

RECEIVED

MAY 07 2009

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



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		2b Name of Operator Devon Energy Production Company, L.P.		5 Lease Serial No. SF 079003	
3a Address 20 N. Broadway, Oklahoma City, OK 73102		3b Phone No. (include area code) 405-552-7802		6 If Indian, Allottee or Tribe Name	
4 Location of Well (Report location clearly and in accordance with any State requirements.) At surface 410' FNL & 2580' FEL, Unit B, NW NE B At proposed prod zone 1110' FNL & 1365' FWL, Unit C, NE NW C		11 Sec, T R M or Blk and Survey or Area B Sec. 34, T31N, R7W		7 If Unit or CA Agreement, Name and No Northeast Blanco Unit	
12 Distance in miles and direction from nearest town or post office* Approximately 15.4 miles		13 State NM		8 Lease Name and Well No. NEBU 404A	
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any) 410'		16 No of acres in lease 2560 Acres		9 API Well No. 30 045 34977	
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1130'		19 Proposed Depth 3,712' MD 3167' TVD		10 Field and Pool, or Exploratory Basin Fruitland Coal	
21 Elevations (Show whether DF, KDB, RT, GL, etc) GR 6344'		22 Approximate date work will start* 06/01/2009		17 Spacing Unit dedicated to this well W/2 - 320 Acres	
23 Estimated duration Unknown		20 BLM/BIA Bond No. on file CO-1104		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) Stephanie A. Ysasaga (405)-552-7802	Date 05/06/09
Title Sr. Staff Operations Technician		
Approved by (Signature) 	Name (Printed/Typed) AFEA	Date 5/28/09
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 USC Section 1001 and Title 43 USC 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

JUN 10 2009

NMOCD

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

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

MAY 07 2009

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 3004534977		2 Pool Code 71629		3 Property Name Basin Fruitland Coal	
4 Property Code 19641		5 Operator Name NEBU			6 Well Number 404A
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.			9 Elevation 6344

10 Surface Location

UL or Lot No B	Section 34	Township 31 N	Range 7 W	Lot Idn	Feet from the 410	North/South line NORTH	Feet from the 2580	East/West line EAST	County SAN JUAN
-------------------	---------------	------------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	--------------------

11 Bottom Hole Location If Different From Surface

UL or lot no. C	Section 34	Township 31 N	Range 7 W	Lot Idn	Feet from the 1110	North/South line NORTH	Feet from the 1365	East/West line WEST	County SAN JUAN
--------------------	---------------	------------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	--------------------

12 Dedicated Acres 320/640	13 Joint or Infill	14 Consolidation Code	15 Order No.
-------------------------------	--------------------	-----------------------	--------------

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: <u>Stephanie A. Ysasaga</u> Date: <u>05/06/09</u> 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: <u>September 3, 2008</u> Signature and Seal of Professional Surveyor: <u>GARY D. VAIN</u>
	7016 Certificate Number

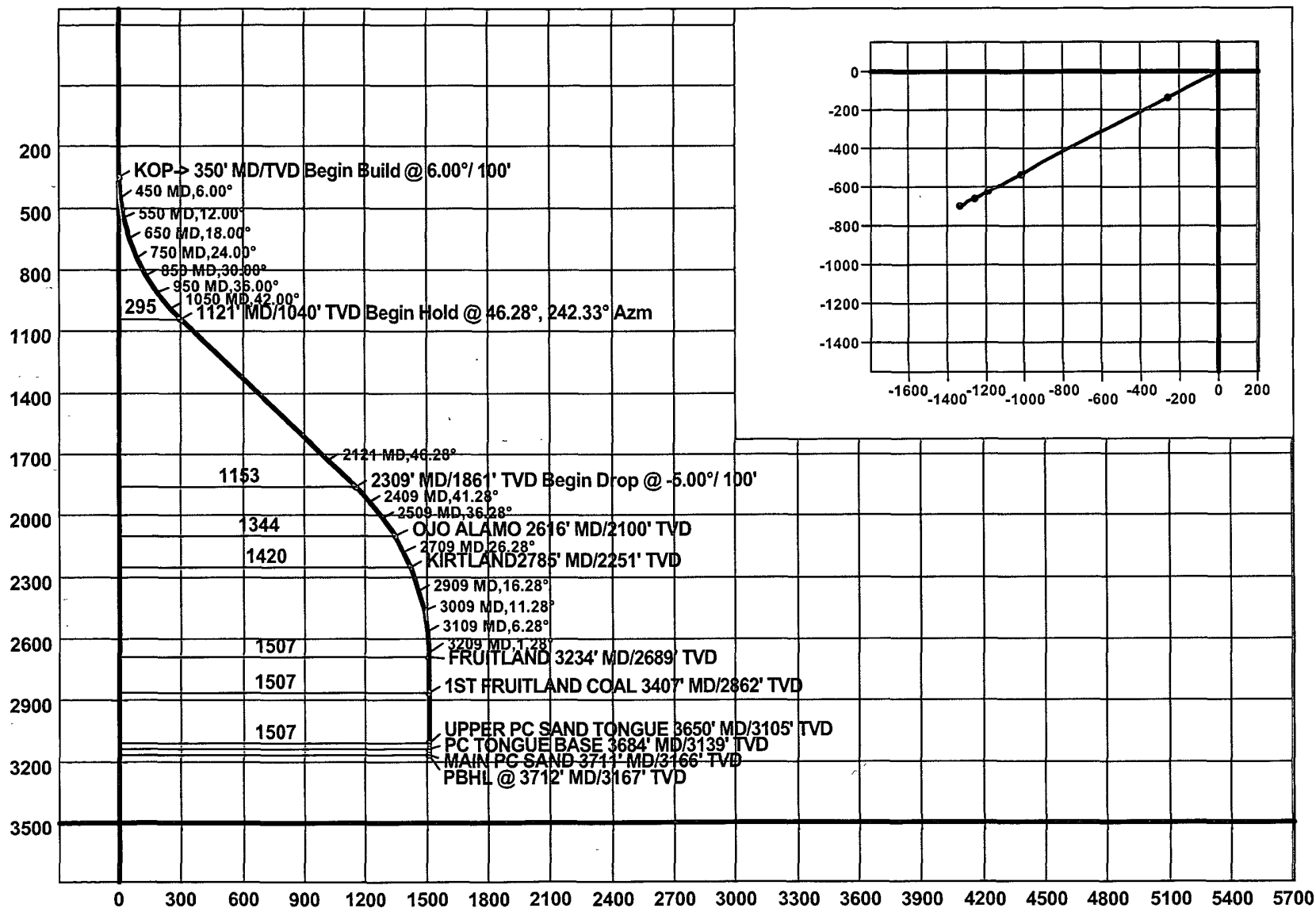
NEBU 404A

From the town of Arboles, CO take State HWY 151 to CR 330 and go south to CR 4020 for a total of 7.1 miles. Go south on CR 4018 turning west for a total of 5.1 miles passing Middle Mesa CDP. Travel south on Trunk B for 2.7 miles. Turn west and travel 0.5 miles to location road and turn west onto location road to well site.

NEBU 404A

The reference well is located inside the High Productivity Area of the Basin Fruitland Coal Pool. The subject well is in the participating area of the Northeast Blanco Unit. No notification required per R-8768-F.

Company: Devon Energy
 Lease/Well: NEBU 404A
 Location: San Juan County
 State/Country: New Mexico



NEBU 404A
SL: 410' FNL & 2580' FEL, Unit B 34-31N-7W
BHL: 1110' FNL & 1365' FWL, Unit C 34-31N-7W
San Juan, NM

DRILLING PLAN

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

Formation		TVD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2616	2100	Aquifer
Kirtland	2785	2251	
Fruitland	3234	2689	
Fruitland 1 st Coal	3407	2862	Gas
Upper Pictured Cliffs	3650	3105	Gas
Pictured Cliffs Main	3711	3166	Gas
PTD	3712	3167	

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:

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.

- 3000# BOP With Pipe Rams and 3000# 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 300 psi.

3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

MD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3390	0-2845	8-3/4"	7"	J-55	23#	LTC	New
3340-TD	2795- TD	6-1/4"	5-1/2"*	J-55	15.5 #	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
5 1/2"	4040 psi	4810 psi	248K 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).

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.

Production 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# 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

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

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

* May not be run pending hole conditions.

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. **

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

4. DRILLING FLUIDS PROGRAM:

MD	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,
285-3390	285-2845	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
3390-TD	2845-TD	Air/Mist					Foam as needed

NC = no control

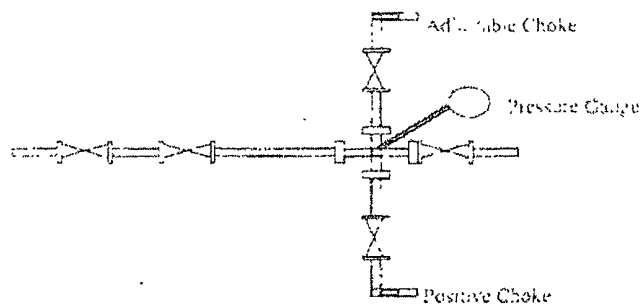
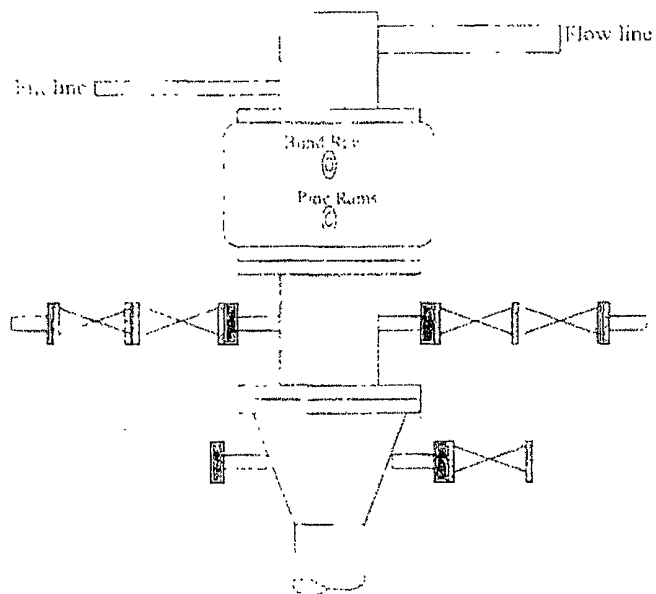
Sufficient quantities of mud material will be maintained on site or be readily accessible for the purpose of assuring well control. SPR will be recorded on daily drilling report after mudding up. Visual mud monitoring will be conducted during operations.

5. EVALUATION PROGRAM:

Wireline Logs: None

Mud Logs: mud logging in Fruitland Coal.

Well Control Equipment 2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, 60 M A S C R
3-60 requirement for ZM systems.