

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

|  |   |   |
|--|---|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |   | 5. Lease Serial No.<br>SF 079045  |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone |   | 6. If Indian, Allottee or Tribe Name  |
| 2. Name of Operator<br>DEVON ENERGY CORP.  |   | 7. If Unit or CA Agreement, Name and No.                                      |
| Contact: CHARLES MUZZY<br>E-Mail: charles.muzzy@dvn.com  |   | 8. Lease Name and Well No.<br>NEBU 408A                                       |
| 3a. Address<br>20 NORTH BOARDWAY<br>OKLAHOMA CITY, OK 73102  | 3b. Phone No. (include area code)<br>Ph: 405.552.7955<br>Fx: 405.552.4553 | 9. API Well No.<br>30-045 32372   |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface SESE Lot P 1025FNL 1210FEL<br>At proposed prod. zone SESE Lot P 1025FNL 1210FEL                           |   | 10. Field and Pool, or Exploratory<br>BASIN FRUITLAND COAL                    |
| 14. Distance in miles and direction from nearest town or post office*<br>APPROXIMATELY 26 MILES SOUTHEAST OF IGNACIO, CO   |   | 11. Sec., T., R., M., or Blk. and Survey or Area<br>p Sec 20 T31N R7W Mer NMP |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)<br>1025   | 16. No. of Acres in Lease<br>2056.12                                      | 12. County or Parish<br>SAN JUAN  |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.  | 19. Proposed Depth<br>3419 MD   | 13. State<br>NM   |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.)<br>6460 GL  | 22. Approximate date work will start<br>JUL 2004                          | 17. Spacing Unit dedicated to this well<br>320.00 E2                          |
| 23. Estimated duration<br>20 DAYS  |   | 20. BLM/BIA Bond No. on file  |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

|  |                                       |                    |
|--|---------------------------------------|--------------------|
| 25. Signature<br>(Electronic Submission) | Name (Printed/Typed)<br>CHARLES MUZZY | Date<br>05/24/2004 |
| Title<br>SR. OPERATIONS TECH             |                                       |                    |
| Approved by (Signature)<br>[Signature]   | Name (Printed/Typed)                  | Date<br>7-20-04    |
| Title<br>AFM                             | Office<br>FFO                         |                    |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct 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 of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #31063 verified by the BLM Well Information System  
For DEVON ENERGY CORP., sent to the Farmington

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

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.6  
and 43 CFR 3165.7

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

NMOC

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<br>30-045-32372 |  | 2 Pool Code<br>71629                                     |  | 3 Pool Name<br>Basin Fruitland Coal |                         |  |
| 4 Property Code<br>19641     |  | 5 Property Name<br>NEBU                                  |  |                                     | 6 Well Number<br># 408A |  |
| 7 OGRID No.<br>6137          |  | 8 Operator Name<br>Devon Energy Production Company, L.P. |  |                                     | 9 Elevation<br>6460     |  |

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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| P             | 20      | 31 N     | 7 W   |         | 1025          | SOUTH            | 1210          | EAST           | SAN JUAN |

11 Bottom Hole Location If Different From Surface

|                           |         |                    |       |                       |               |                  |               |                |        |
|---------------------------|---------|--------------------|-------|-----------------------|---------------|------------------|---------------|----------------|--------|
| 12 UL or lot no.          | Section | Township           | Range | Lot Idn               | Feet from the | North/South line | Feet from the | East/West line | County |
|                           |         |                    |       |                       |               |                  |               |                |        |
| 13 Dedicated Acres<br>320 |         | 14 Joint or Infill |       | 15 Consolidation Code |               | 16 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 |  | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   |  |
|    |  | Signature<br>Charles Muzzy<br>Printed Name<br>Sr. Ops. Tech.<br>Title<br>5-24-04<br>Date   |  |
|    |  | 18 SURVEYOR CERTIFICATION<br>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. |  |
|    |  | Date of Survey<br>April 13, 2004<br>Signature and Seal of Professional Surveyor<br><br>7016<br>Certificate Number  |  |

**Additional Operator Remarks:**

- The referenced well is located inside the High Productivity Area of the Basin Fruitland Coal Pool. The subject well is in the participating area of the Northeast Blanco Unit. No notification is required per R-8768-F.

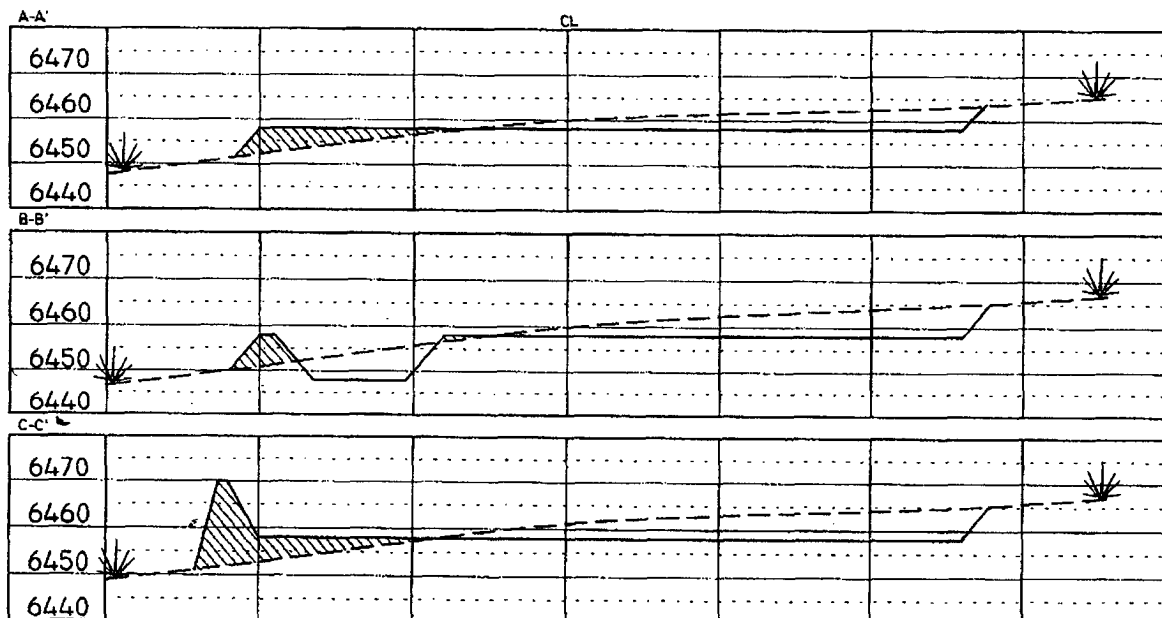
NEBU #408A  
1025' F/SL 1210' F/EL  
SEC. 20, T31N, R7W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

The site plan shows a rectangular area divided by a dashed line labeled "LAYDOWN". The left side contains a hatched area labeled "PROPOSED RESERVE PIT" with dimensions 35' x 60' x 130'. The right side contains a hatched area labeled "PROPOSED FLARE PIT" with dimensions 60' x 40'. A central point is marked "ELEV. 6460" with a star symbol. Survey points are labeled A, B, C at the top and A', B', C' at the bottom. Corner markers are numbered 1 through 8. Dimensions include 150' horizontal segments, 230' vertical segments, and various offsets like 7', 5', 15', 20', 30', 40', 50', 60', 70', 80', 90', 100', 110', 120', 130', 140', 150', 160', 170', 180', 190', 200', 210', 220', 230', 240', 250', 260', 270', 280', 290', 300', 310', 320', 330', 340', 350', 360', 370', 380', 390', 400', 410', 420', 430', 440', 450', 460', 470', 480', 490', 500'. A scale bar indicates 1" = 60'. A date stamp reads "APRIL 13, 2004".

**NOTES:**

- Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
- Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit.

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 408A  
Unit P 20-31N-7W  
San Juan Co., NM**

**DRILLING PLAN**

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

| Formation       | TVD<br>(ft) | Hydrocarbon/Water<br>Bearing Zones |
|-----------------|-------------|------------------------------------|
| San Jose        | Surface     |                                    |
| Ojo Alamo       | 2229        | Aquifer                            |
| Kirtland        | 2419        |                                    |
| Fruitland       | 3064        | Gas                                |
| Pictured Cliffs | 3319        | Gas                                |
| <b>PTD</b>      | 3419        |                                    |

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 #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 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       |
| 0-3064 | 8-3/4"    | 7"      | J-55  | 23#    | LTC    | New       |
| 0- TD  | 6-1/4"    | 5-1/2"* | J-55  | 15.5 # | LTC    | New       |

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. Yeild 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 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:**

| TVS       | Type | Weight (ppg) | Viscosity | pH  | Water Loss | Remarks        |
|-----------|------|--------------|-----------|-----|------------|----------------|
| 0-285     | Spud | 8.4-9.0      | 29-70     | 8.0 | NC         | FW gel,        |
| 285-3064  | LSND | 8.4-9.0      | 29-70     | 8.0 | 10-12      | LCM as needed  |
| 3064 - 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

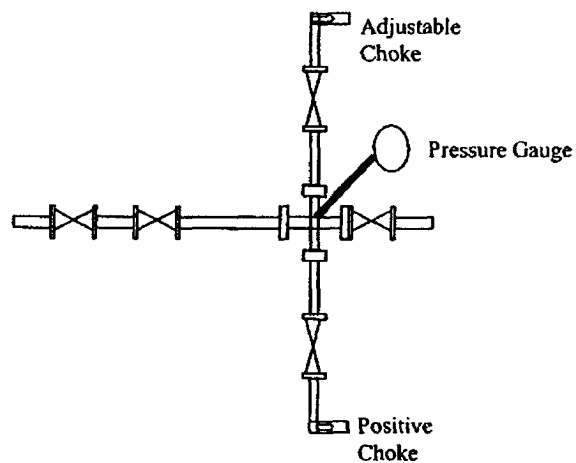
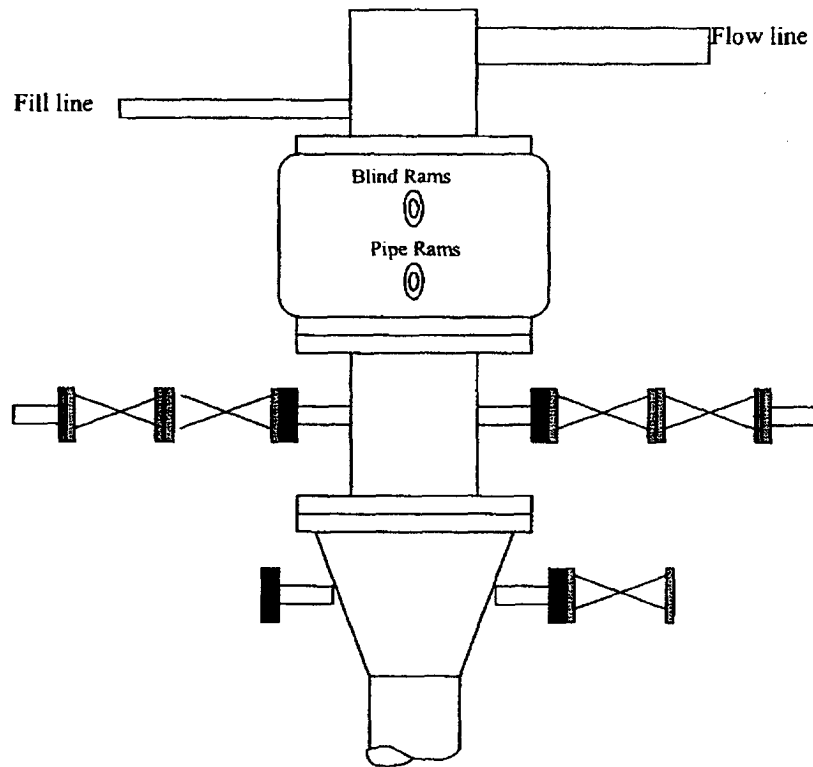
**Mud Logs:** mud logging in Fruitland Coal.

**Survey:** Deviation surveys will be taken every 500' from 0-TD of 8 3/4" hole or first succeeding bit change.

**Cores:** None anticipated.

**DST's:** None anticipated.

**Well Control Equipment**  
**2,000 psi Configuration**



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, BLM 43 CFR 3160 requirements for 2M systems.