

**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

RECEIVED  
203 100 - 3  
070 Farmington, NM

|                                                  |                               |
|--------------------------------------------------|-------------------------------|
| 5. Lease Serial No.                              | PH 1: 57 SF-079010            |
| 6. If Indian, Allottee or Tribe Name             | N/A                           |
| 7. If Unit or CA Agreement, Name and No.         | NORTHEAST BLANCO UNIT         |
| 8. Lease Name and Well No.                       | NEBU 11A                      |
| 9. API Well No.                                  | 30039 27416                   |
| 10. Field and Pool, or Exploratory               | Blanco Mesaverde Basin Dakota |
| 11. Sec., T., R., M., or Blk. And Survey or Area | P Sec. 25, T 31N, R 7W        |
| 12. County or Parish                             | Rio Arriba                    |
| 13. State                                        | NM                            |

|                     |                                                                                                                                                                                                      |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1a. Type of Work    | <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER                                                                                                                           |
| 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 checked="" type="checkbox"/> Multiple Zone |
| 2. Name of Operator | Attn: Diane Busch Devon Energy Production Company, L.P.                                                                                                                                              |

|                                                                                                |                                   |
|------------------------------------------------------------------------------------------------|-----------------------------------|
| 3a. Address                                                                                    | 3b. Phone No. (include area code) |
| 20 N. Broadway Oklahoma City, OK 73102                                                         | (405) 228-4362                    |
| 4. Location of well (Report location clearly and in accordance with any State requirements. *) |                                   |
| At surface 980' FSL & 695' FEL SE SE Unit P                                                    |                                   |
| At bottom hole Same                                                                            |                                   |
| At proposed prod. zone Same                                                                    |                                   |

|                                                                       |
|-----------------------------------------------------------------------|
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* |
| Approximately 59 miles northeast of Bloomfield, New Mexico            |

|                                                                                                                      |          |                                       |               |                                         |         |
|----------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------|---------------|-----------------------------------------|---------|
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) | 695'     | 16. No. of Acres in lease             | 2560          | 17. Spacing Unit dedicated to this well | 320 E/P |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.           |          | 19. Proposed Depth                    | 7920'         | 20. BLM/ BIA Bond No. on file           | CO-1104 |
| 21. Elevations (Show whether DF, RT, GR, etc.)                                                                       | 6266' GL | 22. Approximate date work will start* | Upon Approval | 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:

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

|                           |                       |             |
|---------------------------|-----------------------|-------------|
| 25. Signature             | Name (Printed/ Typed) | Date        |
| Diane Busch               | Diane Busch           | 3/28/03     |
| Title                     |                       |             |
| Sr. Operations Technician |                       |             |
| Approved By (Signature)   | Name (Printed/ Typed) | Date        |
| /s/ Jim Lovato            |                       | JUN 30 2003 |
| Title                     | Office                |             |

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

\* (Instructions on reverse)

procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

NMOC

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

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

|                                        |                                                                     |                                                           |
|----------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------|
| <sup>1</sup> API Number<br>30039-27416 | <sup>2</sup> Pool Code<br>72319/71599                               | <sup>3</sup> Pool Name<br>Blanco Mesaverde / Basin DAKOTA |
| <sup>4</sup> Property Code<br>19641    | <sup>5</sup> Property Name<br>NEBU                                  | <sup>6</sup> Well Number<br># 11A                         |
| <sup>7</sup> OGRID No.<br>6137         | <sup>8</sup> Operator Name<br>Devon Energy Production Company, L.P. | <sup>9</sup> Elevation<br>6266                            |

<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     |
| P             | 25      | 31 N     | 7 W   |         | 980           | SOUTH            | 695           | EAST           | Rio Arriba |

<sup>11</sup> Bottom Hole Location If Different From Surface

|                            |         |          |       |         |               |                  |               |                |        |
|----------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| <sup>7</sup> UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|                            |         |          |       |         |               |                  |               |                |        |

|                                                       |                               |                                  |                         |
|-------------------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>mV-E/320<br>OK-E/320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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 | 5277(R) | 25 | 5280(R) | 5276(R) | 695' | 980' | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><br>Signature<br>DIANE BUSCH<br>Printed Name<br>SR. OPERATIONS TECH<br>Title<br>3/28/03<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.<br>October 7, 2002<br>Date of Survey<br>Signature and Seal of Professional Surveyor<br>GARY D. VANN<br>NEW MEXICO<br>REGISTERED PROFESSIONAL LAND SURVEYOR<br>7016<br>Certificate Number |
|    |         |    |         |         |      |      |                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                     |

**NEBU 11A  
Unit P 25-31N-7W  
Rio Arriba Co., NM**

**DRILLING PLAN**

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

| <b>Formation</b>       | <b>Depth<br/>(ft)</b> | <b>Hydrocarbon/Water<br/>Bearing Zones</b> |
|------------------------|-----------------------|--------------------------------------------|
| San Jose               | Surface               |                                            |
| Ojo Alamo              | 2165                  | Aquifer                                    |
| Kirtland               | 2295                  |                                            |
| Fruitland              | 2645                  | Gas                                        |
| Pictured Cliffs        | 3200                  | Gas                                        |
| Lewis                  | 3320                  | Gas                                        |
| <b>Intermediate TD</b> | <b>3470</b>           |                                            |
| Huerfanito bentonite   | 3965                  |                                            |
| Massive Cliff House    | 5165                  | Gas                                        |
| Menefee                | 5215                  | Gas                                        |
| Massive Point Lookout  | 5485                  | Gas                                        |
| Mancos                 | 5765                  | Gas                                        |
| Gallup                 | 6815                  | Gas                                        |
| Greenhorn              | 7490                  |                                            |
| Graneros               | 7540                  |                                            |
| Dakota                 | 7665                  | Gas                                        |
| <b>TD</b>              | <b>7920</b>           |                                            |

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  
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.

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

A. The proposed casing program will be as follows:

| Depth   | Hole Size | Size   | Grade | Weight | Thread | Condition |
|---------|-----------|--------|-------|--------|--------|-----------|
| 0-250'  | 12-1/4"   | 9-5/8" | H-40  | 32#    | STC    | New       |
| 0-3470' | 8-3/4"    | 7"     | K-55  | 23#    | LTC    | New       |
| 0-TD    | 6-1/4"    | 4-1/2" | K-55  | 11.6 # | LTC    | New       |

All casing strings below the conductor 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 4500' (estimated 22 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 sks Class "B" with additives mixed at 15.6 ppg, 1.19 ft<sup>3</sup>/sks.

**Intermediate String:** Cement will be circulated to surface.

**Lead:** 575 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.4 ft<sup>3</sup>/sks prior to foaming, 9 ppg, 2.18 ft<sup>3</sup>/sks after foaming.

**Tail:** 75 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.4 ft<sup>3</sup>/sks.

If hole conditions dictate, an alternate, two stage cement design will be used. Stage 1: 85 sacks Class B 50/50 POZ, 3% Gel, 5# Gilsonite, 1/4# Flocele, 1/10% CFR 3, .2% Halad 344, Yield ft<sup>3</sup>/sks. Stage 2: 450 sacks Class B 50/50 POZ, 3% Gel, 5# Gilsonite, 1/4# Flocele, .1% CFR 3, .2% Halad 344, Yield 1.4 ft<sup>3</sup>/sks. Cement designed to circulate to surface.

**Production String:** TOC designed to will tie into the intermediate 7" casing. Volumes may vary with actual well characteristics.

**Lead:** 500 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.4 ft<sup>3</sup>/sks.

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

#### 4. DRILLING FLUIDS PROGRAM:

| Interval    | Type | Weight (ppg) | Viscosity | pH       | Water Loss  | Remarks                                                                |
|-------------|------|--------------|-----------|----------|-------------|------------------------------------------------------------------------|
| 0-3470'     | Spud | 8.4-9.0      | 29-70     | 8.0      | NC          | FW gel, LSND or stiff foam                                             |
| 3470'-7665' | Air  |              |           |          | NC          |                                                                        |
| 7665'-TD    | Mud  | 8.5-9.0*     | 30-50     | 8.0-10.0 | 8-10cc @ TD | Low solids – nondispersed.<br>* Min Wt. to control formation pressure. |