

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**

<sup>1</sup> Operator Name and Address <b>DEVON ENERGY PRODUCTION COMPANY</b>		<sup>2</sup> OGRID Number 06137
		<sup>3</sup> API Number 30-045-35142
<sup>3</sup> Property Code 19641	<sup>5</sup> Property Name <b>NORTHEAST BLANCO UNIT</b>	<sup>6</sup> Well No. <b>432A</b>
<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal		<sup>10</sup> 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
H	7	30-N	7-W		1370	North	935	East	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
I	7	30-N	7-W		2260	South	700	East	San Juan

**Additional Well Information**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 6142'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth MD3762'	<sup>18</sup> Formation Pictured Cliffs	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 11/1/10

**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#	285'	200	Surface
8-3/4"	7"	23#	MD3412'	500	Surface
6-1/4"	5-1/2"	15.5#	MD3309'-3762'	None	

<sup>22</sup> 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.

Devon Energy would like to directionally drill a new Fruitland Coal gas well from a BLM surface location to a Fee bottom hole location. Please see the attached C-102, a detailed directional drilling plan and schematic, and map.

RCVD MAY 5 '10

OIL CONS. DIV.

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

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.  Signature: <i>Mike Pippin</i>		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Mike Pippin		Approved by: <i>[Signature]</i>	
Title: Petroleum Engineer		Title: <b>DEPUTY OIL &amp; GAS INSPECTOR, DIST. 4</b>	
E-mail Address: mike@pippinllc.com		Approval Date: <b>MAY 18 2010</b>	Expiration Date: <i>May 18, 2011</i>
Date: 5/5/10	Phone: 505-327-4573	Conditions of Approval Attached <input type="checkbox"/> Hold C104	

for Directional Survey  
and "As Drilled" plat

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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

<sup>1</sup> API Number <b>30-045-35142</b>		<sup>2</sup> Pool Code <b>71629</b>		<sup>3</sup> Pool Name <b>BASIN FRUITLAND COAL</b>	
<sup>4</sup> Property Code <b>19641</b>		<sup>5</sup> Property Name <b>NEBU</b>			<sup>6</sup> Well Number <b># 432A</b>
<sup>7</sup> OGRID No <b>06137</b>		<sup>8</sup> Operator Name <b>Devon Energy Production Company, L.P.</b>			<sup>9</sup> Elevation <b>6142</b>

<sup>10</sup> Surface Location

UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>7</b>	<b>30 N</b>	<b>7 W</b>		<b>1370</b>	<b>NORTH</b>	<b>935</b>	<b>EAST</b>	<b>SAN JUAN</b>

<sup>11</sup> 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
<b>I</b>	<b>7</b>	<b>30 N</b>	<b>7 W</b>		<b>2260</b>	<b>SOUTH</b>	<b>700</b>	<b>EAST</b>	<b>SAN JUAN</b>

<sup>12</sup> Dedicated Acres <b>E/2-320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

	<p><b>17 OPERATOR CERTIFICATION</b></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 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.</p> <p>Signature: <b>Mike Pippin</b> Date: <b>4/23/10</b></p> <p>Printed Name: <b>MIKE PIPPIN</b></p>	
	<p><b>18 SURVEYOR CERTIFICATION</b></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>Revise BHL April 16, 2009 December 12, 2008</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>	
	<p><b>7016</b></p> <p>Certificate Number</p>	
	<p><b>7016</b></p> <p>Certificate Number</p>	

30-045-32381

(R) - CLO Record

**NEBU 432A**  
**SL: 1370' FNL & 935' FEL, Unit H 7-30N-7W**  
**BHL: 2260' FSL & 700' FEL, Unit I 7-30N-7W**  
**San Juan Co., NM**

**DRILLING PLAN**

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

<b>Formation</b>	<b>TMD (ft)</b>	<b>TVD (ft)</b>	<b>Hydrocarbon/Water Bearing Zones</b>
San Jose	Surface	Surface	
Ojo Alamo	2284	1984	Aquifer
Kirtland	2473	2133	
Fruitland	2989	2591	Gas
Fruitland 1 <sup>st</sup> Coal	3245	2810	
Upper Pictured Cliffs	3427	2996	
Pictured Cliffs Main	3484	3048	Gas
<b>PTD</b>	<b>3548</b>	<b>3107</b>	

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.

- 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 300 psi.

### 3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2760	8-3/4"	7"	J-55	23#	LTC	New
2660'-3107'	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 ft<sup>3</sup>/sx, cement  
Designed to circulate to surface.

**Production 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 ft<sup>3</sup>/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 to 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  
ft<sup>3</sup>/sx. \*\*

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

#### 4. DRILLING FLUIDS PROGRAM:

TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-2760	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 or first succeeding bit change.

**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.

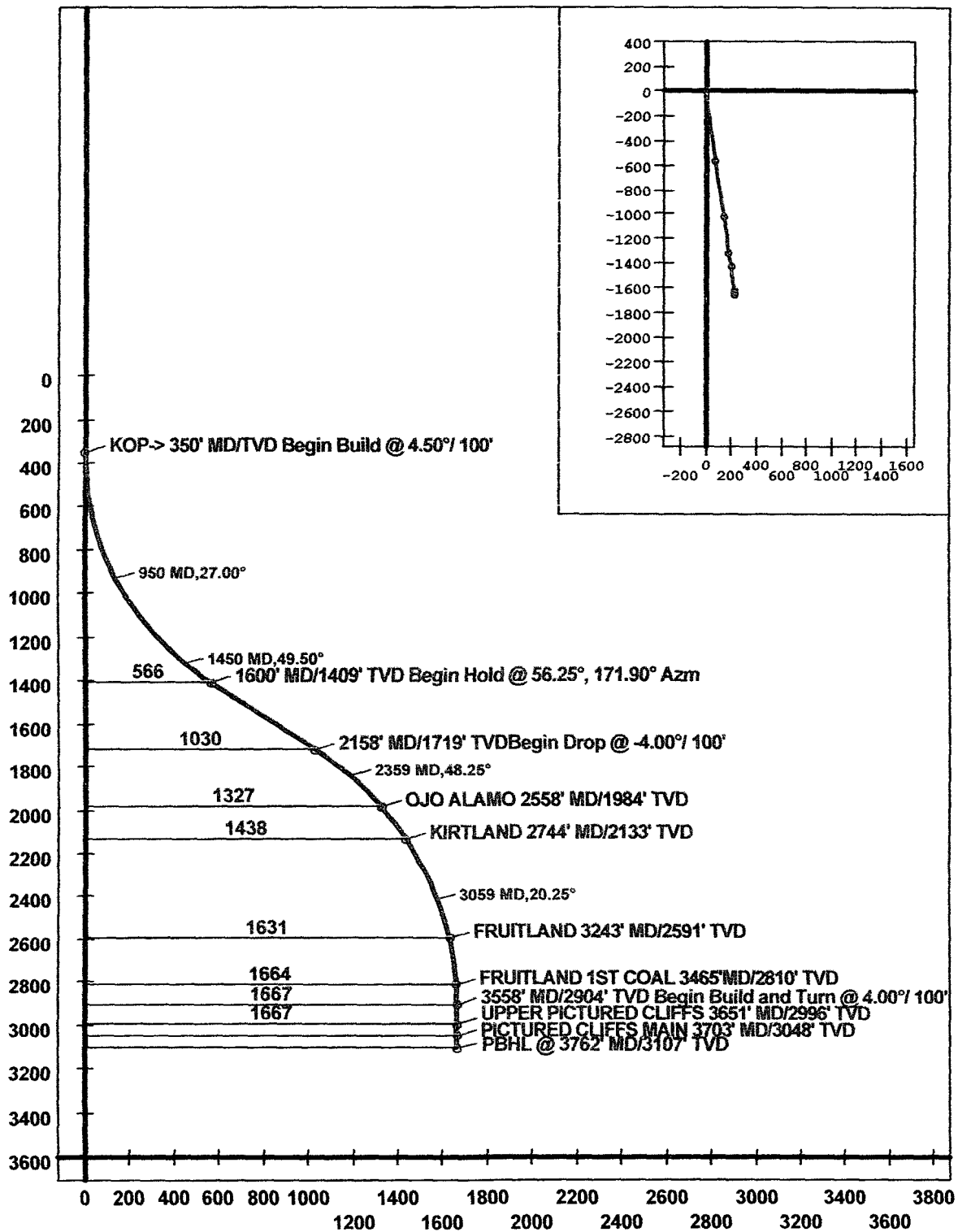
**7. OTHER INFORMATION:**

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

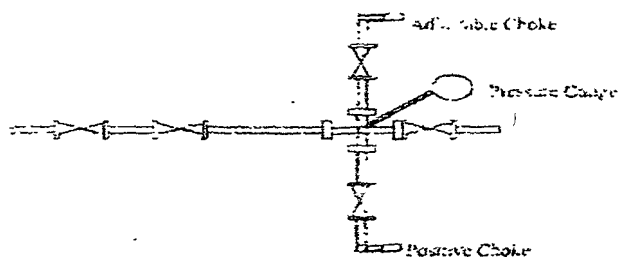
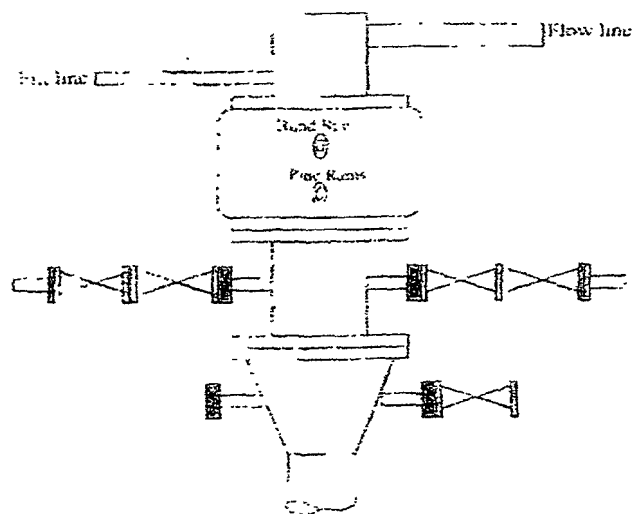
Starting Date:	Upon Approval
Duration:	20 days

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 Production Co.  
 Lease/Well: NEBU #432A  
 Location: San Juan County, Sec. 7-30N-7W  
 State/Country: New Mexico



# Well Control Equipment 2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60 requirement for 2,000 psi systems.