

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

RECEIVED

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

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-078988
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		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Attn: Dwane Oliver Devon Energy Production Company, L.P.		7. If Unit or CA Agreement, Name and No. NORTHEAST BLANCO UNIT
3a. Address PO Box 6459 Navajo Dam, NM 87419		8. Lease Name and Well No. NEBU 436A
3b. Phone No. (include area code) (505) 632-0244		9. API Well No. 30039 27475
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1975 FNL & 1400 FEL SW NE Unit G At bottom hole 660 FSL & 660 FEL SE SE Unit P At proposed prod. zone		10. Field and Pool, or Exploratory Fruitland Coal
11. Sec., T., R., M., or Blk. And Survey or Area G Sec. 30 T 31N R 6W BH Sec. 19 T 31N R 6W		12. County or Parish Rio Arriba
13. State NM		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 58 miles northeast of Bloomfield NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 1400'	16. No. of Acres in lease 2560	17. Spacing Unit dedicated to this well 320 EA Sec 19
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3455'	20. BLM/ BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, RT, GR, etc.) 6522' 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, the 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 a authorized officer. |

25. Signature <i>Dwane W. Oliver</i>	Name (Printed/ Typed) Dwane W. Oliver	Date 7-23-03
Title Devon Representative		
Approved By (Signature) <i>David J. Markiewicz</i>	Name (Printed/ Typed)	Date AUG 10 2003
Title Office		

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 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 reverse)

HOLD C114 FOR Directional Survey

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

NMOCD

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.6
and appeal pursuant to 43 CFR 3165.4

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

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 30-039-27475		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL		
4 Property Code 19641		5 Property Name NEBU			6 Well Number # 436A	
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation - 6522	

10 Surface Location

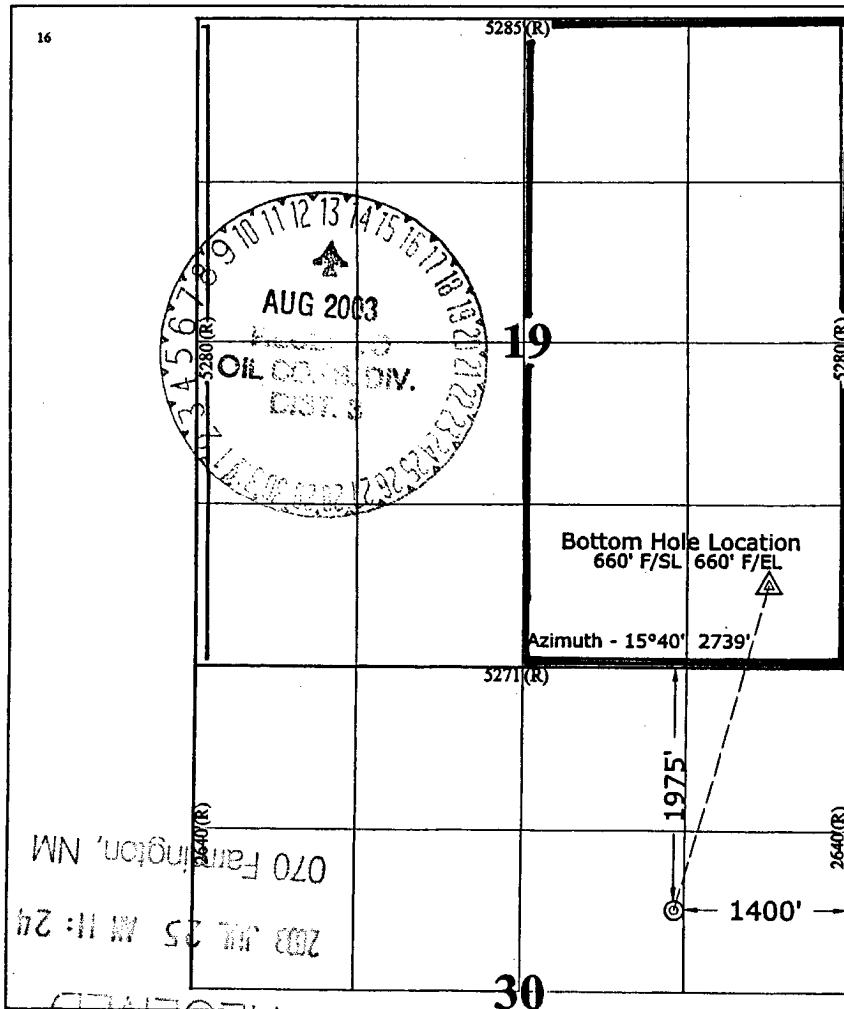
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	30	31 N	6 W		1975	NORTH	1400	EAST	Rio Arriba

11 Bottom Hole Location If Different From Surface

7 UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	19	31 N	6 W		660	SOUTH	660	EAST	SAN JUAN

12 Dedicated Acres FC- E/320	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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Diane Busch
Signature
DIANE BUSCH
Printed Name
SR. OPERATIONS TECH
Title
7-10-03
Date

18 SURVEYOR CERTIFICATION

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.

January 28, 2003

Date of Survey

Signature and Seal of Professional Surveyor

GARY D. VANM
NEW MEXICO
REGISTERED
7016
PROFESSIONAL LAND SURVEYOR
Certificate Number

(R) - GLO Record

NEBU 436A
Unit G Sec 30 31-6
Rio Arriba Co., NM

DRILLING PLAN

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

Formation	TMD (ft)	TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	3960'	2560'	Aquifer
Kirtland	4076'	2665'	
Fruitland	4534'	3113'	Gas
Pictured Cliffs	4879'	3455'	Gas
TD	4879'	3455'	

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:

TMD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-4534'	0-3113'	8-3/4"	7"	K-55	23#	LTC	New
0-TD	0-TD	6-1/4"	4-1/2"	K-55	15.5 #	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)

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 250'.
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 ft³/sx, cement
Designed to circulate to surface.

Production String: 7" Intermediate cemented in an 8-3/4" hole
23# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe
Cement with 700 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,
1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx.
Cement designed to circulate to surface.
Pending hole conditions, cement baskets may be installed above

TD

Liner: 5-1/2" liner
15.5# J-55 LT&C 8 Rnd
Shoe
Not Cemented

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 ft3/sx.

4. DRILLING FLUIDS PROGRAM:

TMD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-250'	0-250'	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
250'-4534'	250'-3113'	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
4534'- TD	3113' - 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: Potential mud logging in Fruitland Coal.

Survey: Deviation surveys will be taken every 500' from 0-3725' or first succeeding bit change.

Cores: None anticipated.

DST's: None anticipated.