Form 3160-5
(April 2004)

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.**

5. Lease Serial No.
SF 078988

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
NEBU 226

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

9. API Well No.
30045533649

3a. Address
PO Box 6459, Navajo Dam, NM 87419

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

10. Field and Pool, or Exploratory Area
Rosa Pictured Cliffs

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1,810' FNL & 60' FWL, SW NE, Unit E, Sec. 20, T31N- R6W (SHL)
1940' FSL + 700' FEL Sec 19 (BHL)

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			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **BHL Change**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recomplete 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 recompletion 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 Production Company, L.P. gives notification of bottom hole location change. Attached is a copy of the new Survey, Plot, and Drilling Plan. The C-102 has not changed and is not attached.

- Modified Program to include a 7" 23# K-55 casing string.

JUN 2006

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Melisa Zimmerman** Title **Senior Operations Technician**

Signature M.S. Date 5-26-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Jim Lovato Title Pet. Eng Date 5/31/06

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)

NMOCD

NEBU 226
Unit H 19-31N-6W
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	2330	2803	Aquifer
Kirtland	2450	2955	
Fruitland	2877	3430	Gas
Pictured Cliffs Tongue	3225	3783	Gas
Pictured Cliffs	3323	3881	Gas
Lewis	3441	3999	
TD	3541	4099	

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 1500 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
0-2977	0-3530	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

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).

4-1/2" Casing: The bottom three joints of the 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 sx 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.

* ***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: 4-1/2" Production casing cemented in an 6-1/4" hole
11.6# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe
Lead: 500 sx 50/50 Poz, Yield-1.45 ft3/sx, 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, Yield-1.45 ft3/sx, 13 lb/gal, Additives 2% Gel, 0.2% Versaset, 0.1% Diacel Lwl.
** 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	TMD Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285'	0-285'	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285'-2,977'	285'-3,530'	Air				NC	
2,977'-TD	3,530' - TD	LSND/Air	8.4-9.0	29-70	8.0	10-12	LCM 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: Possible mud logging in Fruitland Coal & Pictured Cliffs.

Survey: Deviation surveys will be taken every 500' from 0-TD of 6-1/4" hole or first succeeding bit change.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered at approximately 3030' TMD. 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.

Job Number: 06202	State/Country: NM
Company: Devon Energy	Declination: □
Lease/Well: NEBU 226	Grid: □
Location: San Juan County Sec.20-31N-6W	File name: C:\DATA\CUST06\SURVEYS\DEVON\06202.SVY
Rig Name: D&J #1	Date/Time: 25-May-06 / 08:03
RKB: □	Curve Name: Proposal 5.22.06
G.L. or M.S.L.: 6398'	

Inwell Inc.

WINSERVE PROPOSAL REPORT
Minimum Curvature Method
Vertical Section Plane 206.41
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	CLOSURE Direction Deg	Dogleg Severity Deg/100
KOP>350' MD/350' TVD Begin Build @ 5.00°/100'									
350.00	.00	.00	350.00	.00	.00	.00	.00	.00	.00
450.00	5.00	206.41	449.87	4.36	-3.91	-1.94	4.36	206.41	5.00
550.00	10.00	206.41	548.99	17.41	-15.59	-7.74	17.41	206.41	5.00
650.00	15.00	206.41	646.58	39.05	-34.97	-17.37	39.05	206.41	5.00
750.00	20.00	206.41	741.93	69.11	-61.89	-30.74	69.11	206.41	5.00
850.00	25.00	206.41	834.28	107.36	-96.16	-47.75	107.36	206.41	5.00
950.00	30.00	206.41	922.96	153.52	-137.50	-68.29	153.52	206.41	5.00
1050.00	35.00	206.41	1007.27	207.24	-185.61	-92.18	207.24	206.41	5.00
1150.00	40.00	206.41	1086.58	268.09	-240.11	-119.25	268.09	206.41	5.00
1174' MD/1105' TVD Begin Hold @ 41.24°,206.41° Azm									
1174.89	41.24	206.41	1105.47	284.30	-254.62	-126.45	284.30	206.41	5.00
2174.89	41.24	206.41	1857.37	943.57	-845.09	-419.69	943.57	206.41	.00
2795' MD/2323' TVD Begin Drop @ -3.99°/100'									
2795.06	41.24	206.41	2323.69	1352.43	-1211.28	-601.55	1352.43	206.41	.00
OJAM @ 2803' MD/2330' TVD									
2803.43	40.91	206.41	2330.00	1357.93	-1216.21	-604.00	1357.93	206.41	4.00
2895.06	37.24	206.41	2401.12	1415.68	-1267.93	-629.68	1415.68	206.41	4.00
KRLD @ 2955' MD/2450' TVD									
2955.51	34.83	206.41	2450.00	1451.24	-1299.78	-645.50	1451.24	206.41	4.00
2995.06	33.24	206.41	2482.77	1473.37	-1319.60	-655.34	1473.37	206.41	4.00
3095.06	29.24	206.41	2568.25	1525.23	-1366.05	-678.41	1525.23	206.41	4.00
3195.06	25.24	206.41	2657.14	1571.00	-1407.04	-698.77	1571.00	206.41	4.00
3295.06	21.24	206.41	2749.01	1610.45	-1442.38	-716.32	1610.45	206.41	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	CLOSURE Direction Deg	Dogleg Severity Deg/100
3395.06	17.24	206.41	2843.40	1643.40	-1471.89	-730.97	1643.40	206.41	4.00
FRLD @ 3430' MD/2877' TVD									
3430.11	15.84	206.41	2877.00	1653.38	-1480.83	-735.41	1653.38	206.41	4.00
3495.06	13.24	206.41	2939.86	1669.69	-1495.43	-742.66	1669.69	206.41	4.00
3595.06	9.24	206.41	3037.92	1689.18	-1512.89	-751.33	1689.18	206.41	4.00
3695.06	5.24	206.41	3137.10	1701.79	-1524.18	-756.94	1701.79	206.41	4.00
PCCF TONGUE @ 3783' MD/3225' TVD									
3783.13	1.72	206.41	3225.00	1707.13	-1528.97	-759.32	1707.13	206.41	4.00
3795.06	1.24	206.41	3236.92	1707.44	-1529.24	-759.46	1707.44	206.41	4.00
3826' MD/3268' TVD Begin Hold @ 0.00°									
3826.14	.00	206.41	3268.00	1707.78	-1529.54	-759.61	1707.78	206.41	3.99
PCCF MAIN @ 3881' MD/3323' TVD									
3881.14	.00	206.41	3323.00	1707.78	-1529.55	-759.61	1707.78	206.41	.00
LWIS @ 3999' MD/3441' TVD									
3999.14	.00	206.41	3441.00	1707.78	-1529.55	-759.61	1707.78	206.41	.00
PBHL @ 4099' MD/3541' TVD									
4099.14	.00	206.41	3541.00	1707.78	-1529.55	-759.61	1707.78	206.41	.00

Company: Devon Energy
Lease/Well: NEBU 226
Location: San Juan County Sec.20-31N-6W
State/Country: NM