Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
JUN 20 2008
Bureau of Land Management
Farmington Field Office

FORM APPROVED
OM B 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.

5. Lease Serial No
SF-078988

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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 255H

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

9. API Well No.
30-045-34656

3a. Address
20 N. Broadway, Oklahoma City, OK 73102

3b Phone No. *(include area code)*
405-552-7917

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

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

SL: 420' FSL & 205' FWL, SW SW, Unit M, Sec. 6, T31N- R6W
BHL: 1,940' FNL & 1,940' FWL, SE NW, Unit F, Sec. 7, T31N- R6W

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 Horizontal well
	☑ 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. would like to request permission to drill the above NEBU 255H well as a horizontal well. Attached you will find a new C-102, Drill and Surface Plan, Directional Documentation, Exhibit D, and Directions.

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

RCVD JUL 14 '08
OIL CONS. DIV.
DIST. 3

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

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

Signature [signature] Date June 19, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L Salyers Title PE Date 7-11-2008

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 FFO

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

Hold C104
for Directional Survey
and "As Drilled" plat

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

1 API Number	2 Pool Code	3 Pool Name
30-045-34656	96175	Rosa; Pictured Cliffs

4 Property Code	5 Property Name	6 Well Number
19641	NEBU	# 255

7 OGRID No	8 Operator Name	9 Elevation
6137	Devon Energy Production Company, L.P.	6431

10 Surface Location

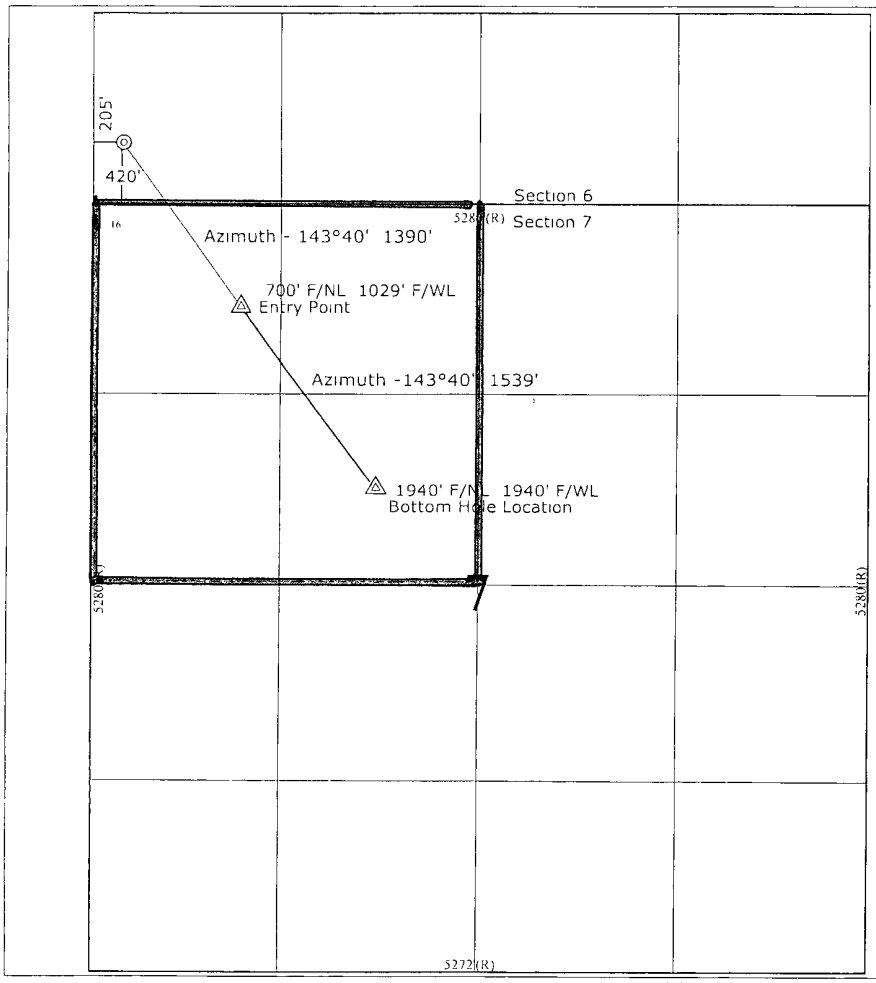
UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	6	31 N	6 W		420	SOUTH	205	WEST	SAN JUAN

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
F	7	31 N	6 W		1940	NORTH	1940	WEST	SAN JUAN

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
W/4 - 160			

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



(R) - GLO Record

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 unleased 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 — Date: 6-19-08

Melissa Castro
Printed Name

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

Revised May 07, 2008
Restaked March 25, 2008
Date of Survey

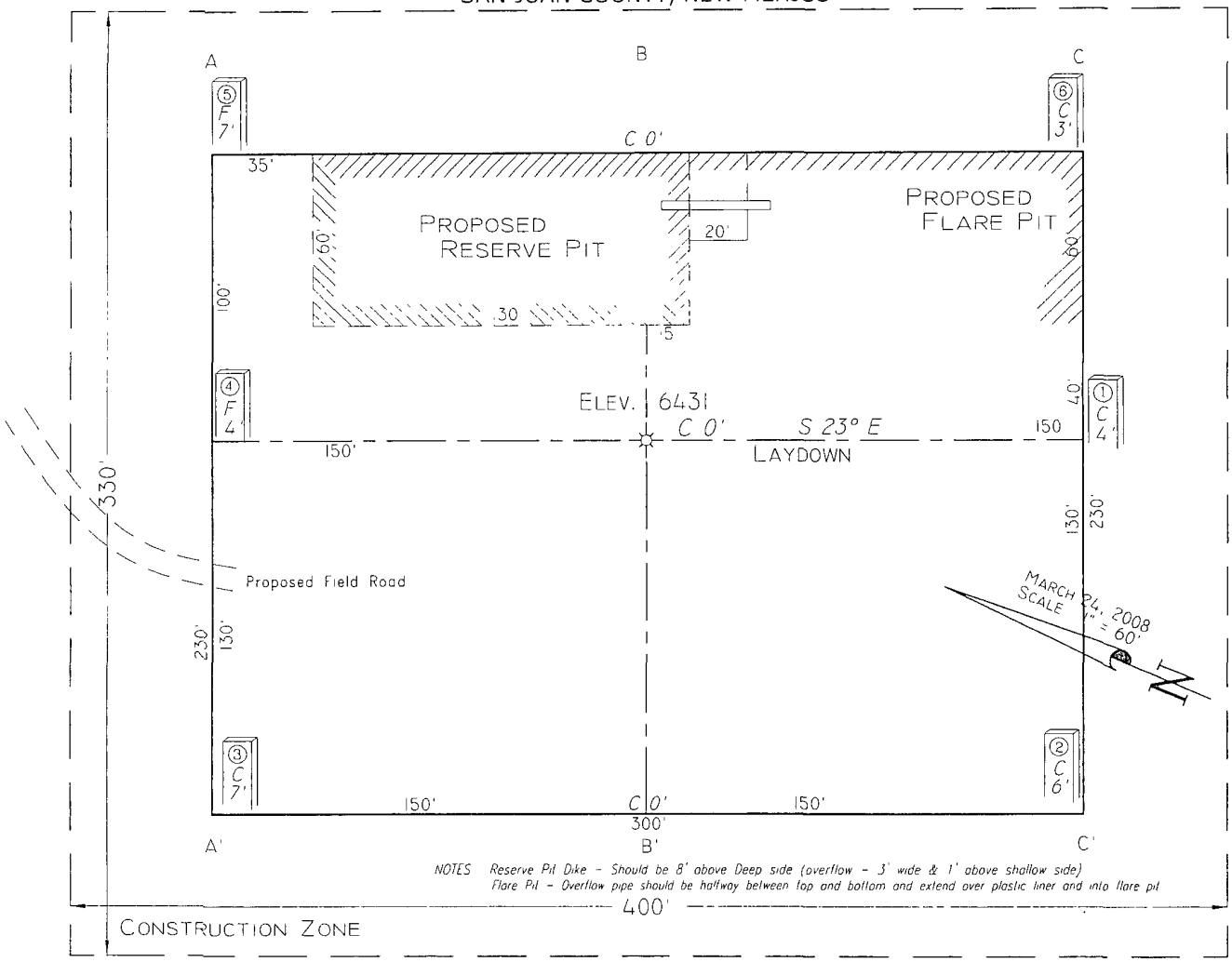
Signature and Seal of Professional Surveyor

GARY D. VANN
NEW MEXICO
7016
REGISTERED PROFESSIONAL LAND SURVEYOR

7016
Certificate Number

PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.
Nebu # 255
420' F/SL 205' F/WL
SEC. 6, T31N, R6W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

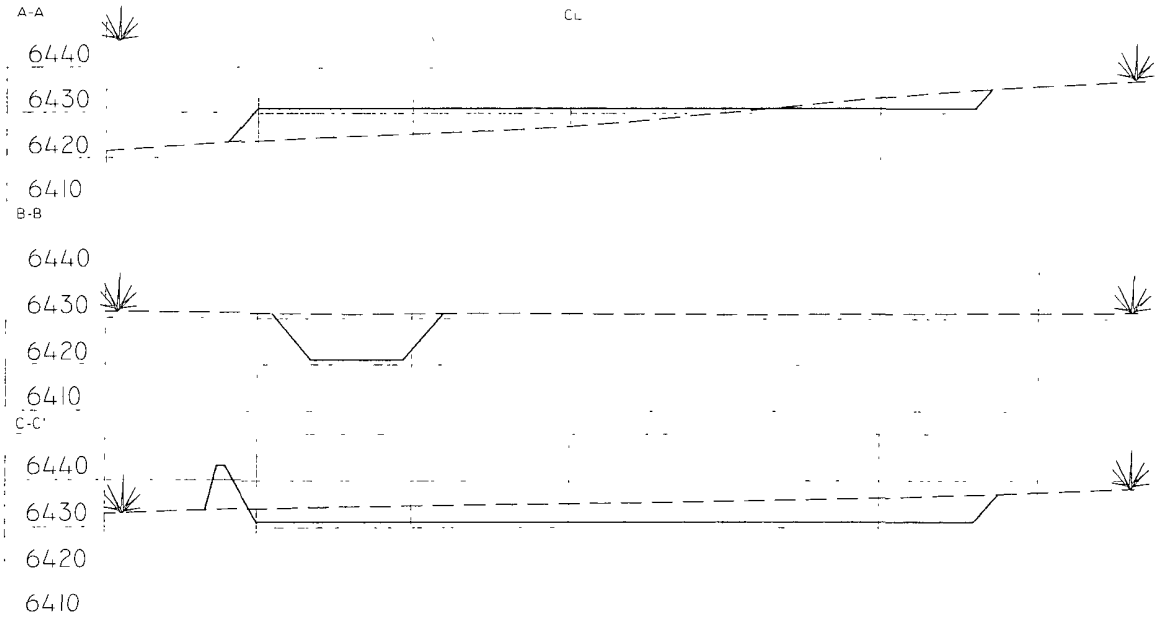
Lat: 36.92241° (83)
Long: 107.51261°



NOTES Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit

Area of Construction Zone - 330'x400' or 3.03 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

PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.
Nebu # 255
420' F/SL 205' F/WL
SEC. 6, T31N, R6W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36.92241° (83)
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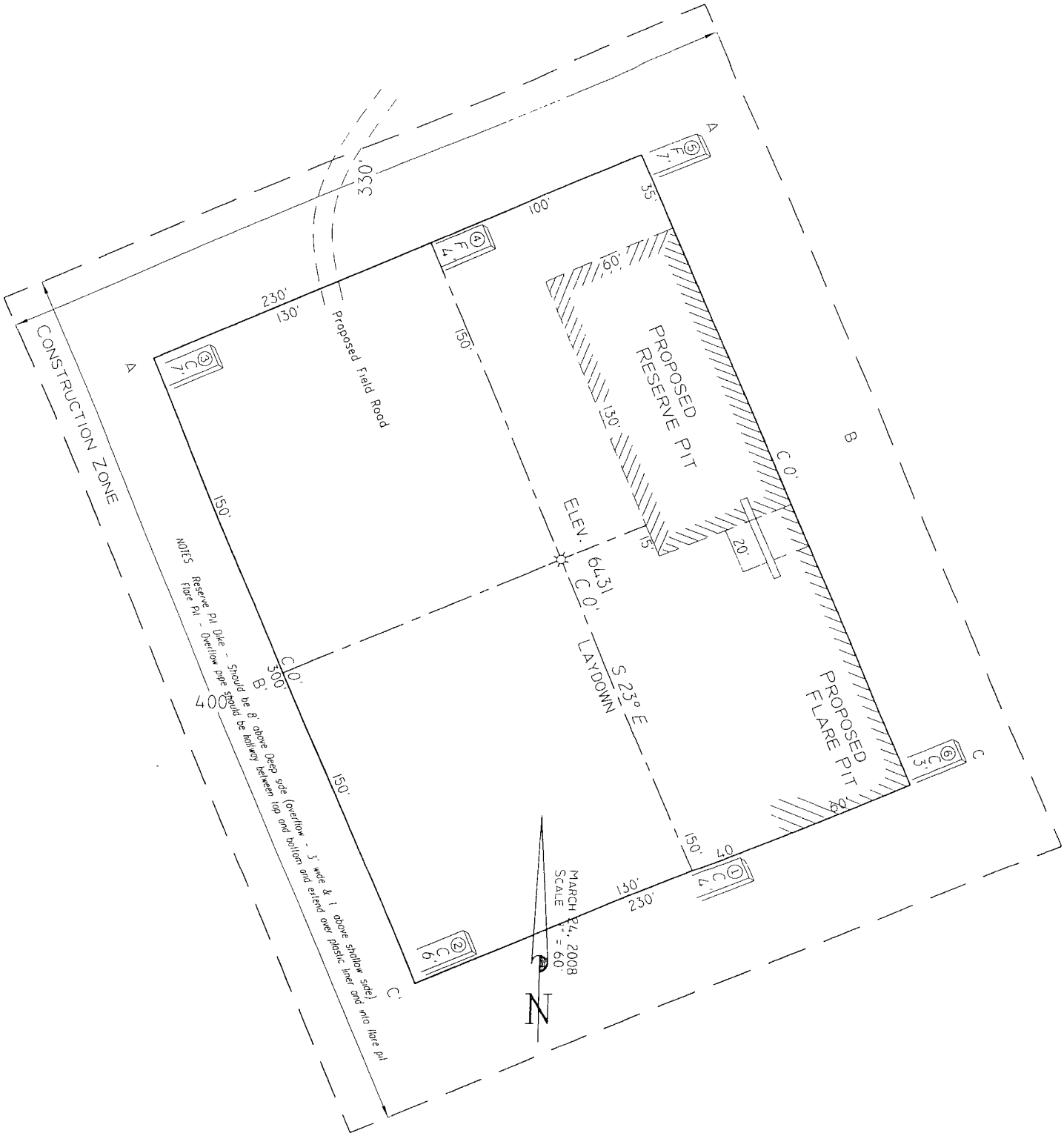


NEBU 255H

From the town of Arboles, CO take State HWY 151 to CR 300. Turn south onto CR 330 and travel to CR 4020 traveling a distance of 3.9 miles. Continue on CR 4020 to Road 4018 and travel a total of 6.2 miles to location turn off. Turn east and travel 1.2 miles to well site. Well site will be on south side of road.

NEBU 255H
SL: 420' FSL & 205' FWL, Unit M 6-31N-6W
BHL: 1,940' FNL & 1,940' FWL, Unit F 7-31N-6W
San Juan Co., NM

DRILLING PLAN FOR HORIZONTAL WELL

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	2313	2313	Aquifer
Kirtland	2433	2433	
Fruitland	2869	2825	Gas
Fruitland 1st Coal	3306	3058	Gas
Pictured Cliffs Tongue	3813	3264	Gas
Pictured Cliffs	4220	3403	Gas
TD	5767	3447	

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, 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
0-4255	0-3415	8-3/4"	7"	K-55	23#	LTC	New
0- TD	0- TD	6-1/4"	4-1/2"	N-80	11.6 #	LTC BTC	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 ½"	6350 psi	7780 psi	267K 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 string will not be cemented. In some situations an ACP and DV tool may be run.

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 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***

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

4. DRILLING FLUIDS PROGRAM:

TMD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-4255'	0-3415'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
4255'-TD	3415'-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.

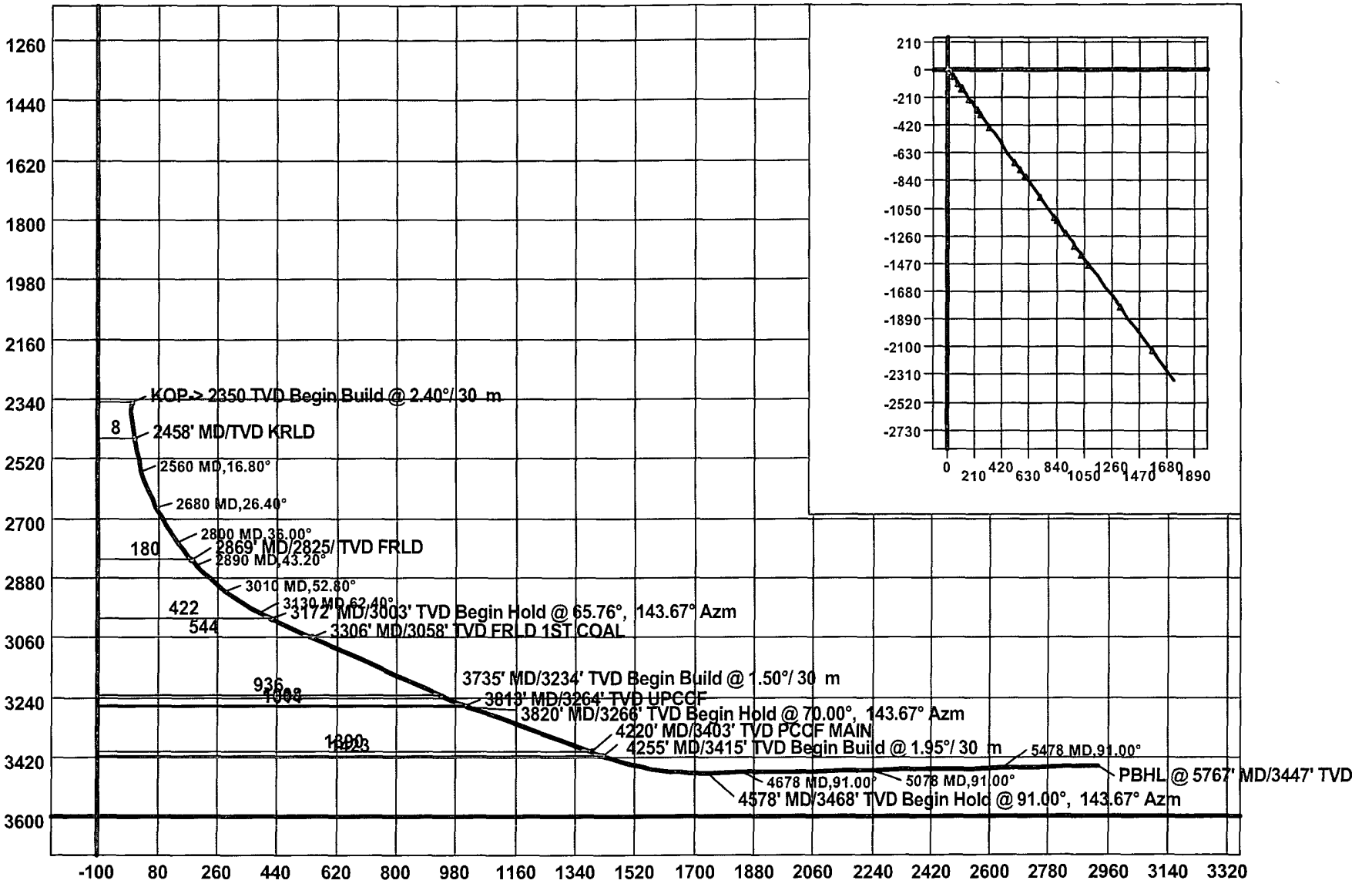
7. OTHER INFORMATION:

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

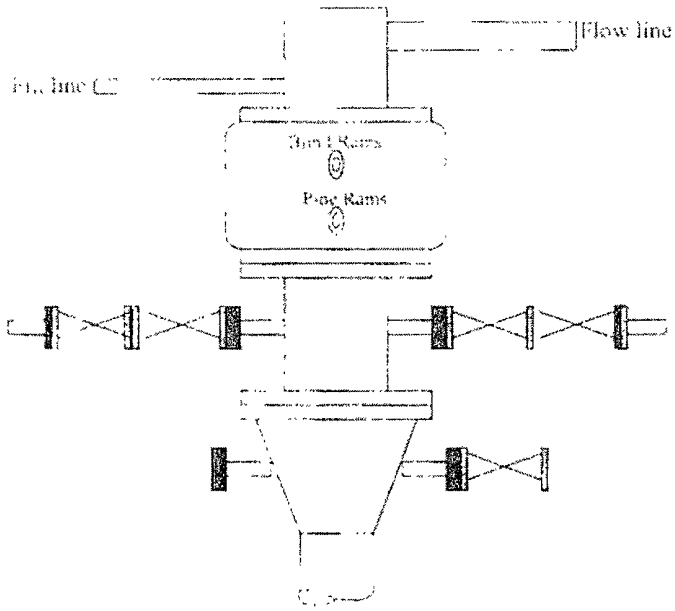
Starting Date:	Upon Approval
Duration:	20 days

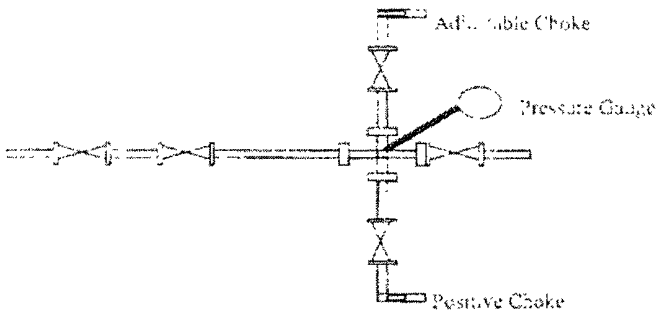
If the well is completed as a dry hole or as a producer, Well Completion or Recompletion Report and Log (Form 3160-4) will be submitted within 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3160. Copies of all logs, core descriptions, 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 255H
Location: San Juan County
State/Country: NM



Well Control Equipment
2,000 psi Configuration





All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, & 43 CFR 3160 requirements for 2M systems