

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

1a. Type of Work ☒ DRILL ☐ REENTER
1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone
2. Name of Operator

Attn: Dwane Oliver Devon Energy Production Company, L.P.

3a. Address PO Box 6459 Navajo Dam ,NM 87419
3b. Phone No. (include area code) (505) 632-0244

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface 1715 FSL & 1390 FEL NW SE Unit J
At bottom hole Same
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 25.3 miles northeast of Aztec NM

15. Distance from proposed* location to nearest property or lease line, ft. 1390'
(Also to nearest drlg unit line, if any)

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

21. Elevations (Show whether DF, RT, GR, etc.)
6344' GL

16. No. of Acres in lease
1323

19. Proposed Depth
3325'

22. Approximate date work will start*
Upon Approval

17. Spacing Unit dedicated to this well

320 E/2

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

23. Estimated Duration
20 Days

24. Attachments

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 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 *Dwane Oliver* Name (Printed/ Typed) Dwane Oliver Date 9-11-03

Title
Devon Representative

Approved By (Signature) *David J. Mankiewicz* Name (Printed/ Typed) Date OCT 14 2003

Title Office

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 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse) DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOC

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

☐ AMENDED REPORT

SF-078615-A

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31893		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 19641		⁵ Property Name NEBU			⁶ Well Number # 441A
⁷ OGRID No. 6137		⁸ Operator Name Devon Energy Production Company, L.P.			⁹ Elevation 6344

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
J	24	30 N	8 W		1715	SOUTH	1390	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

¹² UL or lot no.	¹³ Section	¹⁴ Township	¹⁵ Range	¹⁶ Lot Idn	¹⁷ Feet from the	¹⁸ North/South line	¹⁹ Feet from the	²⁰ East/West line	²¹ County
²² Dedicated Acres 320		²³ Joint or Infill		²⁴ Consolidation Code		²⁵ Order No.			

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>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><i>Dwane Oliver</i> Signature Dwane Oliver Printed Name Devon Representative Title 9-11-03 Date</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>June 2, 2003 Date of Survey</p> <p>Signature and Seal of Professional Surveyor 7016 Certificate Number</p>

**NEBU 441A
Unit J Sec 24 31-8
San Juan Co., NM**

DRILLING PLAN

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

Formation	TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2165'	Aquifer
Kirtland	2260'	
Fruitland	2760'	Gas
Pictured Cliffs	3220'	Gas
TD	3325'	

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 3400 psi.

3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2760'	8-3/4"	7"	K-55	23#	LTC	New
0- TD	6-1/4"	5-1/2"*	K-55	15.5 #	LTC	New

All casing strings below the conductor 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 250'.
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.

Production String: 7" Intermediate cemented in an 8-3/4" hole
23# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe
Cement with 700 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,

¼" # Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx.
 Cement designed to circulate to surface.
 Pending hole conditions, cement baskets may be installed above TD

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 ½ " liner will be cemented using class B 50/50 POZ, 3% gel, 5# gilsonite, ¼" # Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx.

4. DRILLING FLUIDS PROGRAM:

TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-250'	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
250'-2760'	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2760'-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.