

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF 080557
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Company, L.P.		7. If Unit or CA Agreement, Name and No. Northeast Blanco Unit
3a. Address PO Box 6459 Farmington, NM 87419		8. Lease Name and Well No. NEBU 42E
3b. Phone No. (include area code) 505-632-0244		9. API Well No. 3004532777
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NW SE, Unit J, 2,215' FSL & 2,115' FEL At proposed prod. zone NE SW, Unit K, 1,920' FSL & 3,170' FEL		10. Field and Pool, or Exploratory Basin Dakota
11. Sec., T. R. M. or Blk. and Survey or Area J Sec. 19, T31N, R7W		12. County or Parish San Juan
13. State NM		14. Distance in miles and direction from nearest town or post office* Approximately 31 miles
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2,115'	16. No. of acres in lease 2,560	17. Spacing Unit dedicated to this well 320 Acres 259.82
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8126' TVD/8293' TMD	20. BLM/BIA Bond No. on file 259.82R-2046
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6,492'	22. Approximate date work will start* 02/14/2005	23. Estimated duration Unknown

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 identified 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 M.S. Zier Name (Printed/Typed) Melisa Zimmerman Date 12-14-04

Title Senior Operations Technician

Approved by (Signature) [Signature] Name (Printed/Typed) AFM Date 3-30-05

Title AFM Office EFO

Application approval 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.
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.

*(Instructions on page 2)

HOLD C104 FOR Directional Survey

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

070 FARMINGTON NM

☒ AMENDED REPORT

Footage from East Line at request of Operator

12-08-04

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-32777		2 Pool Code 71599		3 Pool Name Basin Dakota		
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 42E	
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6492	

10 Surface Location

UL or Lot No. J	19	Township 31 N	Range 7 W	Lot Idn	Feet from the 2215	North/South line SOUTH	Feet from the 2115	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

1 UL or lot no. K	Section 19	Township 31 N	Range 7 W	Lot Idn	Feet from the 1920	North/South line SOUTH	Feet from the 3170	East/West line EAST	County SAN JUAN
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12 Dedicated Acres 259.82	13 Joint or Infill	14 Consolidation Code	15 Order No. R-2046
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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 1920' F/SL 3170' F/EL</p> <p>Asimuth - 254°23' 1095'</p> <p>2115'</p> <p>2215'</p> <p>30</p>	<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.</p> <p><i>M.S. Zimmerman</i> Signature Melisa Zimmerman Printed Name Sr. Operations Technician Title 12-14-04 Date</p>
	<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>Revised Bottom Hole: December 8, 2004 October 8, 2004</p> <p>Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number</p>

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
SF 080557

7. Lease Name or Unit Agreement Name

NORTHEAST BLANCO UNIT

8. Well Number
42E

9. OGRID Number
6137

10. Pool name or Wildcat
Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Devon Energy Production Company, L.P.

3. Address of Operator

PO Box 6459, Navajo Dam, NM 87419

4. Well Location

Unit Letter J : 2215' feet from the South line and 2115' feet from the East line

Section 19 Township 31N Range 7W NMPM County - SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
GR 6,492'

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL J Sect 19 Twp 31N Rng 7W Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'
Distance from nearest surface water >1000' Below-grade Tank Location UL Sect Twp Rng ;
 feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: CONSTRUCT DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

14.

DEVON ENERGY WILL BE CONSTRUCTING A LINED DRILLING PIT AND WE ANTICIPATE THE CLOSURE OF THE SAME PIT IN ACCORDANCE WITH OUR GENERAL PLAN SUBMITTED ON JUNE 4, 2004.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE M.S. Zimmerman TITLE Sr. Operations Technician DATE 12-14-04

Type or print name Melisa Zimmerman E-mail address: Melisa.zimmerman@dvn.com Telephone No. 405.552.7917

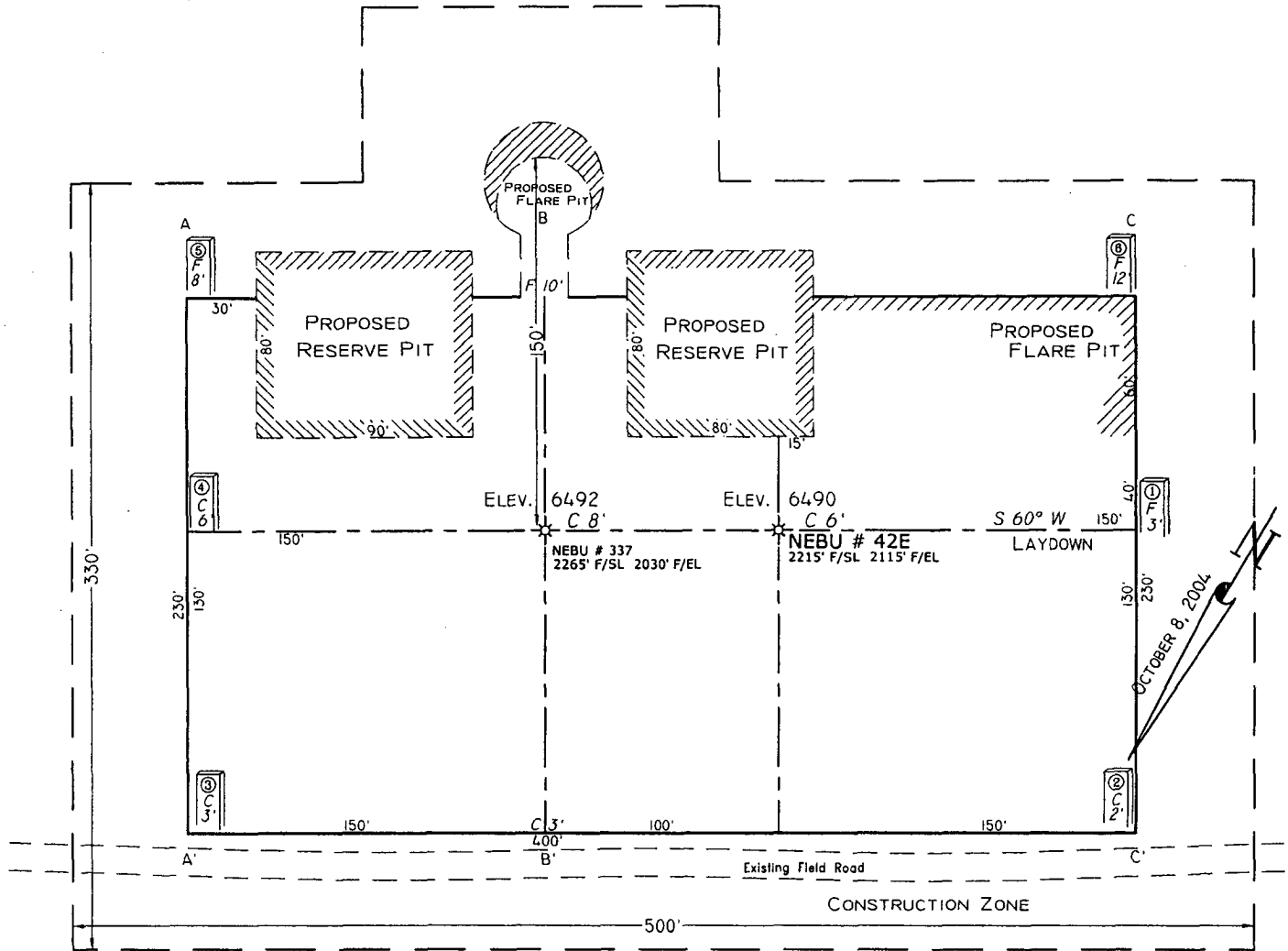
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 05 DATE APR - 1 2005
Conditions of approval, if any:

PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.

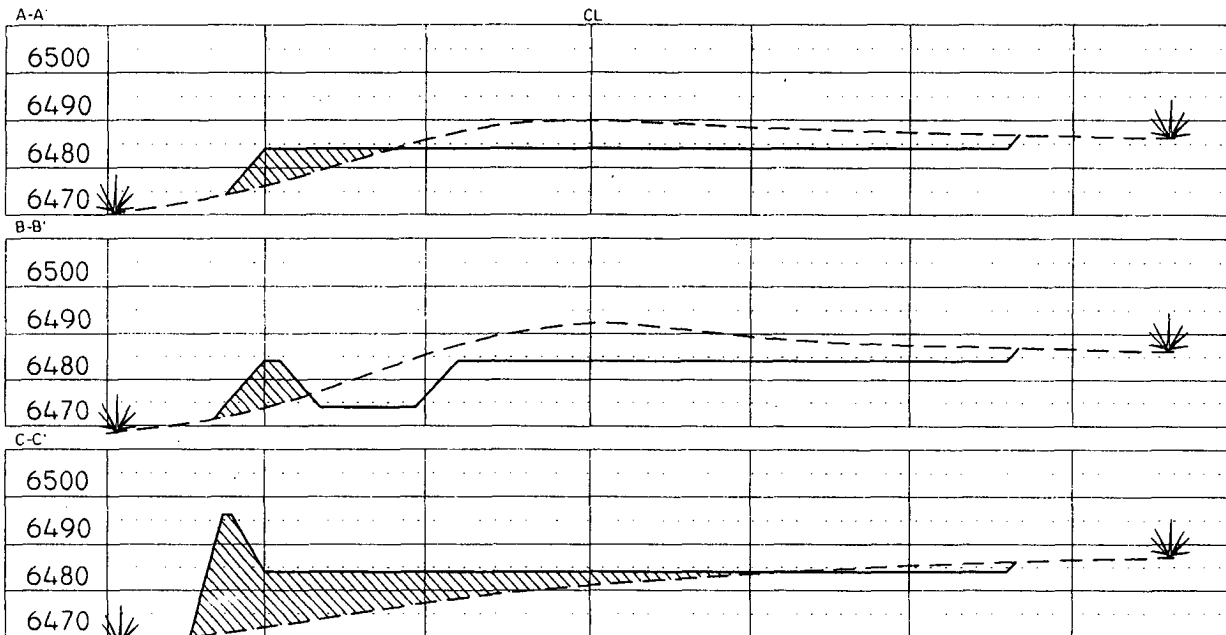
Nebu # 42E
 2215' F/SL 2115' F/EL
 SEC. 19, T31N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°53'02"
 Long: 107°36'38"



Area of Construction Zone - 4.04 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Devon Energy Production Company, L.P.**

3a. Address
PO Box 6459, Farmington, NM 87419

3b. Phone No. (include area code)
505-632-0244

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW SE, Unit J, 2,215' FSL & 2,115' FEL

5. Lease Serial No.

SF 080557

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Northeast Blanco Unit

8. Well Name and No.

NEBU 42E

9. API Well No.

30045 32777

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan, NM

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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other

13. Describe Proposed or Completed Operation (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 recompleate 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 recompleation 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.)

The following is the new cementing design for the intermediate and production strings:

Intermediate String: Cement will be circulated to surface.

Lead: 500 sx Of 50/50/Std/ Poz, Yd-1.45, Water Gal/Sk 6.8, Mixed @ 13ppg Foamed W/ N2 Down To 9.0# Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.

Tail: 75 sx 50/50 Poz with 94#/sx Standard Cement, 0.3% Halad-344, .25 #/sx Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sx; Water: 5.23 gal/sx *

* Minor variations possible due to existing conditions

Production String: TOC designed to circulate 1000' into intermediate string, cement will tie into the intermediate casing as a minimum.

Volumes may vary with actual well characteristics.

Lead: 250 sx 50/50 Poz with 2% Gel, 0.2% Halad, 0.1% CFR-3, 5 #/sx Gilsonite, 0.25 #/sx Flocele. Mixed at 13 ppg, 1.47 ft 3/sx foamed to 9 ppg, 2.18 ft 3/sx.

Tail: 450 sx 50/50 Poz with 50% Standard Cement, 50% San Juan Poz, 3% Bentonite, 1.40% Halad-9, .10% CFR-3, .10% HR-5, 5 #/sx Gilsonite, 0.25 #/sx Flocele. Density: 13.0 lb/gal; Yield: 1.47 cuft/sx; Water: 6.35 gal/sx *

Attached is a copy of the revised Drilling Plan.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Melisa Zimmerman

Title **Senior Operations Technician**

Signature

Date

3-7-05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instructions on page 2)

NMOC

NEBU 42E
Unit J 19-31N-7W
San Juan Co., NM

DRILLING PLAN

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

Formation	TVD (ft)	TMD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2328	2417	Aquifer
Kirtland	2431	2526	
Fruitland	2851	2968	Gas
Picture Cliffs Tongue	3377	3522	Gas
Pictured Cliffs	3448	3597	Gas
Lewis	3551	3705	Gas
Intermediate TD	4200	4367	
Mesaverde	4213	4380	Gas
Chacra \ Otera	4597	4764	Gas
Cliff House	5401	5568	Gas
Menefee	5448	5615	Gas
Point Lookout	5741	5908	Gas
Mancos	6023	6190	Gas
Gallup	7062	7229	Gas
Greenhorn	7757	7924	
Graneros	7806	7973	Gas
Dakota	7932	8099	Gas
Paguate	7944	8111	Gas
Cubero	7970	8137	Gas
Oak Canyon	8024	8191	Gas
Encinal Canyon	8042	8209	Gas

Lower Encinal Canyon	8066	8233	Gas
Burro Canyon	8106	8237	Gas
Morrison	8126	8293	
TD	8126	8293	

*All shows of fresh water and minerals will be adequately protected and reported.

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 3400 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
0-4200	0-4200'	8-3/4"	7"	K-55	23#	LTC	New

0- TD	0- TD	6-1/4"	4-1/2"	J-55	11.6 #	LTC	New
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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)

Intermediate: 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).

Production: The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 3500' (estimated 25 centralizers used). Centralizers will be open bow spring or basket bow spring type.

B. The proposed cementing program will be as follows:

Surface String: Cement will be circulated to surface.

Lead: 200 sx Class "B" with 100% Standard Cement, 2.00% CaCl₂, .25 #/sx Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sx; Water: 5.24 gal/sx

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

Intermediate String: Cement will be circulated to surface.

Lead: 500 sx 50/50 Poz, Yd-1.45, Water Gal/sx 6.8, Mixed @ 13ppg Foamed W/ N₂ Down To 9.0# Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.

Tail: 75 sx 50/50 Poz, Yd-1.45, Water Gal/Sk 6.8, Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.

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

If hole conditions dictate, an alternate, cement design will be used:

Lead: 575 sx 50/50 Poz with 50% Class B Cement, 50% San Juan Poz, .4% Halad-344, .1% CFR-3, 3% Bentonite, 5#/sx Gilsonite, .25#/sx Flocele. Density: 13.0 lb/gal; Yield: 1.46 cuft/sx; Water: 6.42 gal/sx

Tail: 75 sx 50/50 Poz with 94#/sx Standard Cement, 0.3% Halad-344, .25 #/sx Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sx; Water: 5.23 gal/sx

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

Production String: TOC designed to circulate 1000' into intermediate string,

cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

Lead: 250 sx 50/50 Poz with 2% Gel, 0.2% Halad, 0.1% CFR-3, 5 #/sx Gilsonite, 0.25 #/sx Flocele. Mixed at 13 ppg, 1.47 ft 3/sx foamed to 9 ppg, 2.18 ft 3/sx.

Tail: 450 sx 50/50 Poz with 50% Standard Cement, 50% San Juan Poz, 3% Bentonite, 1.40% Halad-9, .10% CFR-3, .10% HR-5, 5 #/sx Gilsonite, 0.25 #/sx Flocele. Density: 13.0 lb/gal; Yield: 1.47 cuft/sx; Water: 6.35 gal/sx *

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

Actual volumes will be calculated and adjusted with caliper log prior to cementing.

4. DRILLING FLUIDS PROGRAM:

TVD Interval	TMD Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285'	0-285'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
285'-4200'	285'-4367'	Air				NC	
4200' - TD	4367' - TD	Air/N2 or Mud	8.5-9.0*	30-50	8.0-10.0	8-810cc @ TD	Low solids-non-dispersed. * min Wt. to control formation pressure

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.

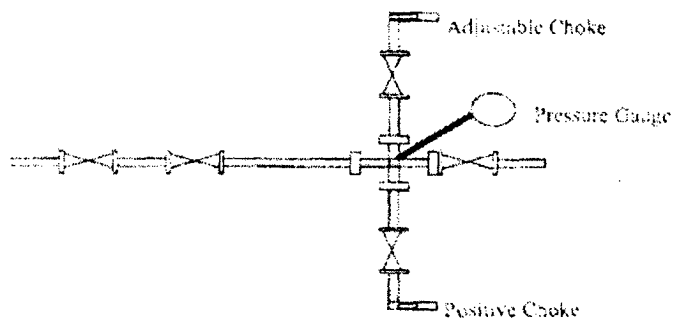
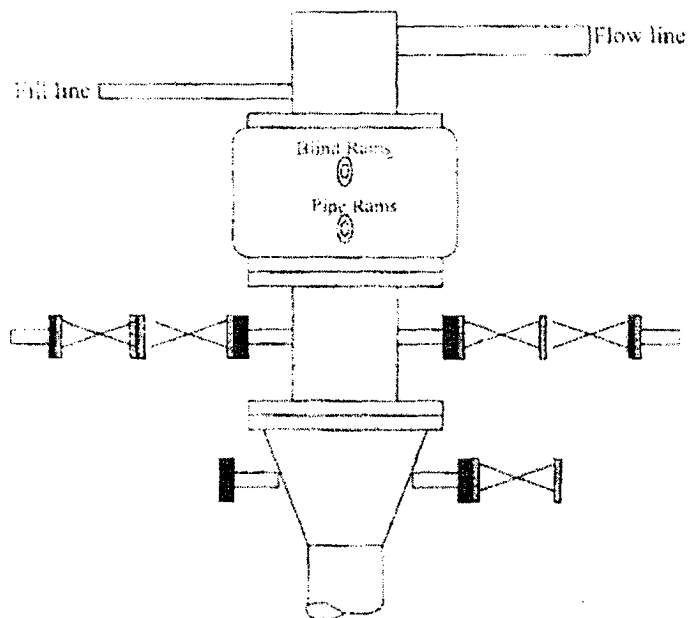
5. EVALUATION PROGRAM:

Logs: Density
Neutron
Induction

In the event open hole logs are not run in the well, a cased hole evaluation log will Be run.

Survey: Deviation surveys will be taken every 500' from 0-TD or first succeeding bit change. The hole will be air drilled from intermediate casing point to TD. The equipment used in this type of operation will not allow for single shot surveys without considerable operational delays. A survey will be taken at TD. Similar

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.