Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

**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 page 2.*

5. Lease Serial No.
SF 079003

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
256H

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

9. API Well No.
30-045-34685

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

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

10. Field and Pool or Exploratory Area
S. Los Pinos F/S Pictured Cliffs

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SL 550' FNL & 2,565' FEL, Unit B, NW NE, Sec. 34, 31N, 7W
BHL 1,940' FNL & 700' FEL, Unit H, SE NE, Sec 34, 31N, 7W

11. Country or Parish, State
San Juan

12. CHECK THE 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 |
| | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Subsequent Report | ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☐ Other |
| | ☑ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| ☐ Final Abandonment Notice | ☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 256H well as a horizontal well. Attached you will find a new C-102, Drill and Surface Plan, Directional Documentation, Exhibit D, and Directions.

RCVD AUG 4 '08
OIL CONS. DIV.
DIST. 3

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.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.
NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

Title Senior Staff Operations Technician

Signature

Date July 21, 2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by
Troy L. Salyers

Title Petroleum Engineer

Date 8-01-2008

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

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 |
|---|---|---|
| 30-045-34685 | 80690 | S. Los Pinos F/S Pictured Cliffs |

| 4 Property Code | 5 Property Name | 6 Well Number |
|---|---|---|
| 19641 | NEBU | #256H |

| 7 OGRID No. | 8 Operator Name | 9 Elevation |
|---|---|---|
| 6137 | Devon Energy Production Company, L.P. | 6344 |

## 10 Surface Location

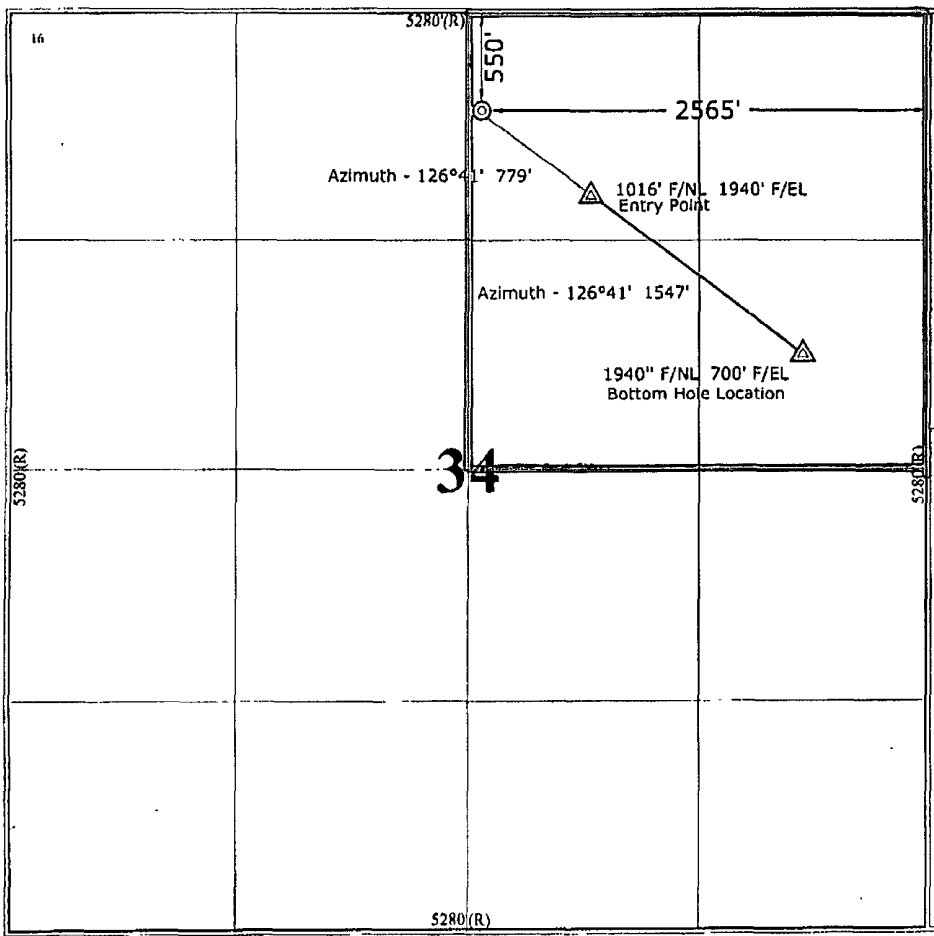
| UL or Lot No | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| B | 34 | 31 N | 7 W | | 550 | NORTH | 2565 | EAST | SAN JUAN |

## 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 |
|---|---|---|---|---|---|---|---|---|---|
| H | 34 | 31 N | 7 W | | 1940 | NORTH | 700 | EAST | 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




## 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 7-21-08
Date

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 08, 2008
Date of Survey

Signature and Seal of Professional Surveyor

GARY L. VANN NEW MEXICO 7016 REGISTERED PROFESSIONAL LAND SURVEYOR

7016
Certificate Number

(R) BLM Record

# NEBU 256H
# SL: 550' FNL & 2,565' FEL, Unit B 34-31N-7W
# BHL: 1,940' FNL & 700' FEL, Unit H 34-31N-7W
# 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 | 2211 | 2211 | Aquifer |
| Kirtland | 2340 | 2340 | |
| Fruitland | 2785 | 2777 | Gas |
| Fruitland 1st Coal | 3041 | 2990 | Gas |
| Pictured Cliffs Tongue | 3451 | 3197 | Gas |
| Pictured Cliffs | 3697 | 3280 | Gas |
| TD | 5249 | 3303 | |

All shows of fresh water and minerals will be adequately protected and reported.

### 2. PRESSURE CONTROL EQUIPMENT:

2

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.

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 | TVD | Hole Size | Size | Grade | Weight | Thread | Condition |
|---|---|---|---|---|---|---|---|
| 0-285 | 0-285 | 12-1/4" | 9-5/8" | H-40 | 32.3 lb/ft ~~32#~~ | STC | New |
| 0-3739 | 0-3290 | 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 ½" | 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 maybe 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. 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***

**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***

Per operator: production casing will not be cemented
T. Salyers 8-01-2008

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 |
|---|---|---|---|---|---|---|---|
| 0-3629' | 0-3629' | Spud-foam | 8.4-9.0 | 29-70 | 8.0 | NC | FW gel, LSND or stiff foam |
| 2827'-3,739 | 2182'-3290' | Water /Mud | 8.4-9.0 | 29-70 | 8.0 | NC | |
| 3739' - TD | 3,290' - TD | Air/N2 or Mud | 8.5-9.0* | 30-50 | 8.0-10.0 | 8-810cc @ TD | Low solids-non-dispersed. * min Wt. to control formation pressure |

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.

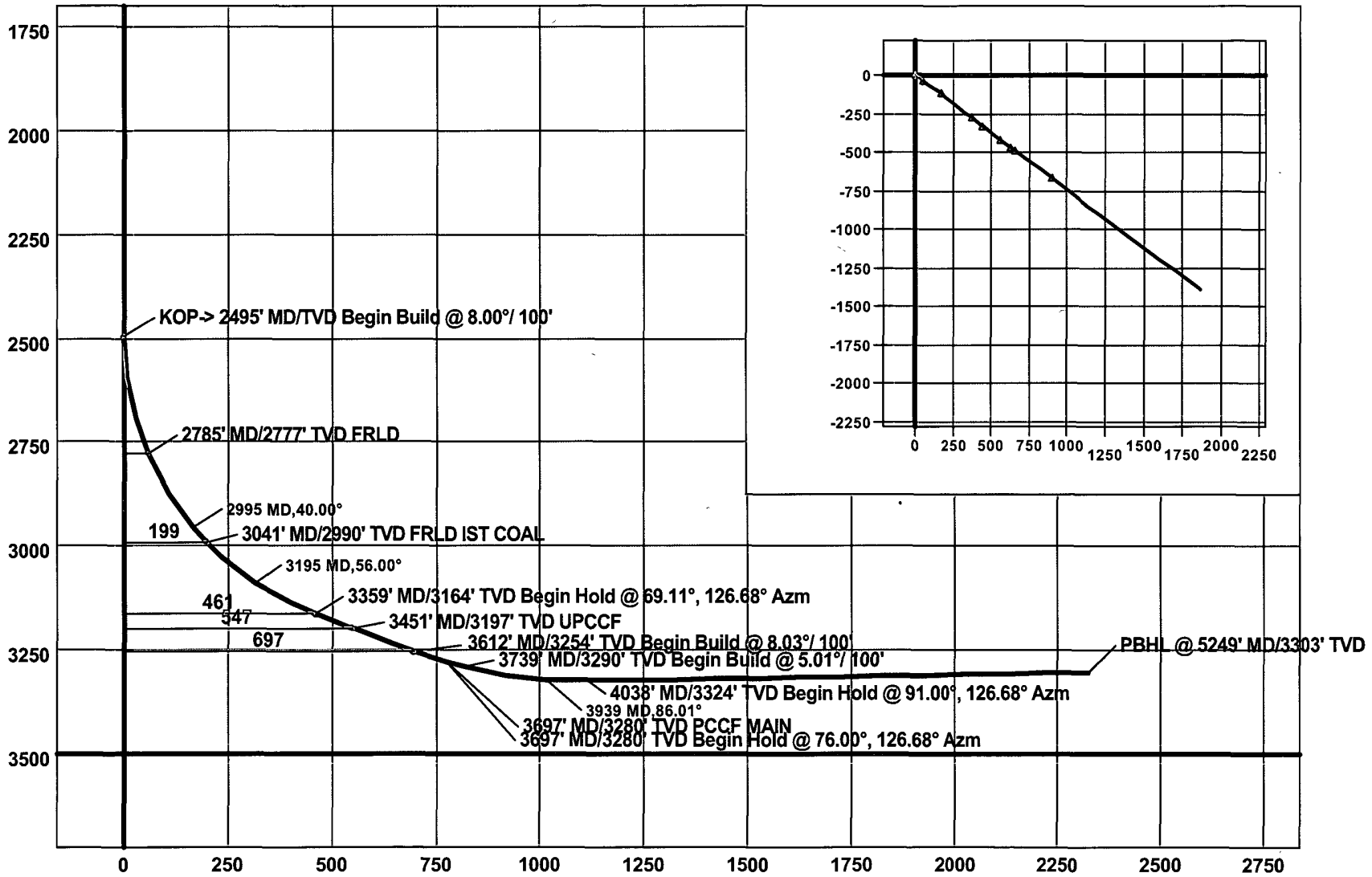
## 7. OTHER INFORMATION:

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 # 256 H
**Location:** SAN JUAN COUNTY
**State/Country:** NM




Proposal 6.14.08