

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. 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 DEVON ENERGY CORP.		7. If Unit or CA Agreement, Name and No.
Contact: CHARLES MUZZY E-Mail: charles.muzzy@dmv.com		8. Lease Name and Well No. NEBU 422A
3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553	9. API Well No. 30045 32371
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SENW Lot F 1380FNL 2470FWL At proposed prod. zone SENW Lot F 1380FNL 1900FWL		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 25 MILES SOUTHEAST OF IGNACIO, CO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 20 T31N R7W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease 2056.12	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well 320.00	13. State NM	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3513 MD 3428 TVD	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6422 GL	22. Approximate date work will start	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, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an 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 (Electronic Submission)	Name (Printed/Typed) CHARLES MUZZY	Date 05/18/2004
Title SR. OPERATIONS TECH		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 7-27-04
Title AFM	Office 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 #30655 verified by the BLM Well Information System  
For DEVON ENERGY CORP., sent to the Farmington

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

*Direct final survey*  
**HOLD ON FOR REVIEW**

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

NMOCD

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

3-145 32366  
39-22234  
07440  
21847  
07405

**WELL LOCATION AND ACREAGE DEDICATION**

1 API Number <b>30045-32371</b>		2 Pool Code <b>71629</b>		3 Property Name <b>Basin Fruitland Coal</b>	
4 Property Code <b>19641</b>		5 Property Name <b>NEBU</b>		6 Well Number <b># 422A</b>	
7 OGRID No. <b>6137</b>		8 Operator Name <b>Devon Energy Production Company, L.P.</b>		9 Elevation <b>6422</b>	

**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
<b>F</b>	<b>20</b>	<b>31 N</b>	<b>7 W</b>		<b>1380</b>	<b>NORTH</b>	<b>2470</b>	<b>WEST</b>	<b>SAN JUAN</b>

**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
<b>F</b>	<b>20</b>	<b>31 N</b>	<b>7 W</b>		<b>1380</b>	<b>NORTH</b>	<b>1900</b>	<b>WEST</b>	<b>SAN JUAN</b>

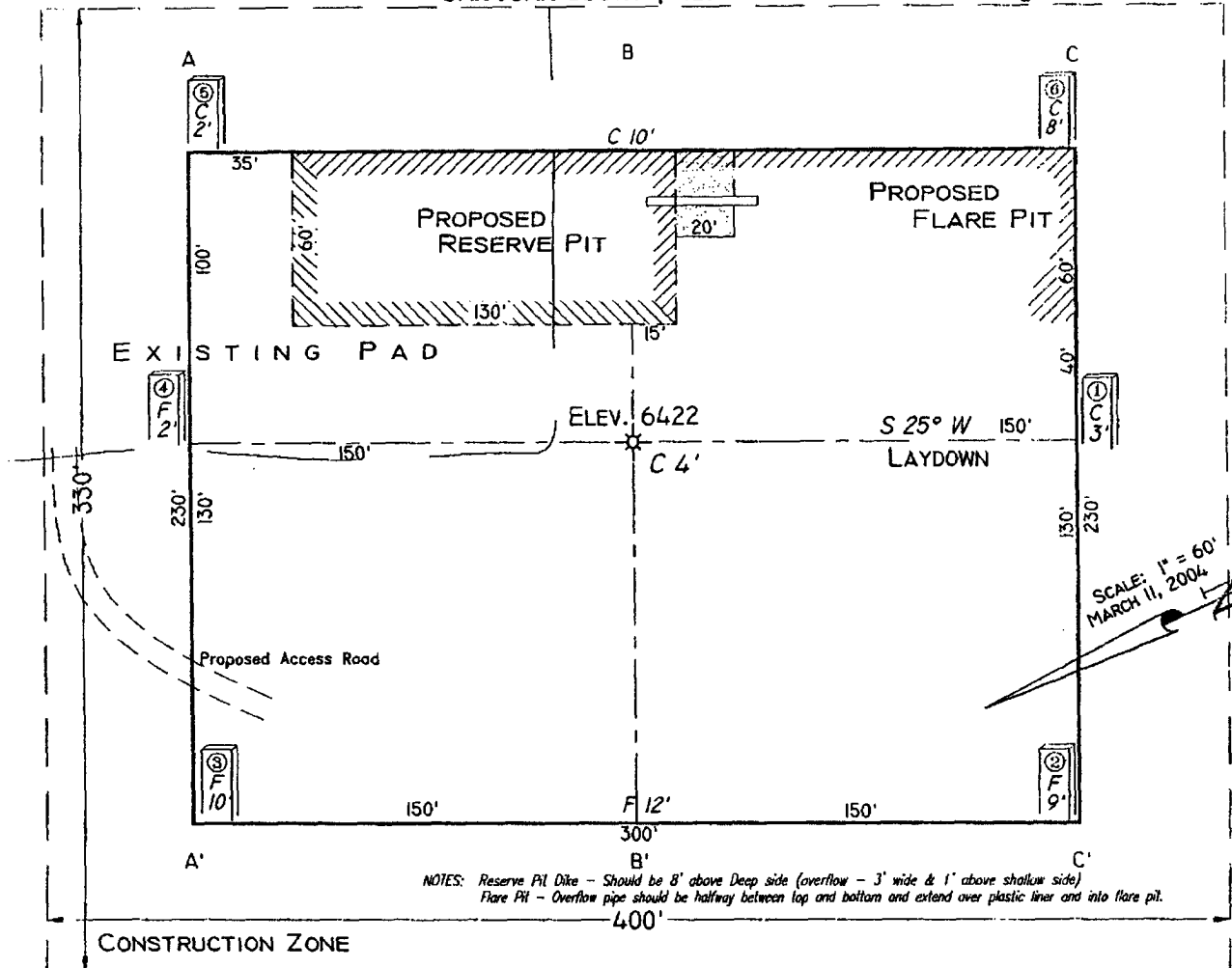
12 Dedicated Acres <b>320</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p>16</p> <p>Bottom Hole Location 1380' F/NL 1900' F/WL</p> <p>Azimuth - 270°02' 570'</p> <p>2470'</p> <p>1380'</p> <p>20</p> <p>5269(R)</p> <p>5280(R)</p> <p>5268(R)</p>	<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.</p> <p>Signature: <i>Charles Muzzy</i></p> <p>Printed Name: <b>Charles Muzzy</b></p> <p>Title: <b>Sr. Operations Tech</b></p> <p>Date: <b>5-4-03</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><b>March 11, 2004</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><b>GARY D. VANN</b></p> <p><b>NEW MEXICO</b></p> <p><b>REGISTERED PROFESSIONAL LAND SURVEYOR</b></p> <p><b>7016</b></p> <p>Certificate Number</p>

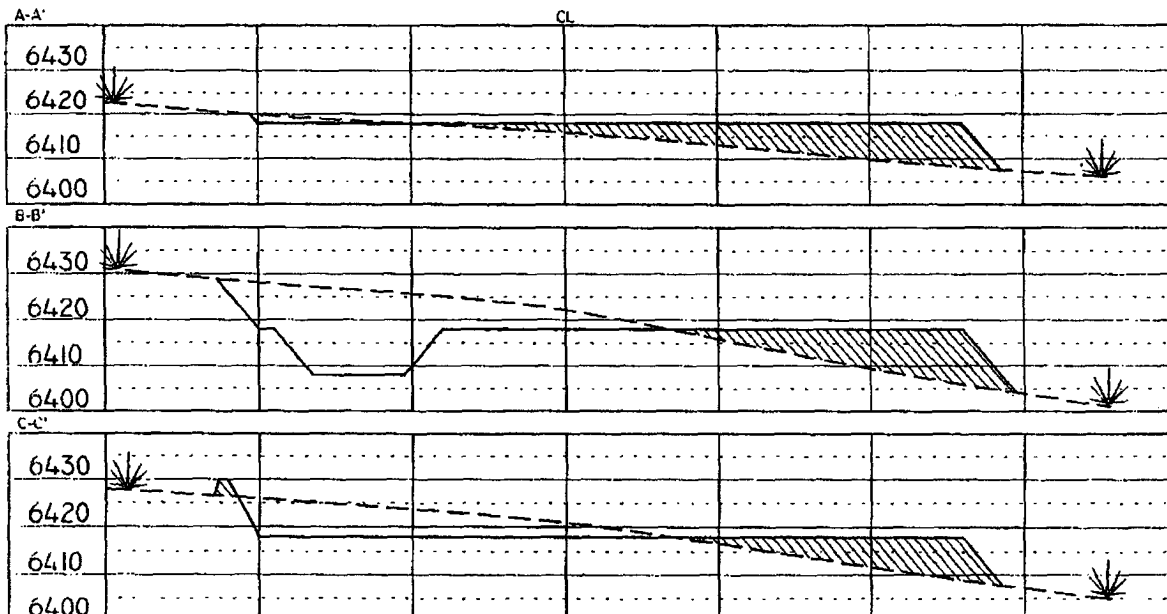
NEBU #422A  
1380' F/NL 2470' F/WL  
SEC. 20, T31N, R7W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

Lat: 36°53'19"  
Long: 107°35'42"



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 slopesides and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS  
P. O. Box 1506  
Farmington, NM

**NEBU 422A  
Unit F 20-31N-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>TVD (ft)</b>	<b>TMD (ft)</b>	<b>Hydrocarbon/Water Bearing Zones</b>
San Jose	Surface	Surface	
Ojo Alamo	2222	2304	Aquifer
Kirtland	2336	2420	
Fruitland	2622	2707	Gas
Pictured Cliffs	3328	3413	Gas
PTD	3428	3513	

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 1000 psi.

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

A. The proposed casing program will be as follows:

TVD	TMD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2622	0-2707	8-3/4"	7"	J-55	23#	LTC	New
0- TD	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. Yield 1.19 ft<sup>3</sup>/sx \*  
Cement designed to circulate to surface.

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

**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  
Lead: 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.

**Tail:** 25 sx Class 'B'. 1.18 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 300 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. \*\*

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

#### **4. DRILLING FLUIDS PROGRAM:**

<b>TVD</b>	<b>TMD</b>	<b>Type</b>	<b>Weight (ppg)</b>	<b>Viscosity</b>	<b>pH</b>	<b>Water Loss</b>	<b>Remarks</b>
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-2622	285-2707	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2622 - TD	2707 - 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.

**6. ABNORMAL CONDITIONS:**

The Fruitland Coal will be encountered in the 8 3/4" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

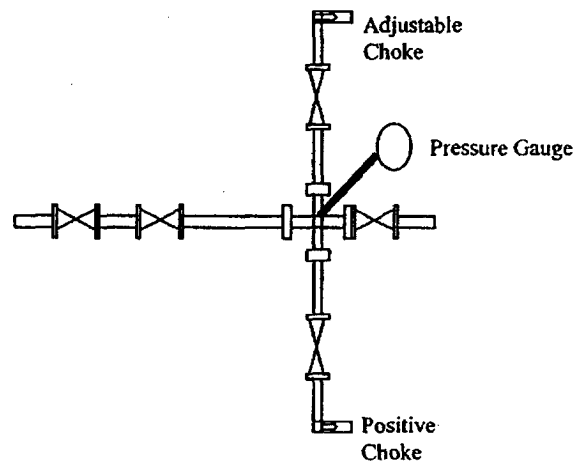
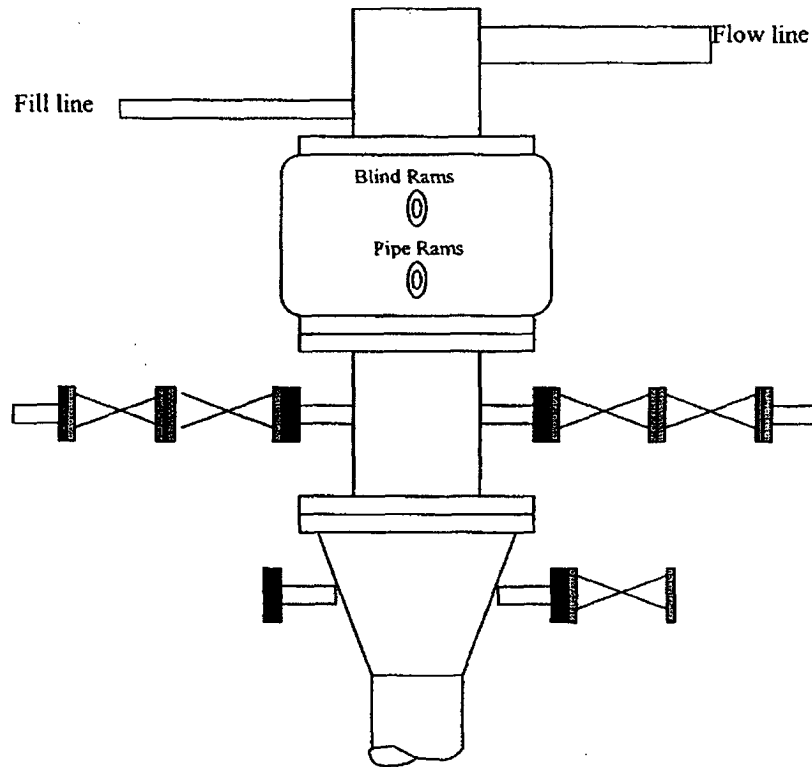
**7. OTHER INFORMATION:**

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 31604.

**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.



*devon*

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

*Release 6-12-04*  
June 3, 2004

New Mexico Oil Conservation Commission  
District 3  
1000 Rio Brazos Road  
Aztec, NM 87410

RE: Offset Operator Notification of Application for Permit to Drill  
**NEBU 422A Well**  
1380' FNL x 1900' FWL Section 20, T-31N, R-7-W  
San Juan County, New Mexico



ATTN: Steve Hayden

Enclosed, as required under Order R-8768-F dated July 17, 2003, you will find a copy of the notification letter to offset operator(s) of the intent to drill an Optional Infill Well in the High Productivity Area of the Basin-Fruitland Coal Pool by Devon Energy Production Company L.P.

You may contact me with any comments or questions at the (405) 228-7533.

Cordially,

**DEVON ENERGY PRODUCTION COMPANY, L.P.**

A handwritten signature in cursive script, appearing to read "Teresia".

Teresia D. McGinnis, CPL  
Contract Landman  
(405) 228-7533  
[teresia.mcgininis@dvn.com](mailto:teresia.mcgininis@dvn.com)



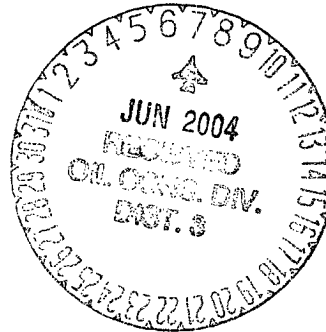
Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

May 18, 2004

(Certified Mail – Return Receipt Requested)

ConocoPhillips Company  
P. O. Box 2197  
Houston, TX 77252-2197

RE: Notification of Application for Permit to Drill  
NEBU 422A Well  
1380' FNL x 1900' FWL Section 20, T-31-N, R-7-W  
San Juan County, New Mexico



Attention: Jennifer Barber

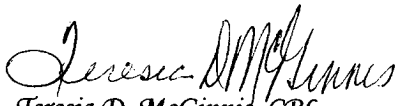
Devon Energy Production Company L.P. ("Devon") is submitting the enclosed Application for Permit to Drill the Northeast Blanco Unit 422A Well to the appropriate regulatory agency(s) for approval.

Pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003, consider the enclosed copy of this Application for Permit to Drill, including NMOCD form C-102, to serve as notice of Devon's intent to drill an Optional Infill Well in the High Productivity Area of the Basin-Fruitland Coal Pool.

Affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Cordially,

**DEVON ENERGY PRODUCTION COMPANY L.P.**

  
Teresia D. McGinnis, CPL  
Contract Landman  
(405) 228-7533  
[Teresia.mcginis@devn.com](mailto:Teresia.mcginis@devn.com)

Attachment(s): Federal Form 3160-3  
NMOCD Form C-102  
Area Map

CR 730

**LAT: 36°53.3'**  
**LONG: 107°35.7'**  
DEVON ENERGY PRODUCTION COMPANY, L.P.  
**NEBU # 422A**  
NW¼ Sec. 20, T31N, R7W, NMPPM  
RAIL POINT:

CEMENT POINT:

T30 N

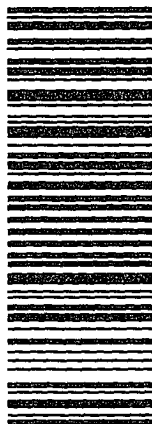
UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Devon Energy Production Company LP  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102-8260



7003 1680 0002 1827 9796  
7003 1680 0002 1827 9796

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**ConocoPhillips Company**  
**ATTN: Jennifer Barber**  
**P. O. Box 2197**  
**Houston, TX 77252-2197**

PS Form 3800, June 2004 See reverse for instructions

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- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.**  
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SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p><b>X</b></p>	
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><b>ConocoPhillips Company</b>  <b>ATTN: Jennifer Barber</b>  <b>P. O. Box 2197</b>  <b>Houston, TX 77252-2197</b></p> </div>		<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label)</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail    <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered    <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail    <input type="checkbox"/> C.O.D.</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>PS Form 3811, August 2001</p>		<p>Domestic Return Receipt    102595-02-M-1540</p>	

7003 1680 0002 1827 9796