

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

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

5. Lease Serial No.	FEE
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	NMNM 78402D
8. Well Name and No.	Northeast Blanco Unit #432A
9. API Well No.	35142 30-045-32381
10. Field and Pool, or Exploratory Area	Basin Fruitland Coal
AND	San Juan County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	MAY 03 2010
2. Name of Operator Devon Energy Production Company, L.P.	Bureau of Land Management Field Office
3a. Address 20 N. Broadway, Oklahoma City, OK 73102	3b. Phone No. (include area code) 505-327-4573
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SURFACE: Unit H, 1370' FNL, 935' FEL, Sec. 7 T30N R7W BOTTOM HOLE: Unit I, 2260' FSL, 700' FEL Sec. 7 T30N R7W	

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter 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 Drill FRTC Well
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> From BLM Surface to
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <input type="checkbox"/> Fee Bottom Hole

13. Describe Proposed or Completed Operations (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 of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy would like to directionally drill a Fruitland Coal gas well from a BLM surface location to a Fee bottom hole location. The dedicated acreage (E/2 Sec. 7) is in the FRTC participating area. Attached is a drilling plan and a surface use plan. The EA & TE were done by Ecosphere, the Archy by LaPlata Arch. Consultants, and the BLM on-site was done on Mike Flanigen.

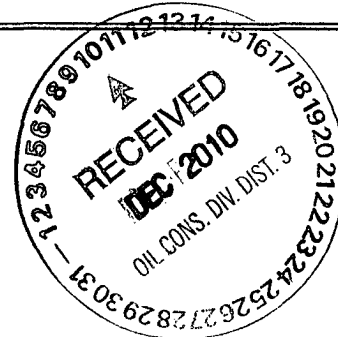
14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer (Agent)
Signature <i>Mike Pippin</i>	Date April 26, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>[Signature]</i>	Title AFM	Date 12/8/10
Conditions of approval, if any, are attached. Approval of this notice 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 conduct operations thereon.	Office FFO	

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

NMOC



District I
1625 N. French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 St. Francis Dr., Santa Fe, NM 87505

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		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 432A
7 OGRID No. 06137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6142

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
H	7	30 N	7 W		1370	NORTH	935	EAST	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
I	7	30 N	7 W		2260	SOUTH	700	EAST	SAN JUAN

12 Dedicated Acres E/2-320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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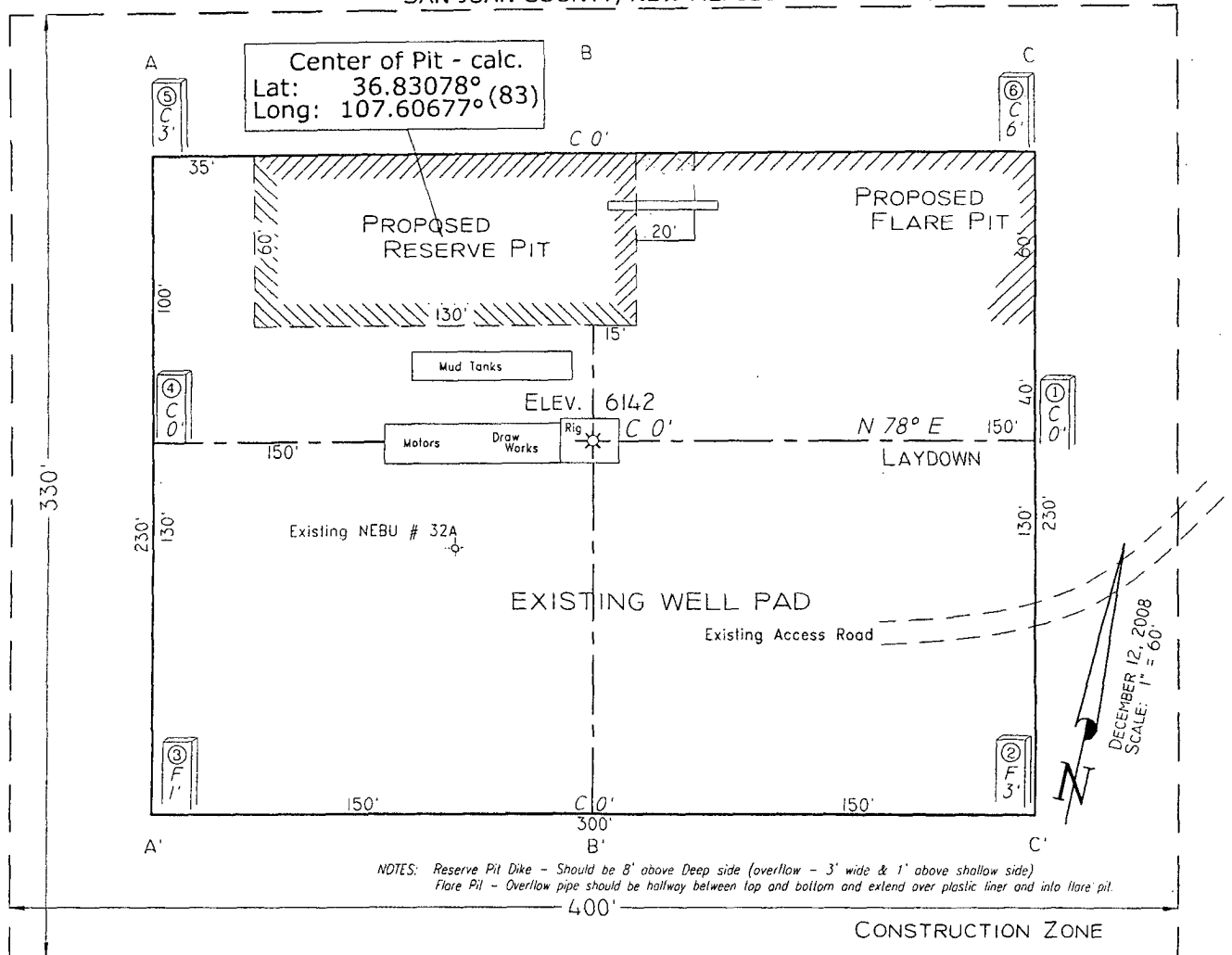
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	294'(R)	1320'(R)	2640'(R)	17 OPERATOR CERTIFICATION 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. Signature <u>Mike Pippin</u> Date <u>4/28/10</u> Printed Name <u>MIKE PIPPIN</u>
	5280'(R)	7	5280'(R)	
	336'(R)	1320'(R)	2640'(R)	

Bottom Hole Location
2260' F/SL 700' F/EL
Azimuth - 171°54' 1667'
1370'
935'

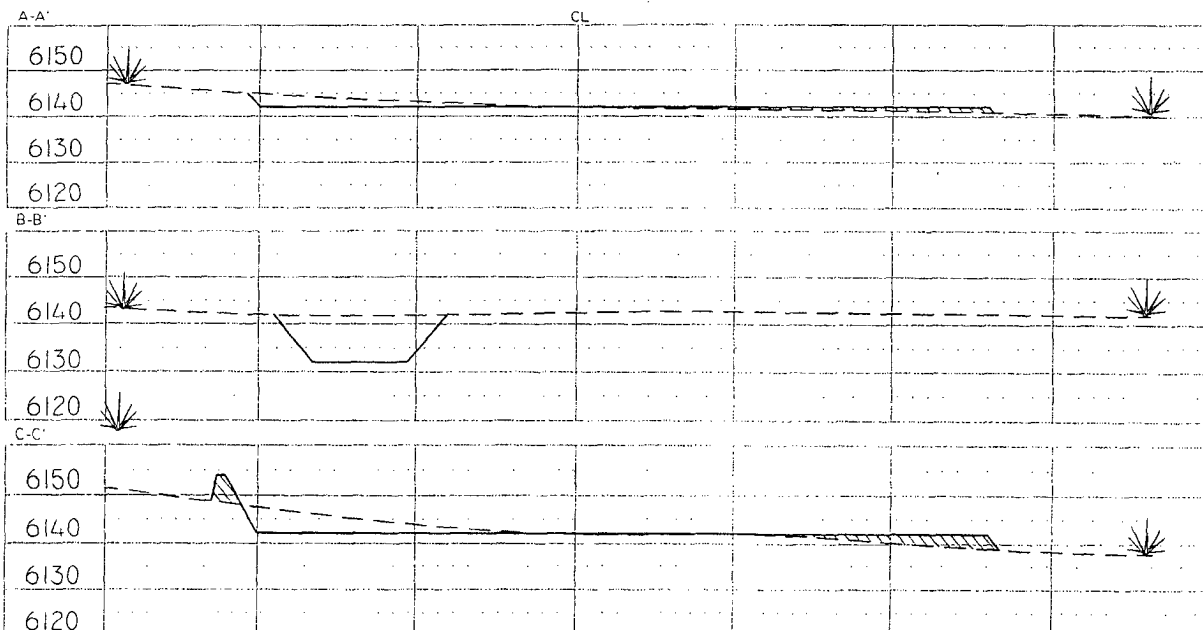
PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.
 Nebu # 432A
 1370' F/NL 935' F/EL
 SEC. 7, T30N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36.83062°
 Long: 107.60661° (83)



Area of Construction Zone - 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.
 1"=40'-VERT.



NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

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:

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

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 ft³/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 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 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
ft³/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.

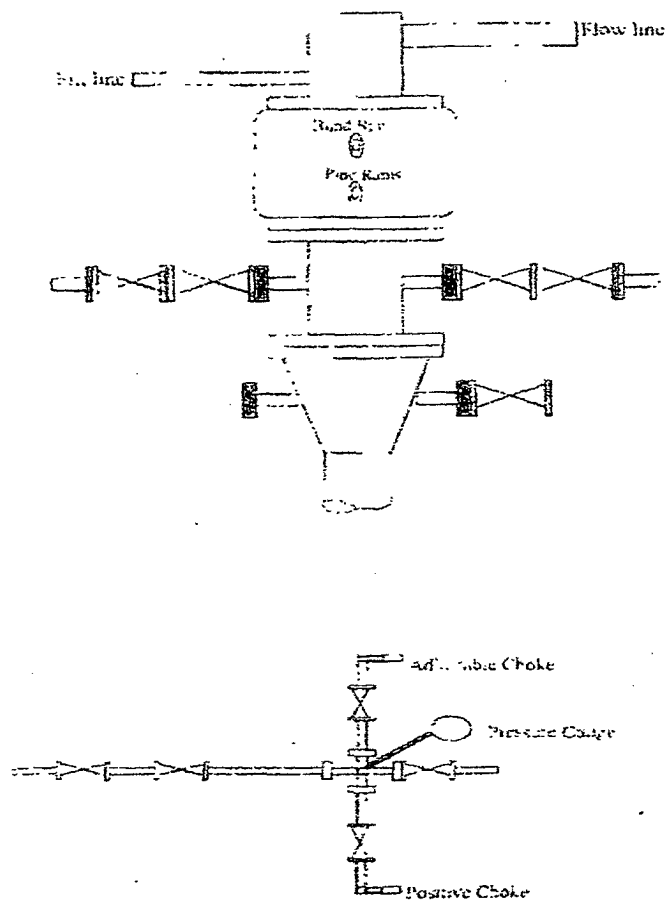
7. OTHER INFORMATION:

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.

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 2M systems.



Job Number:
 Company: Devon Energy Production Co.
 Lease/Well: NEBU #432A
 Location: San Juan County, Sec. 7-30N-7W
 Rig Name:
 RKB:
 G.L. or M.S.L.: 6142'

State/Country: New Mexico
 Declination:
 Grid:
 File name: Z:\SURVEYS\DEVON\NEBU432A.SVY
 Date/Time: 30-Apr-10 / 13:59
 Curve Name: Proposal 4.26.10

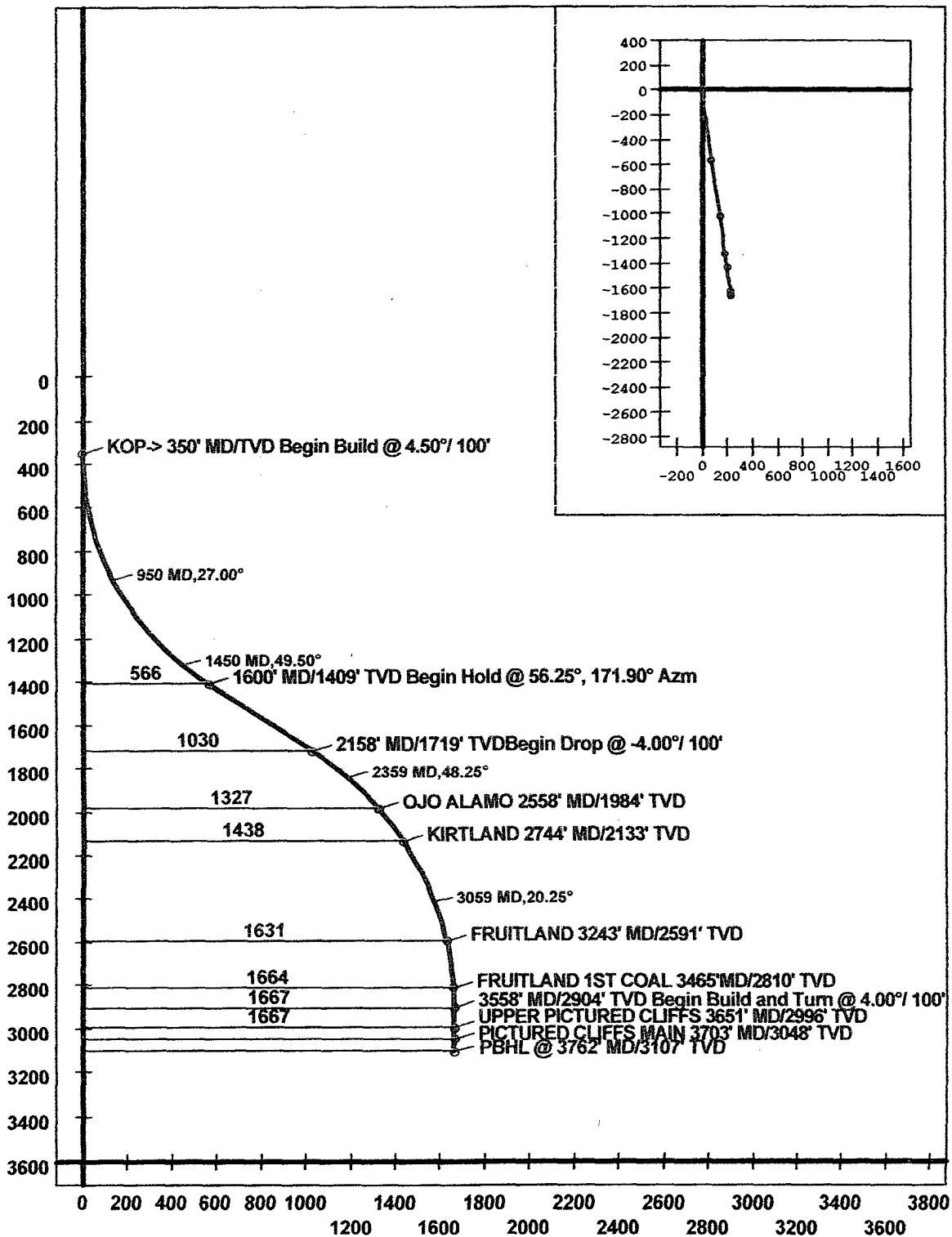
Inwell Inc

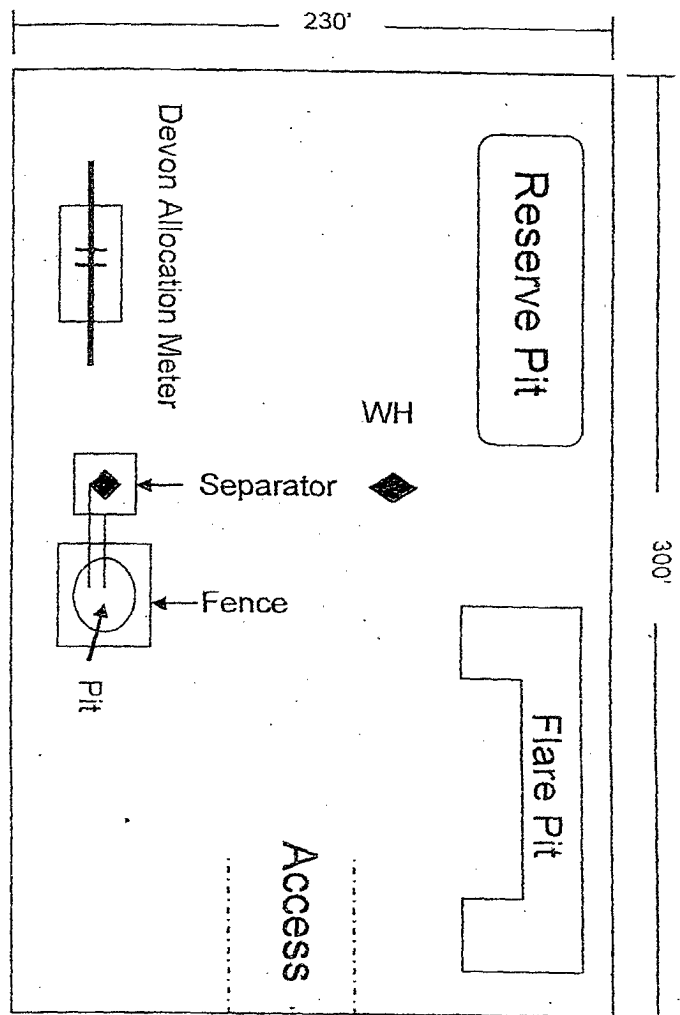
WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane 171.90
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
KOP-> 350' MD/TVD Begin Build @ 4.50'/ 100'									
350.00	.00	.00	350.00	.00	.00	.00	.00	.00	.00
550.00	9.00	171.90	549.18	15.68	-15.52	2.21	15.68	171.90	4.50
650.00	13.50	171.90	647.23	35.18	-34.83	4.96	35.18	171.90	4.50
750.00	18.00	171.90	743.45	62.32	-61.70	8.78	62.32	171.90	4.50
850.00	22.50	171.90	837.25	96.92	-95.95	13.66	96.92	171.90	4.50
950.00	27.00	171.90	928.04	138.77	-137.39	19.55	138.77	171.90	4.50
1050.00	31.50	171.90	1015.27	187.62	-185.75	26.44	187.62	171.90	4.50
1150.00	36.00	171.90	1098.39	243.17	-240.74	34.26	243.17	171.90	4.50
1250.00	40.50	171.90	1176.90	305.06	-302.02	42.98	305.06	171.90	4.50
1350.00	45.00	171.90	1250.32	372.92	-369.20	52.55	372.92	171.90	4.50
1450.00	49.50	171.90	1318.18	446.34	-441.88	62.89	446.34	171.90	4.50
1550.00	54.00	171.90	1380.07	524.85	-519.61	73.95	524.85	171.90	4.50
1600' MD/1409' TVD Begin Hold @ 56.25°, 171.90° Azm									
1600.09	56.25	171.90	1408.71	565.94	-560.29	79.74	565.94	171.90	4.50
2158' MD/1719' TVDBegin Drop @ -4.00'/ 100'									
2158.61	56.25	171.90	1718.98	1030.36	-1020.08	145.18	1030.36	171.90	.00
2258.61	52.25	171.90	1777.39	1111.50	-1100.41	156.61	1111.50	171.90	4.00
2358.61	48.25	171.90	1841.31	1188.38	-1176.52	167.44	1188.38	171.90	4.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
2458.61	44.25	171.90	1910.45	1260.60	-1248.02	177.62	1260.60	171.90	4.00
OJO ALAMO 2558' MD/1984' TVD									
2558.03	40.28	171.90	1984.00	1327.45	-1314.20	187.04	1327.45	171.90	4.00
2558.61	40.25	171.90	1984.45	1327.83	-1314.58	187.09	1327.83	171.90	4.00
2658.61	36.25	171.90	2062.96	1389.73	-1375.86	195.81	1389.73	171.90	4.00
KIRTLAND 2744' MD/2133' TVD									
2743.67	32.85	171.90	2133.00	1437.96	-1423.61	202.61	1437.96	171.90	4.00
2758.61	32.25	171.90	2145.60	1446.00	-1431.58	203.74	1446.00	171.90	4.00
2858.61	28.25	171.90	2231.97	1496.37	-1481.44	210.84	1496.37	171.90	4.00
2910.00	26.20	171.90	2277.66	1519.88	-1504.72	214.15	1519.88	171.90	4.00
2958.61	24.25	171.90	2321.63	1540.60	-1525.23	217.07	1540.60	171.90	4.00
3058.61	20.25	171.90	2414.17	1578.46	-1562.71	222.41	1578.46	171.90	4.00
3158.61	16.25	171.90	2509.12	1609.77	-1593.71	226.82	1609.77	171.90	4.00
FRUITLAND 3243' MD/2591' TVD									
3243.23	12.87	171.90	2591.00	1631.03	-1614.76	229.81	1631.03	171.90	4.00
3258.61	12.25	171.90	2606.02	1634.38	-1618.08	230.29	1634.38	171.90	4.00
3358.61	8.25	171.90	2704.40	1652.17	-1635.69	232.79	1652.17	171.90	4.00
FRUITLAND 1ST COAL 3465' MD/2810' TVD									
3464.84	4.00	171.90	2810.00	1663.51	-1646.91	234.39	1663.51	171.90	4.00
3558' MD/2904' TVD Begin Build and Turn @ 4.00°/ 100'									
3558.61	.25	171.90	2903.69	1666.99	-1650.36	234.88	1666.99	171.90	4.00
3564.92	.00	351.90	2910.00	1667.00	-1650.37	234.88	1667.00	171.90	4.00
UPPER PICTURED CLIFFS 3651' MD/2996' TVD									
3650.92	.00	351.90	2996.00	1667.00	-1650.37	234.88	1667.00	171.90	.00
PICTURED CLIFFS MAIN 3703' MD/3048' TVD									
3702.92	.00	351.90	3048.00	1667.00	-1650.37	234.88	1667.00	171.90	.00
PBHL @ 3762' MD/3107' TVD									
3761.92	.00	351.90	3107.00	1666.99	-1650.36	234.88	1666.99	171.90	.00

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





All location will have a gas separator, and an 80 bbl pit (double wall, double bottom) enclosed with a fence. It is the responsibility of Devon Energy Production Company, L.P. to install the meter run. It could be on either end of pad, but will always be on the working side of the pad.