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RCVD MAY 19 '09
OIL CONS. DIV.
DIST. 3

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

MAR 03 2009

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

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 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 260H
3b. Phone No. (include area code) 405-552-7802		9. API Well No. 3004534979
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 215' FSL & 2280' FEL, Unit O, SW SE At proposed prod. zone 1939' FNL & 700' FEL, Unit H, NE 1/4 SE 1/4 Sec. 7		10. Field and Pool, or Exploratory Rosa Pictured Cliffs
11. Sec., T. R. M. or Blk. and Survey or Area 0 Sec. 6, T31N, R6W		12. County or Parish San Juan
13. State NM		14. Distance in miles and direction from nearest town or post office* Approximately 10.6 miles
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 215'	16. No. of acres in lease 2560' Acres	17. Spacing Unit dedicated to this well 160 Acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1025'	19. Proposed Depth 5568' MD 3352 TVD	20. BLM/BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6383' This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	22. Approximate date work will start* 04/01/2009	23. Estimated duration Unknown
24. Attachments DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: "GENERAL REQUIREMENTS".

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Stephanie A. Ysasaga (405)-552-7802	Date 4/27/09
Title Sr. Staff Operations Technician		
Approved by (Signature) 	Name (Printed/Typed) AFM	Date 5/18/09
Title AFM	Office 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)

Hold C104
for Directional Survey
and "As Drilled" plat

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

NMOCD

MAY 20 2009

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
RECEIVED
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088 03 2009

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease 3 Copies

Bureau of Land Management
Farmington Field Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30.045.34979		2 Pool Code 96175		3 Pool Name Rosa;		4 Well Number # 260H	
5 Property Code 19641		6 Property Name NEBU				7 Elevation 6383	
8 OGRID No 6137		9 Operator Name Devon Energy Production Company, L.P.					

10 Surface Location

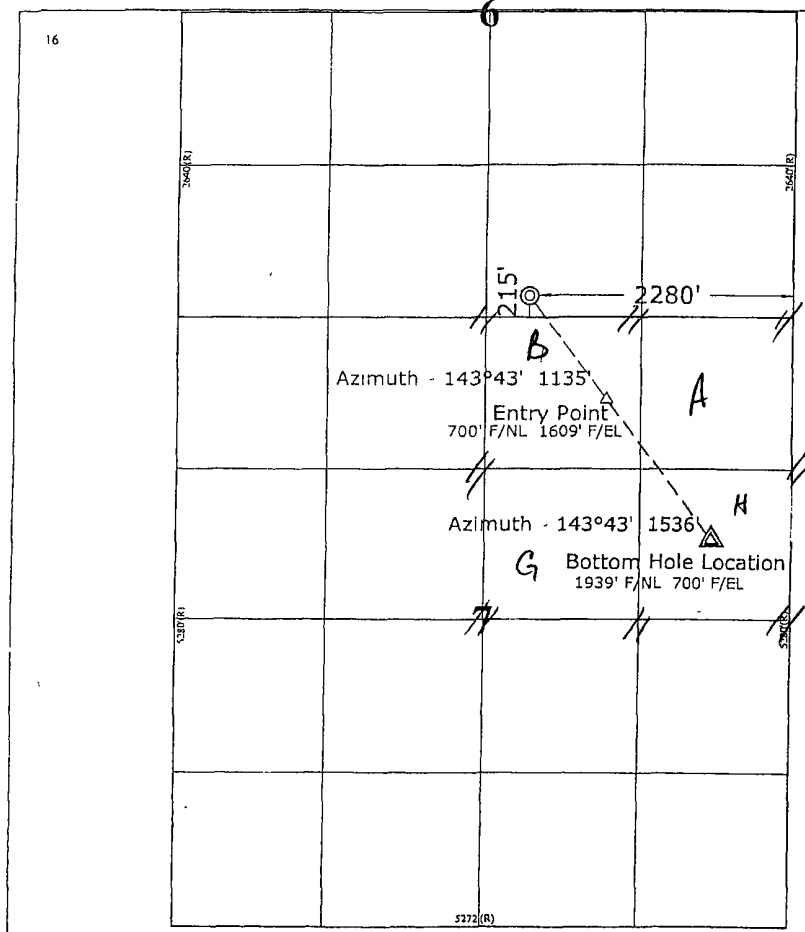
UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	31 N	6 W		215	SOUTH	2280	EAST	SAN JUAN

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
1H	7	31 N	6 W		1939	NORTH	700	EAST	SAN JUAN

12 Dedicated Acres 160 NE 1/4	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, 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: **Stephanie A. Ysasaga** Date: **03/17/09**

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.

Date of Survey: **September 17, 2008**

Signature and Seal of Professional Surveyor: **GARY D. VANN**

7016

7016

2620(M)

NEBU 260H
SL: 215' FSL & 2280' FEL, Unit O 6-31N-6W
BHL: 1939' FNL & 700' FEL, Unit X 7-31N-6W
San Juan, 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	2276	2276	Aquifer
Kirtland	2395	2395	
Fruitland	2785	2774	Gas
Fruitland 1 st Coal	3049	2986	
Upper Pictured Cliffs	3582	3202	Gas
Pictured Cliffs Main	4026	3317	Gas
PTD	5568	3352	

All shows of fresh water and minerals will be adequately protected and reported.
A 100' sump will be drilled into the Picture cliffs. A mud logger will be on location collecting samples and measuring gas levels. Should the Picture Cliffs interval appear to be productive the sump will be filled with cuttings and abandoned

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:

TMD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-4000	285-3322	8-3/4"	6-1/4" 7"	J-55	23#	LTC	New
0-5688	0-3301	6-1/4"	4 1/2"*	N-80	11.6 #	LTC	New

Casing Size	Collapse Resistance	Internal Yield	Body Yield
9 5/8"	1400 psi	2270 psi	254K psi
6-1/4" 7"	3270 psi	4360 psi	366K psi
4 1/2"	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)

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).

4-1/2" Production Casing: The production casing will be run into the open hole and 3 to 5 packers will be set isolating frac stages. An additional packer will be set inside the 7" intermediate casing at the kick off point of about 2500 ft.

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 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.

Intermediate String: 7" Production casing cemented in an 8-3/4" hole
 23# J-55 LT&C 8 Rnd
 Float collar
 Joint
 Float Shoe
 Cement with 500 sacks Class B 50/50 POZ, 3% gel, 5#
 Gilsonte,
 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

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

Production String: 4-1/2" Production casing in a 6-1/4" hole*
 11.6# N-80 LT&C 8 Rnd
 Shoe
 Not Cemented

** May not be run pending hole conditions.*

If well does not respond to proposed completion, the 4 1/2 " liner
 will be cemented using class B 50/50 POZ, 3% gel, and 5#
 gilsonte, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47
 ft3/sx. **

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

4. DRILLING FLUIDS PROGRAM:

TMD	TVD	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 - 4045	285 - 3322	Water/Mud	8.4-9.0	29-70	8.0	10-12	LCM as needed
4045 - TD	3322 - TD	Mud	9.2	30-50	8.0	8-10	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.

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

5. EVALUATION PROGRAM:

Wireline Logs: None

Mud Logs: Possible mud logging in Fruitland Coal & Pictured Cliffs.

Survey: MWD surveys will be taken from 2463' to TD of 8 3/4" hole and TD of the 6-1/4" hole.

Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered within the 8 3/4" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

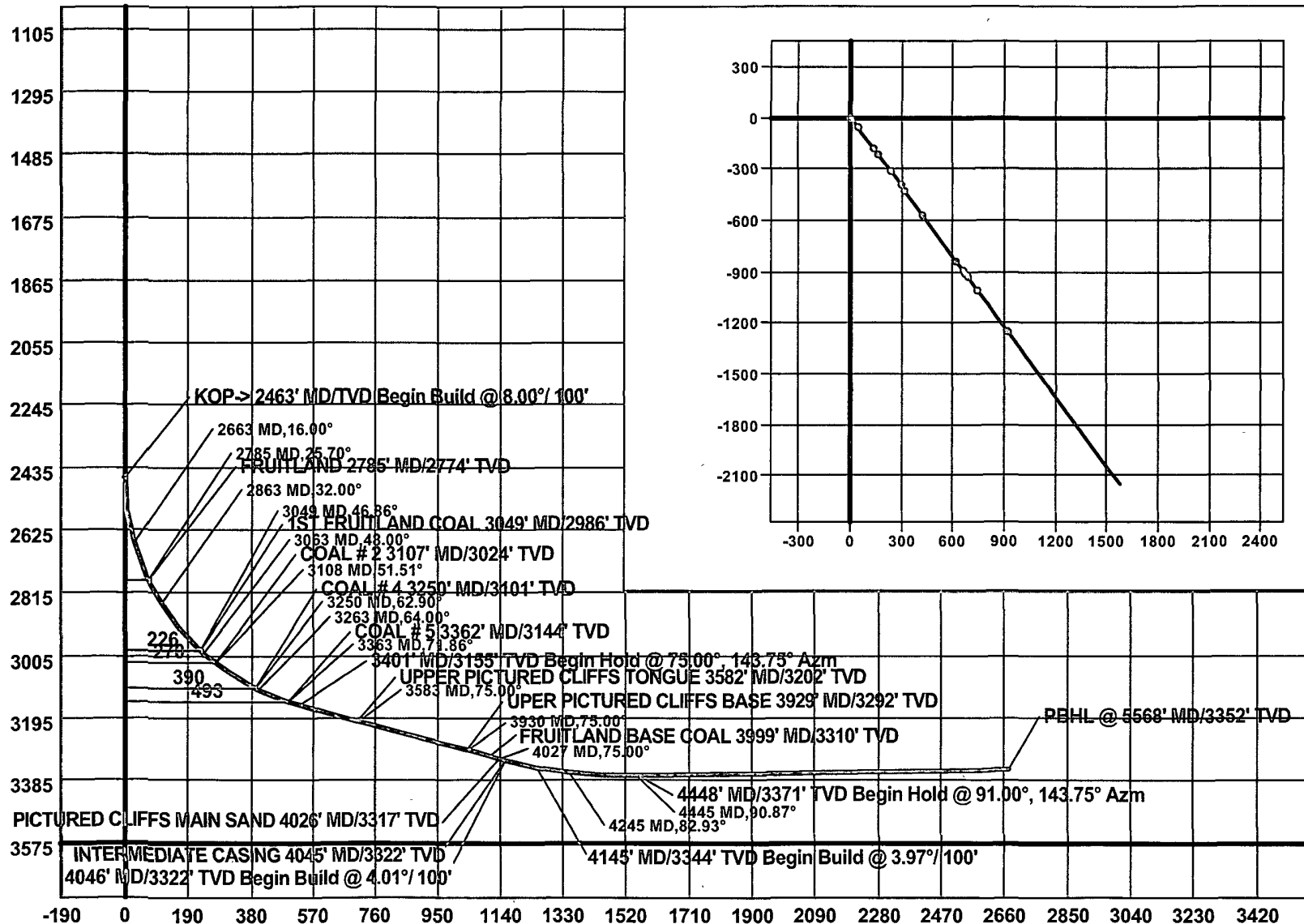
7. OTHER INFORMATION:

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

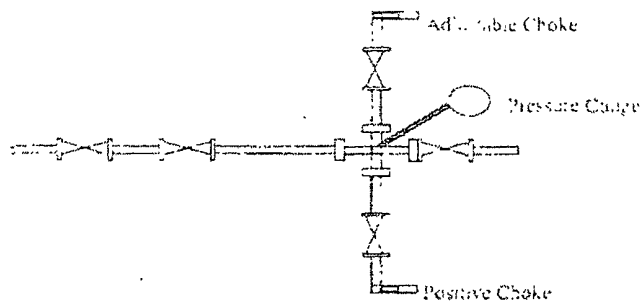
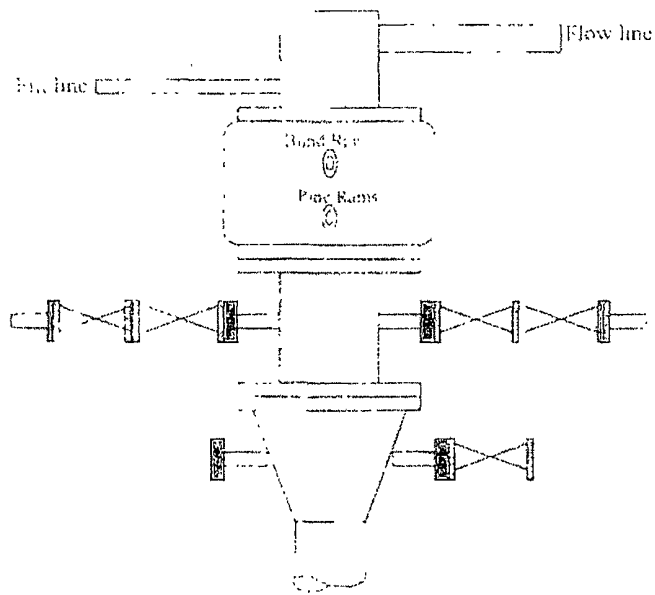
Starting Date:	Upon Approval
Duration:	20 days

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 260 H
Location: San Juan County
State/Country: New Mexico



Well Control Equipment 2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, 10, 143, 178
3.00 requirement for 2M systems.