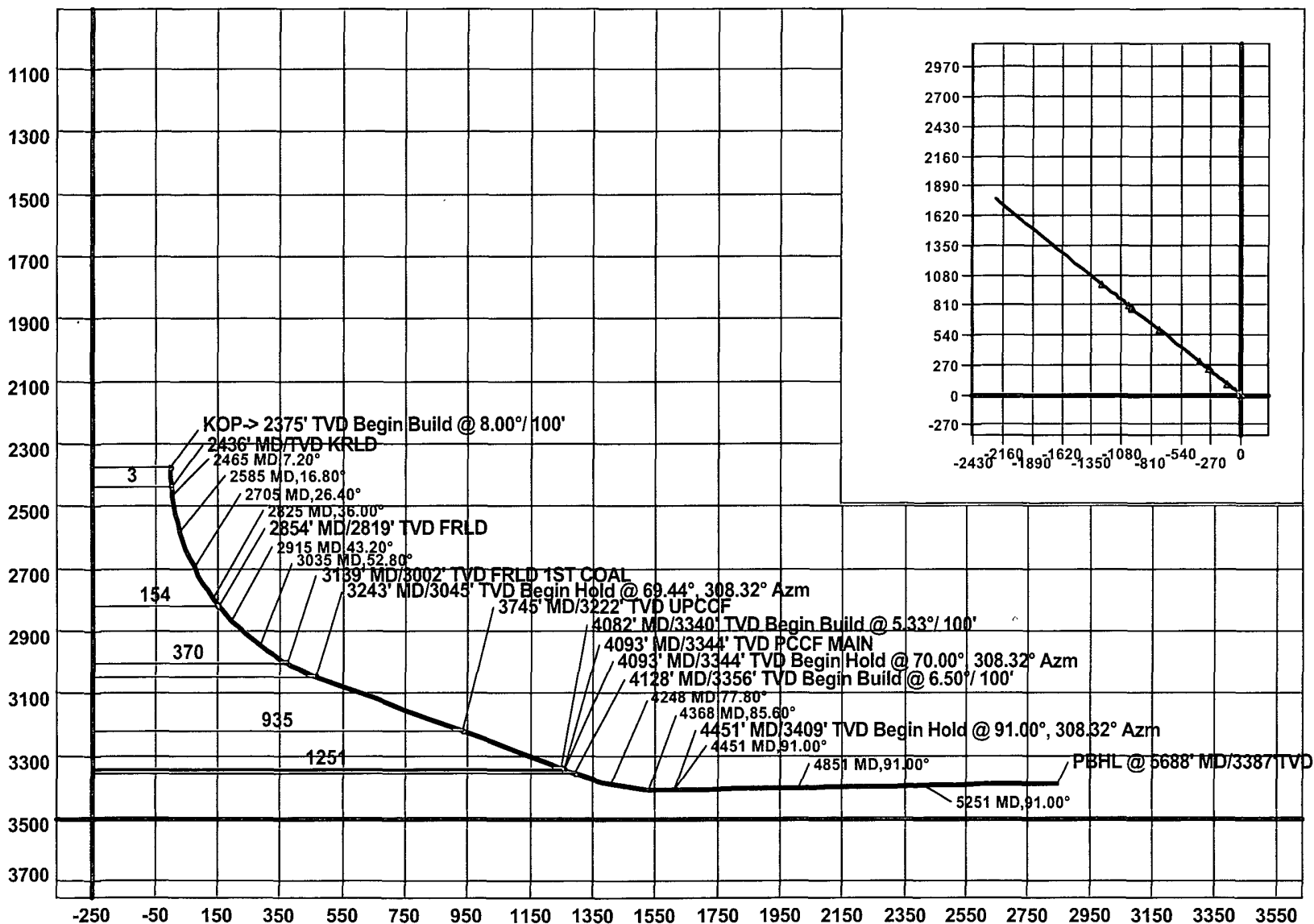
7. OTHER INFORMATION:

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

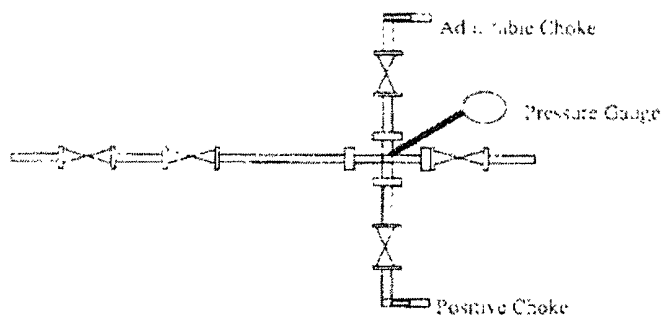
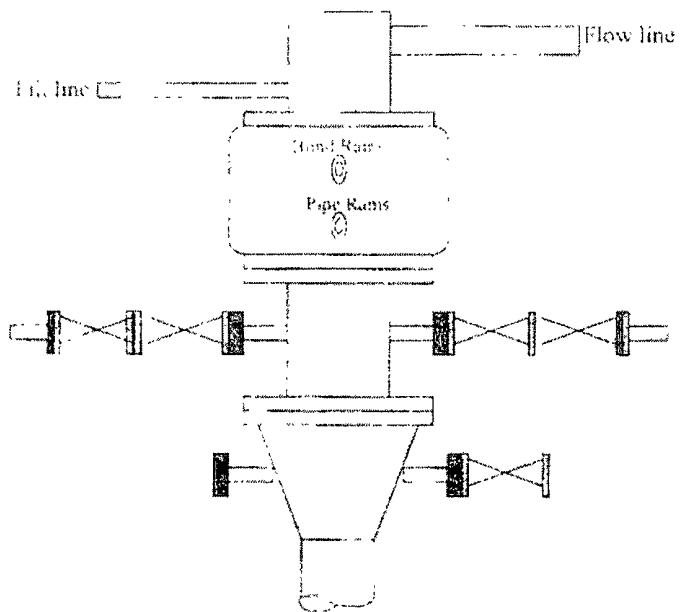
Starting Date:	Upon Approval
Duration:	20 days

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 # 251H
 Location: San Juan 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, P.L.M. 43 C.R. 3160 requirements for 2M systems.