

RCVD MAY 1 '08

OIL CONS. DIV.
DIST. 3

RECEIVED

FEB 26 2008

Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 078970
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 20 N. Broadway Oklahoma City, OK 73102		8. Lease Name and Well No. NEBU 252
3b. Phone No. (include area code) 405-552-7917		9. API Well No. 30-045-34611
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 10' FSL 2400' FEL with Sec. 7, 31N, 6W At proposed prod. zone 1940' FNL 100' FEL with H Sec 18, 31N, 6W		10. Field and Pool, or Exploratory Rosa Pictured Cliffs
11. Sec., T. R. M. or Blk. and Survey or Area 0 7, 31N, 6W		12. County or Parish San Juan
13. State NM		14. Distance in miles and direction from nearest town or post office* Approximately 11.7 miles
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 180'	16. No. of acres in lease 320 Acres	17. Spacing Unit dedicated to this well 160 Acres NE/4
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 324'	19. Proposed Depth 3,771 TMD	20. BLM/BIA Bond No. on file CO 1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6,459'	22. Approximate date work will start* 04/01/2008	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:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an 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 authorized officer. |

25. Signature 	Name (Printed/Typed) Melisa Castro	Date 2-21-08
Title Senior Staff Operations Technician		

Approved by (Signature) 	Name (Printed/Typed) FFO	Date 4/30/08
Title FFO		

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)

NOTIFY AZTEC **24 HRS.**
PRIOR TO CASING & CEMENT

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

MAY 05 2008

NMOCD

Hold C104
for Directional Survey
and "As Drilled" plat

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

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

District I
1625 N French Dr., Hobbs NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-045-34611		* Pool Code 96175		* Pool Name Rosa Pictured Cliffs	
* Property Code 19641		* Property Name NEBU			* Well Number # 252
* CORIN No 6137		* Operator Name Devon Energy Production Company, L.P.			* Elevation 6477

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
O	7	31 N	6 W		10	SOUTH	2400	EAST	SAN JUAN

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
H	18	31 N	6 W		1940	NORTH	700	EAST	SAN JUAN

* Dedicated Acres 6/4-160	* Joint or Infill	* Consolidation Code	* 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

16		Section 7 Section 18		2400'		18	
Azimuth - 138°50' 941'		700' F/NL 1780' F/EL Entry Point		Azimuth - 138°50' 1643'		1940' F/NL 700' F/EL Bottom Hole Location	
528781		528781		528781		528781	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or substantial mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 5/5/08

Printed Name: Melvin Castro

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.

Restaked: March 13, 2008

Date of Survey

Signature and Seal of Professional Surveyor

7016
Certificate Number

(R) - GLO Record

05/05/2008 3:47PM (GMT-05:00)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 ☐ Other2. Name of Operator
Devon Energy Production Company, L.P.3a. Address
20 N. Broadway, Oklahoma City, OK 731023b. Phone No. (include area code)
405-552-7917

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SL: 10' FSL & 2,400' FEL, SW SE, Unit O, Sec. 7, T31N- R6W
BHL: 1,940' FNL & 700' FEL, SE NE, Unit H, Sec. 18, T31N- R6W

5. Lease Serial No.

SF 078970

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 252

9. API Well No.

30-045-34611

10. Field and Pool, or Exploratory Area

Rosa Pictured Cliffs

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"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Horizontal Well
	<input 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	

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 recompleat 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 recompleat 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. would like to request permission to drill the above NEBU 252 well as a horizontal well. Attached you will find a new C-102, C-144, Drill and Surface Plan, Directional documentation, Exhibit D, and Directions.

Well location is moved from 180' N & 1070' E, sec. 18, T31N R6W to 10' S & 2400' E, sec. 7 T.31N, R6W... bottom hole has changed also....

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

Melissa Castro

Title Senior Staff Operations Technician

Signature

Date

March 28, 2008

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)

NMOCD

District I
1625 N. French Dr , Hobbs, NM 88240
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1301 W Grand Avenue, Artesia, NM 88210
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District IV
1220 S St. Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐


Operator: <u>Devon Energy Production Company, L.P.</u> Telephone: <u>(405) 552-7917</u> e-mail address <u>melisa.castro@devn.com</u>		
Address: <u>20 N. Broadway, Oklahoma City, OK 73102</u>		
Facility or well name: <u>NEBU 252</u> API # <u>30-045-34611</u> U/L or Qtr/Qtr <u>O</u> Sec <u>7</u> T <u>31N</u> R <u>6W</u>		
County <u>San Juan</u> Latitude <u>36.90679</u> Longitude <u>107 50348</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u> </u> bbl	Below-grade tank Volume <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	✓ 100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	✓ No	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	✓ 1000 feet or more	(0 points)
Ranking Score (Total Points)		

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered No ☐ Yes ☐ If yes, show depth below ground surface ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 ☐.

Date: 3-28-08

Printed Name/Title Melisa Castro, Senior Staff Operations Technician Signature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Deputy Oil & Gas Inspector,
Printed Name/Title District #3

Signature 

Date MAY 05 2008

VANN SURV
P O Box
Farmington,



NEBU 252
SL: 10' FSL & 2,400' FEL, Unit O 7-31N-6W
BHL: 1,940' FNL & 700' FEL, Unit H 18-31N-6W
San Juan 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	2386	2386	Aquifer
Kirtland	2496	2496	
Fruitland	2930	2916	Gas
Fruitland 1 st Coal	3161	3096	Gas
Pictured Cliffs Tongue	3582	3282	Gas
Pictured Cliffs	3944	3416	Gas
TD	5597	3464	

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 #1 for 2M systems.

The minimum specifications for pressure control equipment that will be provided are included on the attached schematic diagram, with a size of 2", 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.
- *Safety valve & subs to fit all drill string connections in use*

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:

TMD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3873	0-3416	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

Casing Size	Collapse Resistance	Internal Yield	Body Yield
9 5/8"	1400 psi	2270 psi	254K psi
7"	3270 psi	4360 psi	366K psi
4 1/2"	4960 psi	5350 psi	184K psi

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). In some situations an ACP and DV tool may be run.

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. Yield 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 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**

**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/sk; Water: 6.42 gal/sx *

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

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

4. DRILLING FLUIDS PROGRAM:

TMD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3973'	0-3416'	Spud- foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3973'-TD	3416'-TD	Water /Mud	8.4-9.0	29-70	8.0	NC	

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.

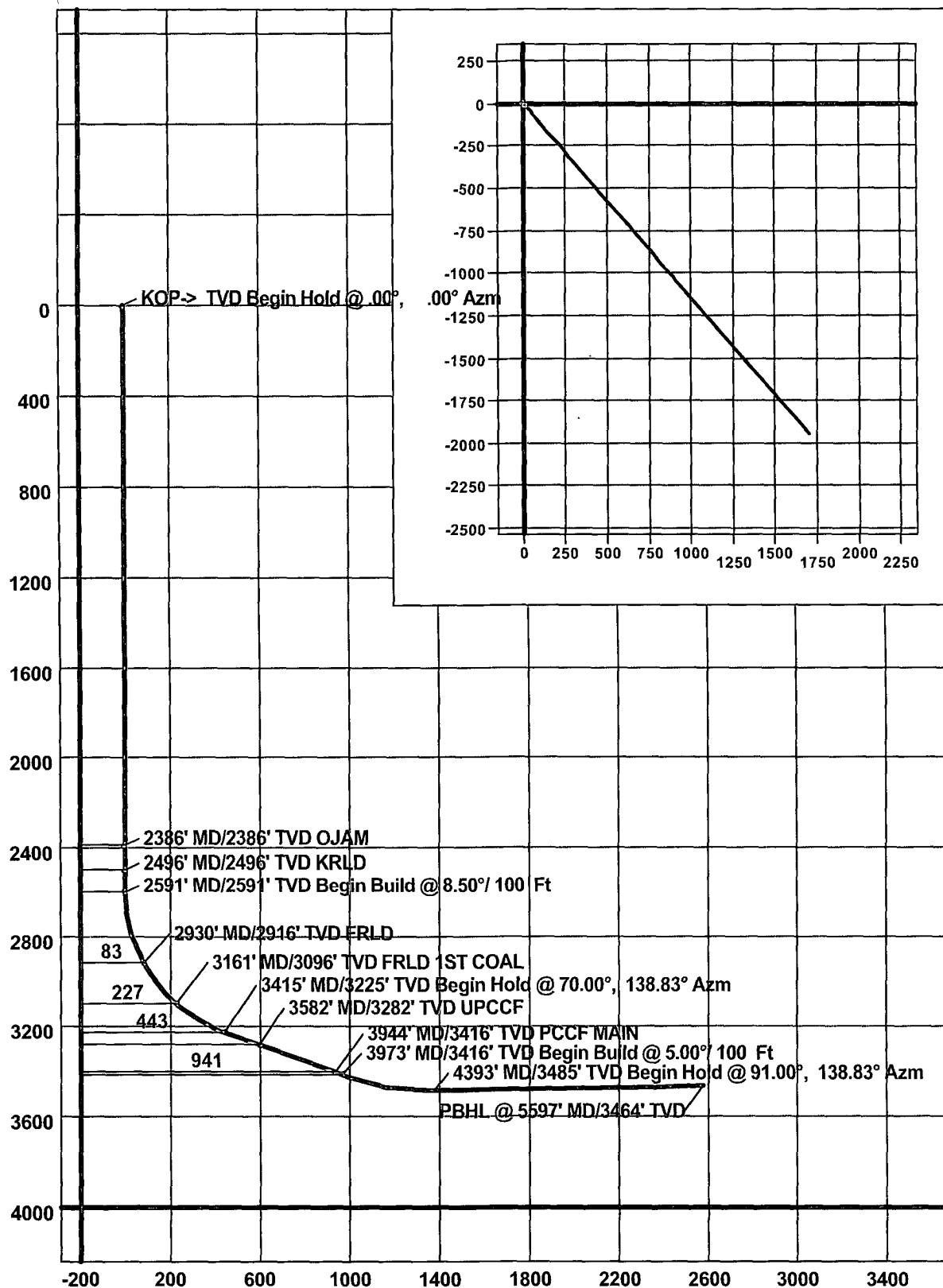
7. OTHER INFORMATION:

The anticipated starting date and duration of the operation will be as follows:

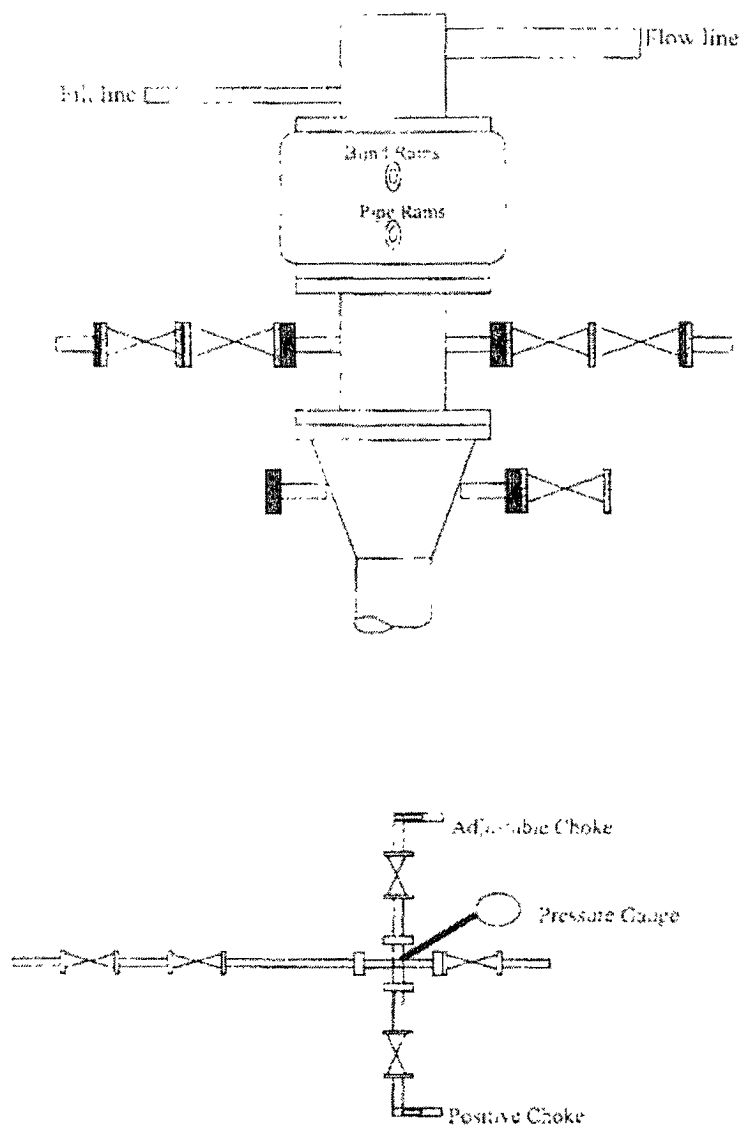
Starting Date: Upon Approval
Duration: 20 days

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.

Company: Devon Energy
 Lease/Well: NEBU 252H
 Location: San Juan County



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.