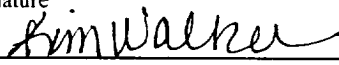



**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

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 checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Northeast Blanco Unit	
2. Name of Operator Devon Energy Production Company, L.P. Attn: Kim Walker		7. If Unit or CA Agreement, Name and No. Northeast Blanco Unit	
3a. Address 20 North Broadway, Suite 1500, OKC, OK 73102		8. Lease Name and Well No. NEBU MD1-322	
3b. Phone No. (include area code) (405) 552-4734		9. API Well No. 30-045-31022	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1775' FSL & 1305' FWL NW SW Unit L At bottom hole Same At proposed prod. zone		10. Field and Pool, or Exploratory Blanco Mesaverde Basin Dakota	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 24 miles SE of Ignacio, CO		11. Sec., T., R., M., or Blk. And Survey or Area L Sec. 18 ,T 31N ,R 6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 1305'		12. County or Parish San Juan	
16. No. of Acres in lease 2560.00		13. State NM	
17. Spacing Unit dedicated to this well 320 ac. w/s		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 8105'		20. BLM/ BIA Bond No. on file CO-1104	
21. Elevations (Show whether DF, RT, GR, etc.) 6448' GL		22. Aproximate date work will start* Upon Approval	
23. Estimated Duration 20 Days		24. Attachments 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"			
1. Well plat certified by a registered surveyor.		4. Bond to cover the operations unless covered by 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) Kim Walker	Date 3/15/02
Title Regulatory Technician		
Approved By (Signature) 	Name (Printed/ Typed) David J. Mankiewicz	Date JUL - 1
Title Office		

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 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30045-31022	² Pool Code 72319/71599	³ Pool Name Blanco Mesaverde/Basin Dakota
⁴ Property Code 19641	⁵ Property Name NEBU MDI	⁶ Well Number 322
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁹ Elevation 6448'

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
L	18	31-N	6-W		1775'	SOUTH	1305'	WEST	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
¹² Dedicated Acres MV - <u>W</u> /320 DK - <u>W</u> /320					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

16					17 OPERATOR CERTIFICATION
	LAT. 36°35'50" N LONG. 107°30'32" W				<i>Kim Walker</i> Signature Kim Walker
FD U.S.G.L.O. BC. 1914	18				Printed Name Regulatory Technician
	1305'				Title 3/15/02
	862'				Date
	15'				18 SURVEYOR CERTIFICATION
	456'				<i>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.</i>
N 00-01-05 E 2637.30'	1775'				Date of Survey 2-20-02
	1319'				Signature and Seal of Professional Surveyor <i>[Signature]</i>
FD U.S.G.L.O. BC. 1914	N 89-59-23 E 5281.10'				8894
	FD U.S.G.L.O. BC. 1914				Certificate Number

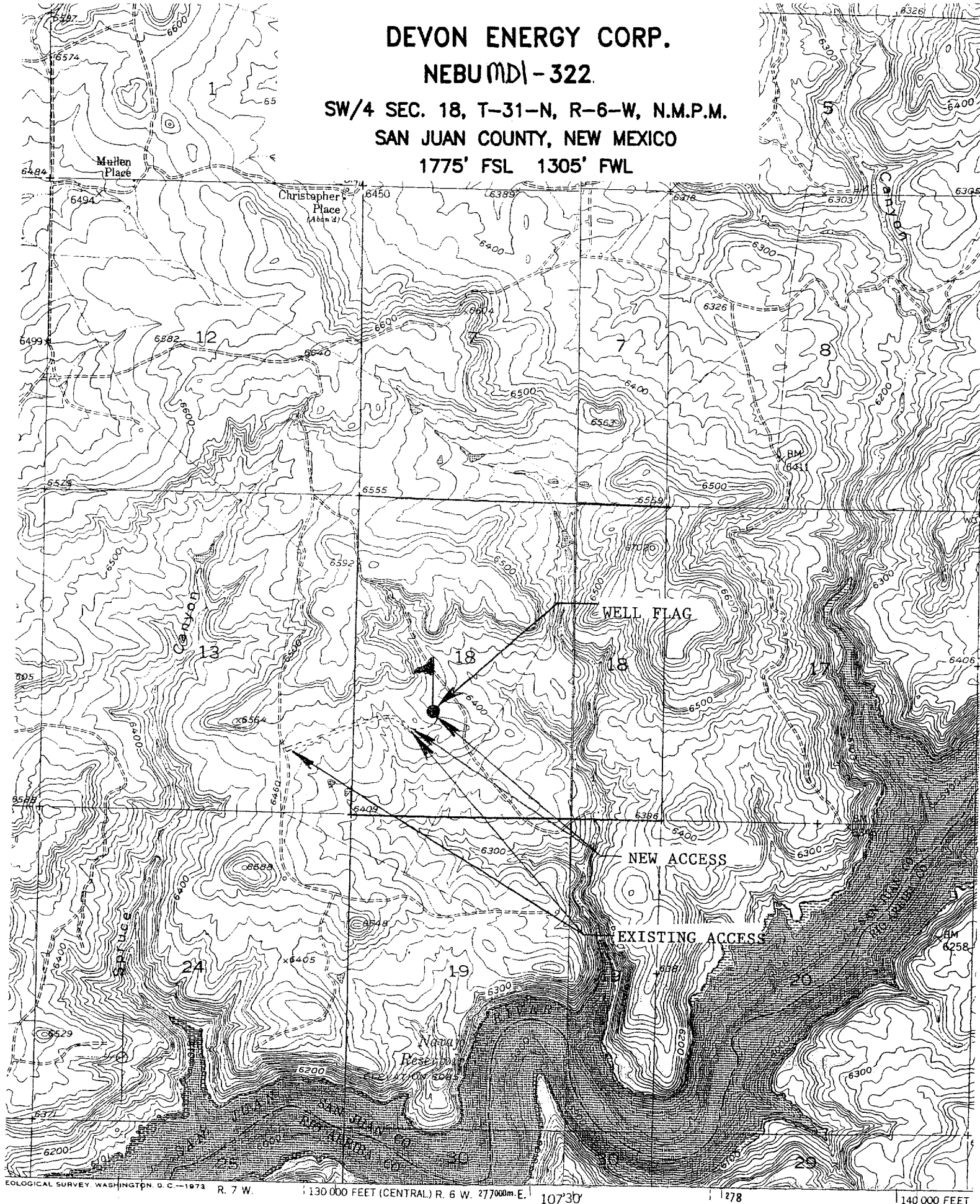
DEVON ENERGY CORP.

NEBU MDI - 322

SW/4 SEC. 18, T-31-N, R-6-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

1775' FSL 1305' FWL



EOLOGICAL SURVEY, WASHINGTON, D. C. - 1973 R. 7 W. 130 000 FEET (CENTRAL) R. 6 W. 277000m. E. 107°30' 1278 140 000 FEET

Mapped, edited, and published by the Geological Survey
Control by USGS and NOS/NOAA
Topography by photogrammetric methods from aerial photographs

ROAD CLASSIFICATION

**NEBU MD1-322
Unit L-18-31N-6W
San Juan Co., NM**

DRILLING PLAN

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

Formation	Depth (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2370'	Aquifer
Kirtland	2490'	
Fruitland	2930'	Gas
Pictured Cliffs	3265'	Gas
Lewis	3540'	Gas
Intermediate TD	3640'	
Mesaverde	4150'	Gas
Chacra	4540'	
Massive Cliff House	5025'	Gas
Menefee	5385'	Gas
Massive Point Lookout	5625'	Gas
Mancos	6080'	
Gallup	6925'	Gas
Greenhorn	7675'	Gas
Graneros	7725'	
Dakota	7855'	Gas
TD	8105'	

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 which shows the size and pressure ratings.

2000# BOP With Pipe Rams
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.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

Depth	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3640'	8-3/4"	7"	K-55	20#	STC	New
0-TD	6-1/4"	4-1/2"	K-55	11.6 #	LTC	New

All casing strings below the conductor 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.

The bottom three joints of the surface casing will have one centralizer per joint and one centralizer every fourth joint thereafter.

B. The proposed cementing program will be as follows:

Surface String: Cement will be circulated to surface. Estimated volume (180% of theoretical value):

Lead: 200 sks Class "B" with additives mixed at 15.6 ppg, 1.18 ft³/sks.

Intermediate String: Cement stage collar at 2850'.

First Stage: 225 sks 50/50 "G" Poz with additives mixed at 13.5 ppg, 1.28 ft³/sks, circulated to stage collar.

Second Stage: 350 sks Lite cement with additives mixed at 11.5 ppg, 2.40 ft³/sks, circulated to surface.

Production String: TOC will be tied into the intermediate casing. *100' min*

Lead: 600 sks Class "G" cement with additives mixed at 15.8 ppg, 1.15 ft³/sks.

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

4. DRILLING FLUIDS PROGRAM:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3640'	Spud	8.4-9.0	29-70	8.0	NC	FW gel, LSND
3640-7800'	Air				NC	
7800-TD	Mud	8.5-9.0*	30-50	8.0-10.0	8-10cc @ TD	Low solids – nondispersed. * 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:

Logs: Platform Express AIT/GR/SP: Intermediate casing point to the base of the surface casing and TD to the base of the intermediate casing.

Platform Express CNL/LDT/PE: Intermediate casing point to the base of the surface casing and TD to the base of the intermediate casing.

Cores: None anticipated.

DST's: None anticipated.