

RECEIVED

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

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 385' FNL & 1255' FWL NW NW Unit D

At bottom hole Same

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 25.4 miles southeast of Ignacio, Colorado

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drlg unit line, if any)

385'

16. No. of Acres in lease

2560

17. Spacing Unit dedicated to this well

320 w/2

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

8115'

20. BLM/BIA Bond No. on file

CO-1104

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

6368' 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)

DM

Name (Printed/ Typed)

Office

Date

2-14-03

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)

HOLD C104 FOR NSL

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

NMOCD

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31291	² Pool Code 72319 / 11599	³ Pool Name Blanco Mesaverde / BASIN DAKOTA
⁴ Property Code 19641	⁵ Property Name NEBU	⁶ Well Number # 327
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁹ Elevation 6368

¹⁰ Surface Location

UL or Lot No. D	Section 20	Township 31 N	Range 6 W	Lot Idn	Feet from the 385	North/South line NORTH	Feet from the 1255	East/West line WEST	County SAN JUAN
--------------------	---------------	------------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	--------------------

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 - W/320 DK - W/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 1255' 385' 5280(R)	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Diane Busch 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 16, 2002 Date of Survey Signature and Seal of Professional Surveyor GARY E. VANN 7016 7016 Certificate Number	¹⁹ RECEIVED 2002 DEC 9 AM 11:25 070 Farmington, NM 5296(R)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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)
385' FNL & 1255' FWL NW/4, NW/4, Sec. 20, T 31N R. 6W

Latitude _____ Longitude _____

5. Lease Serial No.
SF-078988

6. If Indian, Allottee, or Tribe Name

7. If Unit, CA, Agreement Designation
Northeast Blanco Unit

8. Well Name and No.
NEBU 327

9. API Well No.
31291
30045 3129

10. Field and Pool, or Exploratory Area
Blanco Mesaverde Basin Dakota

11. County or Parish, State

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
- #3. Anticipated # of centralizers for intermediate & production casing are as follows:
- Intermediate:** The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 2000' (estimatd 12 centralizers used).
 - 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).
- #4. Density's: Should be 13 ppg
- #5. The inconsistency with #4 chart: The hole will be air drilled from 3675'-7740'. The well will be mud drilled from 7740'-TD.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed) Diane Busch	Title Sr. Operations Technician
Signature <i>Diane Busch</i>	Date 1-3-03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ David J. Mankiewicz	Title _____	Date FEB 14 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. Section1001, 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)

NMOC

**NEBU 327
Unit D 20-31N-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	2435	Aquifer
Kirtland	2555	
Fruitland	3000	Gas
Pictured Cliffs	3330	Gas
Lewis	3510	Gas
Intermediate TD	3660	
Huerfanito bentonite	4155	
Massive Cliff House	5355	Gas
Menefee	5400	Gas
Massive Point Lookout	5635	Gas
Mancos	6010	Gas
Gallup	6975	Gas
Greenhorn	7670	
Graneros	7720	
Dakota	7840	Gas
TD	8115	

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
0-3660'	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 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
0-3660'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3660'-7720'	Air				NC	
7720'-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.