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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

2002 DEC 19 11:30

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

2. Name of Operator
Attn: Diane Busch Devon Energy Production Company, L.P.

3a. Address 20 N. Broadway Oklahoma City, OK 73102
3b. Phone No. (include area code) (405) 228-4362

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface 1105 FNL & 2050 FEL NW NE Unit B
At bottom hole Same
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 24.7 miles southeast of Ignacio, Colorado

15. Distance from proposed* location to nearest property or lease line, ft. 1105'
(Also to nearest drlg unit line, if any)
16. No. of Acres in lease 320
17. Spacing Unit dedicated to this well 320 E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
19. Proposed Depth 8300'
20. BLM/ BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, RT, GR, etc.) 6418' GL
22. Approximate date work will start* Upon Approval
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, 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 Diane Busch Name (Printed/ Typed) Diane Busch Date 12-16-02

Title Sr. Operations Technician

Approved By (Signature) Name (Printed/ Typed) Date

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

* (Instructions on reverse)

ALL ACTIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

NMCCD

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.8
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31288	² Pool Code 72319/71599	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA
⁴ Property Code 19641	⁵ Property Name NEBU	⁶ Well Number # 321M
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 6418

¹⁰ Surface Location

UL or Lot No. B	Section 18	Township 31 N	Range 6 W	Lot Idn	Feet from the 1105	North/South line NORTH	Feet from the 2050	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres MV - E/320 DK - E/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 5280(R) 5285(R)	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature DIANE BUSCH Printed Name SR-OPERATIONS TECH. Title 12-16-02 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. September 4, 2002 Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number

070 Farmington, NM
2002 DEC 19 AM 11:30
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: July 31, 1996

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 the reverse side

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

2. Name of Operator

Devon Energy Production Company, L.P. Attn: Diane Busch

3a. Address

20 N. Broadway Oklahoma City, OK 73102

3b. Phone No. (include area code)

(405) 228-4362

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

1105' FNL & 2050' FEL NW/4, NE/4, Sec. 18, T 31N R. 6W

Latitude

Longitude

5. Lease Serial No.

85-078970

6. If Indian, Allottee, or Tribe Name

7. If Unit or Agreement Designation

Northeast Blanco Unit

8. Well Name and No.

NEBU 321M

9. API Well No.

3004531288

10. Field and Pool, or Exploratory Area

Blanco Mesaverde Basin Dakota

11. County or Parish, State

San Juan

NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering 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 Changes to submitted
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	2003 APD
	<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 or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required susequet reports shqll be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in anew interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

#1. Anticipated bottom hole pressure is 3400 psi.

#2. Under #3, Intermediate String, the Yield should be 1.47 cubic feet per sack.

#3. Anticipated # of centralizers for intermediate & production casing are as follows:

1. **Intermediate:** The bottom 3 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 one turbolizer below and throughout the Ojo Alamo. Total 12 centralizers, 3 turbolizers estimated.

2. **Production:** The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 4500' (estimated 22 centralizers used). Centralizers will be open bow spring or basket bow spring type.

#4. Density's: Should be 13 ppg

#5. The inconsistency with #4 chart: The hole will be air drilled from 3625'-7885'. The well will be mud drilled from 7885'-TD.

#6. Attached 3 APD pages reflecting the revised geological tops.

14. I hereby certify that the foregoing is true and correct.
Name (Printed/ Typed)

Diane Busch

Title

Sr. Operations Technician

Signature

Diane Busch

Date

1-23-03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ David J. Mankiewicz

Title

Date

FEB 10 2003

Conditions of approval, if any are attached. Approval of this notice does not warrant Office 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.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictit or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD

**NEBU 321M
Unit B 18-31N-6W
San Juan Co., NM**

DRILLING PLAN

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

Formation	Depth (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2345	Aquifer
Kirtland	2455	
Fruitland	2910	Gas
Pictured Cliffs	3365	Gas
Lewis	3525	Gas
Intermediate TD	3625	
Huerfanito bentonite	4180	
Massive Cliff House	5360	Gas
Menefee	5415	Gas
Massive Point Lookout	5665	Gas
Mancos	6070	Gas
Gallup	7220	Gas
Greenhorn	7715	
Graneros	7765	
Dakota	7885	Gas
TD	8200	

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 which shows the size and pressure ratings.

2000# BOP With Pipe Rams
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.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

Depth	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3625'	8-3/4"	7"	K-55	23#	LTC	New
0-TD	6-1/4"	4-1/2"	K-55	11.6 #	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.

The bottom three joints of the surface casing will have a minimum of one centralizer per joint and one centralizer every fourth joint thereafter.

B. The proposed cementing program will be as follows:

Surface String: Cement will be circulated to surface.

Lead: 200 sks Class "B" with additives mixed at 15.6 ppg, 1.19 ft³/sks.

Intermediate String: Cement will be circulated to surface.

Lead: 575 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft³/sks prior to foaming, 9 ppg, 2.18 ft³/sks after foaming.

Tail: 75 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft³/sks.

If hole conditions dictate, an alternate, two stage cement design will be used. Stage 1: 85 sacks Class B 50/50 POZ, 3% Gel, 5# Gilsonite, 1/4# Flocele, 1/10% CFR 3, .2% Halad 344, Yield 1.44 ft³/sks. Stage 2: 450 sacks Class B 50/50 POZ, 3% Gel, 5# Gilsonite, 1/4# Flocele, .1% CFR 3, .2% Halad 344, Yield 1.47 ft³/sks. Cement designed to circulate to surface.

Production String: TOC designed to circulate to surface, cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

Lead: 500 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.47 ft³/sks.

Actual volumes will be calculated and adjusted with caliper log prior to cementing.

4. DRILLING FLUIDS PROGRAM:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3625'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3625'-7885'	Air				NC	
7885'-TD	Mud	8.5-9.0*	30-50	8.0-10.0	8-10cc @ TD	Low solids – nondispersed. * 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.