

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

Form C-101
June 16, 2008

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

Submit to appropriate District Office

☒ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Devon Energy Production, LP 20 North Broadway, OKC, OK 73102-8260		² OGRID Number 6137
		³ API Number 30 - 045-35003
⁴ Property Code 19641	⁵ Property Name Northeast Blanco Unit	⁶ Well No 489A
⁹ Proposed Pool 1 Basin Fruitland Coal (Gas) 71629		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	12	31N	7W		1150	North	1430	West	San Juan

⁸ Proposed 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
C	12	31N	7W		880	North	1640	West	San Juan

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 6537'
¹⁶ Multiple N	¹⁷ Proposed Depth 3480' MD 3445' TVD	¹⁸ Formation Dakota	¹⁹ Contractor	²⁰ Spud Date Unknown

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32#	0-285'	200	Surface
8 3/4"	7"	23#	0-3114'	500	Surface
6 1/4"	5 1/2"	15 5#	0 - TD	No cement	Open hole

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See attached documents; C-144 submitted June 16th, 2009 under previous mailing.

Surface location is located on BLM property. Sundry notice filed with BLM to ask for permission to build well pad at surface location of Lot C, Sec 12-T31N-7W, 1150' FNL & 1430' FWL with the bottomhole location at Lot C, Sec 12-T31N-7W, 880' FNL & 1640' FWL which is FEE minerals (see attached sundry).

RCVD JUL 17 '09
OIL CONS. DIV.
DIST. 3

**NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature

Printed name

Stephanie A Ysasaga

Title

Sr Staff Engineering Technician

E-mail Address

Stephanie.Ysasaga@dm.com

Date

07/15/2009

Phone

(405)-552-7802

OIL CONSERVATION DIVISION

Approved by

Title

DEPUTY OIL & GAS INSPECTOR, DIST. 3

Approval Date

JUL 27 2009

Expiration Date

JUL 27 2011

Conditions of Approval Attached ☐

Hold C104

for Directional Survey
and "As Drilled" plat

JUL 27 2009

80

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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 30.045-35003	² Pool Code 71629	³ Pool Name Basin Fruitland Coal (Gas)
⁴ Property Code 19641	⁵ Property Name NEBU	⁶ Well Number # 489A
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁹ Elevation 6537

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
C	12	31 N	7 W		1150	NORTH	1430	WEST	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
C	12	31 N	7 W		880	NORTH	1640	WEST	SAN JUAN

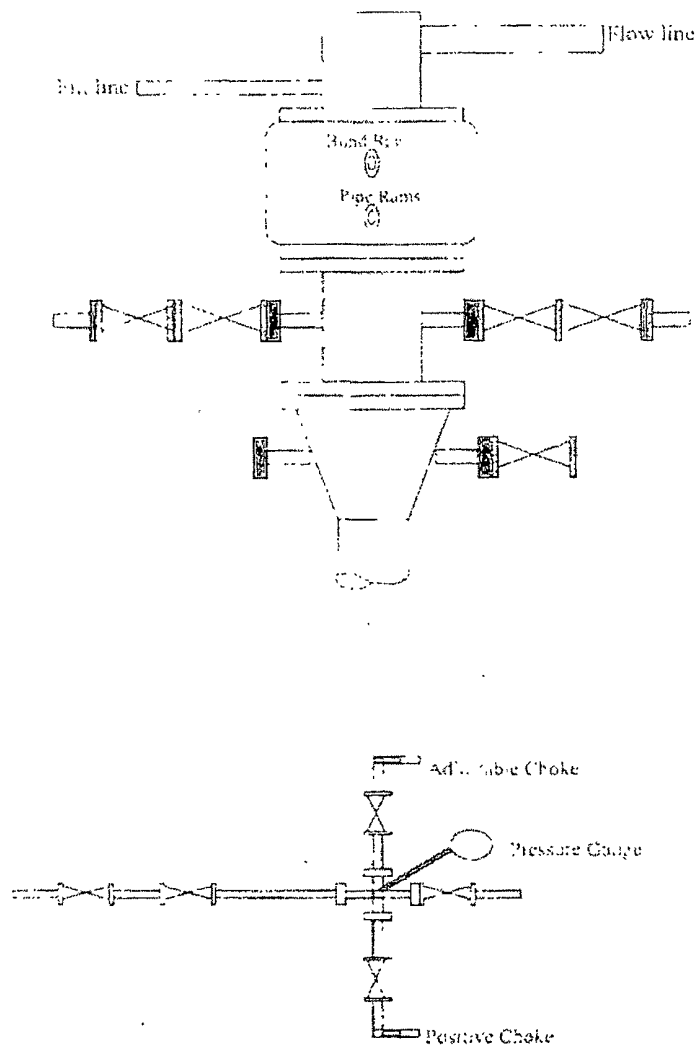
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>16</p><p>5280(R)</p><p>1150'</p><p>Bottom Hole Location 880' F/NL 1640' F/WL</p><p>Azimuth - 37°52'</p><p>1430'</p><p>342'</p><p>12</p><p>5280(R)</p></div>	<div><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, and that this organization either owns a working interest or unless 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</p><p>Signature <i>[Signature]</i> Date 06/26/09</p><p>Printed Name Stephanie A. Ysasaga</p></div> <div><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>Restaked: Nov. 3, 2008</p><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor <i>[Signature]</i></p><p>7016</p><p>Certificate Number</p></div>
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(R) - GLO Record

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. 1, M. 43 C. 1 R. 3. 60 requirement for 2M systems.

NEBU 489A
SL: 1150' FNL & 1430' FWL, Unit C 12-31N-7W
BHL: 880' FNL & 1640' FWL, Unit C 12-31N-7W
San Juan, NM

DRILLING PLAN

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

Formation	MD (ft)	TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2443	2410	Aquifer
Kirtland	2557	2523	
Fruitland	2939	2904	
Fruitland 1 st Coal	3164	3129	Gas
Upper Pictured Cliffs	3362	3337	Gas
Pictured Cliffs Main	3480	3445	Gas
PTD	3480	3445	

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 #1 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.

- 3000# BOP With Pipe Rams and 3000# 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 300 psi.

3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

MD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3150	0-3114	8-3/4"	7"	J-55	23#	LTC	New
3100-3480	3064- TD	6-1/4"	5-1/2"*	J-55	15.5 #	LTC	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
5 1/2"	4040 psi	4810 psi	248K 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)

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 285'.
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.

Intermediate String: 7" Production casing cemented in an 8-3/4" hole
23# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe
Cement with 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,
1/4"# 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

* *Minor variations possible due to existing hole conditions.*

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 completion, the 5 1/2 " liner
will be cemented using class B 50/50 POZ, 3% gel, 5# gilsonite,
1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx. **

** *Minor variations possible due to existing hole conditions*

4. DRILLING FLUIDS PROGRAM:

MD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-3149	285-3114	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
3149-3480	3114 - TD	Air/Mist					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: MWD surveys will be taken from 748' to TD of 8 3/4" hole.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered within the 6 1/4" 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 489A
Location: San Juan County
State/Country: New Mexico

