

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. NM-033586
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
2. Name of Operator Devon Energy Production Company, L.P. Attn: Diana Booher		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 324
3b. Phone No. (include area code) (405) 552-4512		9. API Well No. 30 045 31133
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1845' FNL & 2620' FWL SE NW Unit F 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. 26 miles SE of Ignacio, CO		11. Sec., T., R., M., or Blk. And Survey or Area F Sec. 14, T 31N, R 7W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 1845'	16. No. of Acres in lease 2396.77	17. Spacing Unit dedicated to this well 320 ac. W/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8025'	20. BLM/ BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, RT, GR, etc.) 6393' GL	22. Approximate date work will start* Upon Approval	23. Estimated Duration 20 Days

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 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, 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 <i>Diana Booher</i>	Name (Printed/Typed) Diana Booher	Date 6/12/02
Title Operations Engineering Associate		
Approved By (Signature) <i>Wayne Townsend</i>	Name (Printed/Typed) Wayne Townsend	Date 7/8/02
Title Pet. Eng.		
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 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

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, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

*API Number 30-045-31133		*Pool Code 72319/71599	*Pool Name Blanco Mesaverde/Basin Dakota
*Property Code 019641	*Property Name NEBU		*Well Number 324
*OGRID No. 006137	*Operator Name DEVON ENERGY Production Company, L.P.		*Elevation 6393'

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
F	14	31-N	7-W		1845'	NORTH	2620'	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
*Dedicated Acres MV-W/320 DK-W/320					*Joint or Infill		*Consolidation Code		*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

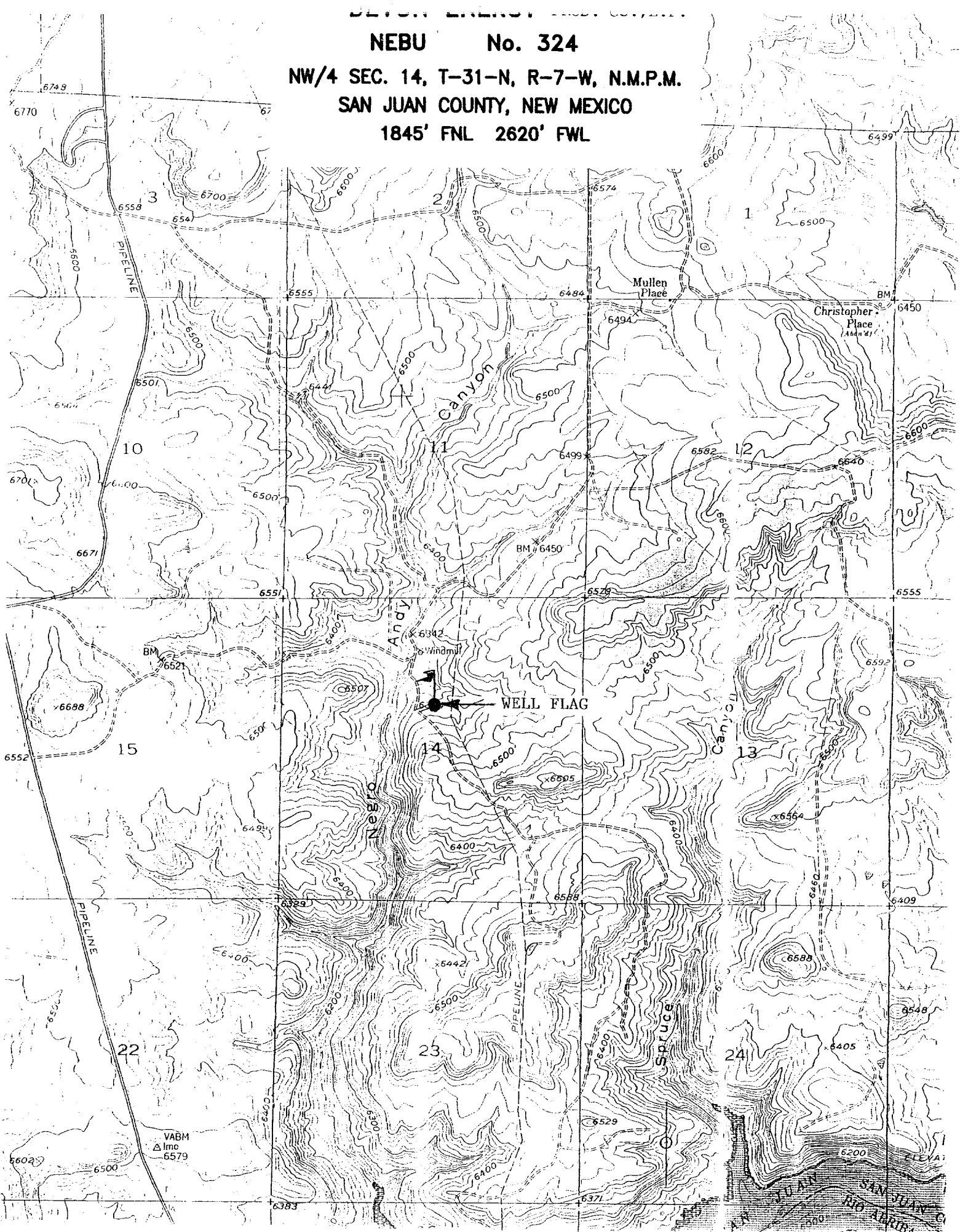
<p>18</p> <p>N 89-52-50 E FD 3 1/4" BC G.L.O. BC 1914</p> <p>S 00-01-30 W 2641.6' (M)</p> <p>2620'</p> <p>1306'</p> <p>S 89-58-08 E 5285.4' (M)</p> <p>797'</p> <p>14</p> <p>FD 2 1/2" BC G.L.O. 1914</p>		<p>FD 2 1/2" BC G.L.O. 1914</p> <p>1845'</p> <p>S 00-09-53 E 5284.2' (M)</p> <p>12'</p> <p>LAT. 36°54'16" N LONG. 107°32'49" W</p> <p>JUL 2002</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Diana Booher</u> Signature DIANA BOOHER Printed Name OPERATIONS ENGR. ASSOC. Title 5/31/02 Date</p>
<p>FD 2 1/2" BC G.L.O. 1914</p> <p>FD 2 1/2" BC G.L.O. 1914</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p><u>APRIL A. JOHNSON</u> Date of Survey SAN MEXICO Signature and Seal of Professional Surveyor: 14827 REGISTERED PROFESSIONAL SURVEYOR Certificate Number</p>	

NEBU No. 324

NW/4 SEC. 14, T-31-N, R-7-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

1845' FNL 2620' FWL



**NEBU 324
Unit F-14-31N-7W
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	2210'	Aquifer
Kirtland	2325'	
Fruitland	2880'	Gas
Pictured Cliffs	3175'	Gas
Lewis	3380'	Gas
Intermediate TD	3480'	
Mesaverde	4045'	Gas
Chacra	4445'	
Massive Cliff House	4900'	Gas
Menefee	5260'	Gas
Massive Point Lookout	5530'	Gas
Mancos	5930'	
Gallup	6930'	Gas
Greenhorn	7645'	Gas
Graneros	7700'	
Dakota	7810'	Gas
TD	8052'	

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
0-3480'	8-3/4"	7"	K-55	23#	LTC	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 a minimum of 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, 1.19 ft³/sks.

Intermediate String: Cement stage collar at 2830'.

First Stage: 165 sks 50/50 "G" Poz with additives mixed at 13.5 ppg, 1.40 ft³/sks, circulated to stage collar.

Second Stage: 300 sks 65/35 "G" Poz with additives mixed at 12.3 ppg, 2.02 ft³/sks, circulated to surface.

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

Lead: 675 sks 50/50 Poz cement @ 13 lb/gal, 1.47 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
0-3480'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3480-7700'	Air				NC	
7700'-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.

Survey: Deviation surveys will be taken every 500' from 0-3480' or first succeeding bit change. The hole will be air drilled from 3480'-TD. The equipment used in this type of operation will not allow for single shot surveys without considerable operational delays. A survey will be taken at TD. Similar wells in this area have