

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		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 checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		2. Name of Operator DEVON ENERGY CORP.		6. If Indian, Allottee or Tribe Name
3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102		3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553		7. If Unit or CA Agreement, Name and No. 777777778402D
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE Lot P 855FSL 1260FEL At proposed prod. zone SESE Lot P 855FSL 1260FEL		9. API Well No. 3004532333		8. Lease Name and Well No. NEBU 426A
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 22 MILES SOUTHEAST OF IGNACIO, CO		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T31N R6W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		16. No. of Acres in Lease 2560.00		12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		19. Proposed Depth 3291 MD 3291 TVD		13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6343 GL		22. Approximate date work will start 08/06/2004		17. Spacing Unit dedicated to this well 351.89 A11
		20. BLM/BIA Bond No. on file		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:

- 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 (Electronic Submission)	Name (Printed/Typed) CHARLES MUZZY	Date 05/03/2004
Title SR. STAFF OPERATIONS TECH		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 6-29-04
Title AFM	Office FFO	

Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

Electronic Submission #30208 verified by the BLM Well Information System
For DEVON ENERGY CORP., sent to the Farmington

WARNING: THIS ACTION IS AUTHORIZED AND
ONLY WHEN IN COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS.

This action is subject to technical and
procedural review pursuant to 43 CFR 3105.3
and appeal pursuant to 43 CFR 3105.4

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

OPERATOR

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32333		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 19641	⁵ Property Name NEBU		⁶ Well Number # 426A
⁷ OGRD No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.		⁹ Elevation 6343



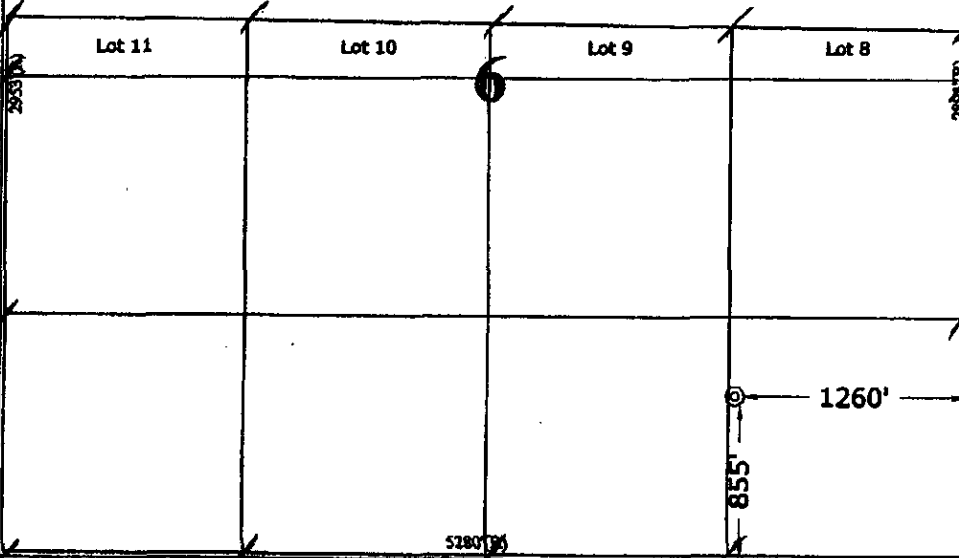
¹⁰ Surface Location

UL or Lot No. P	Section 6	Township 31 N	Range 6 W	Lot Idn	Feet from the 855	North/South line SOUTH	Feet from the 1260	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

¹² UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹³ Dedicated Acres 351.89		¹⁴ Joint or Infill		¹⁵ Consolidation Code		¹⁶ Order No.			

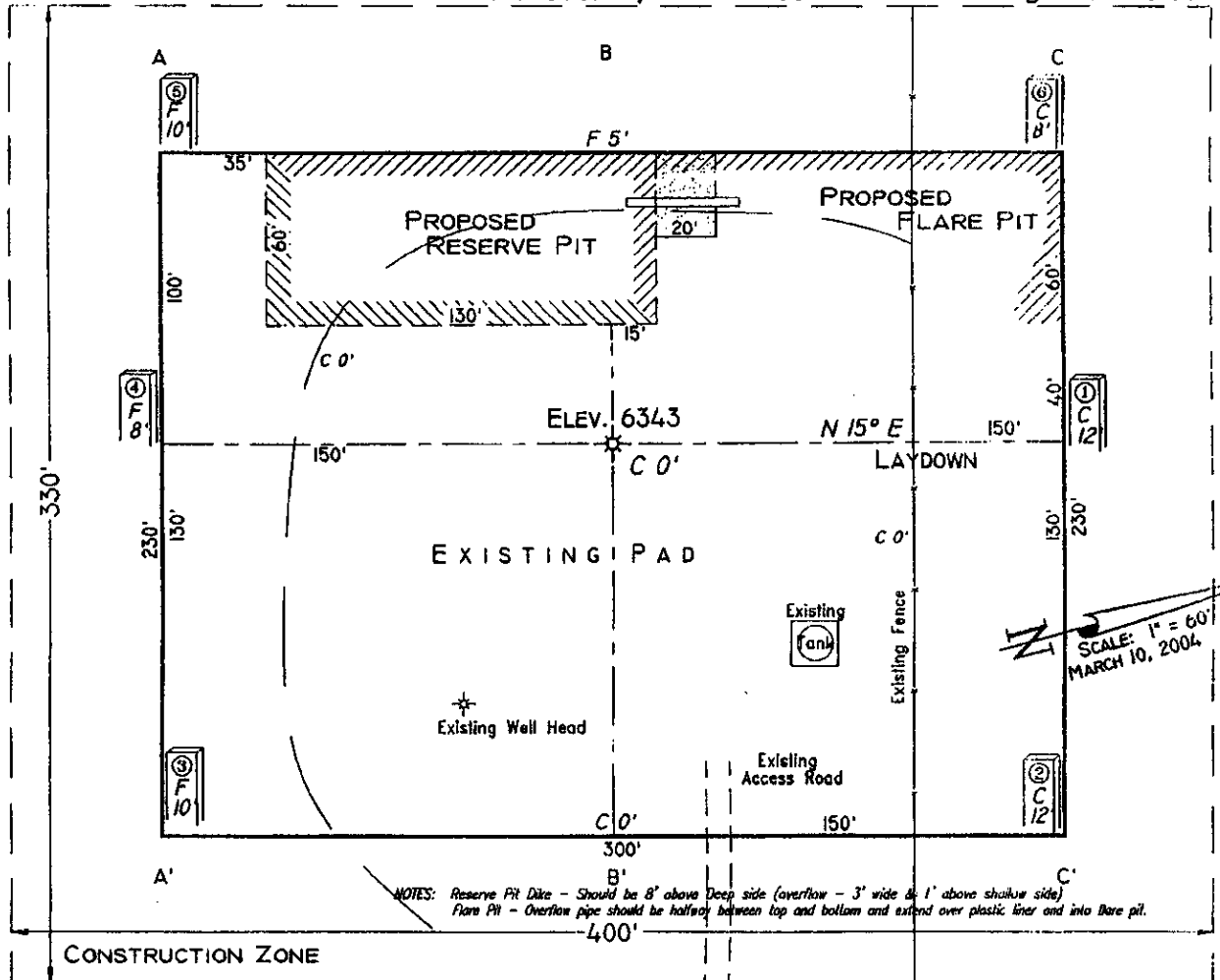
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>¹⁶</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>Signature: <i>Charles Muzzy</i></p> <p>Printed Name: Charles Muzzy</p> <p>Title: Sr. Operations Tech</p> <p>Date: 4-30-04</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>March 10, 2004</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>  <p>7016</p> <p>Certificate Number</p>				<p>¹⁹</p>	
					

PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.

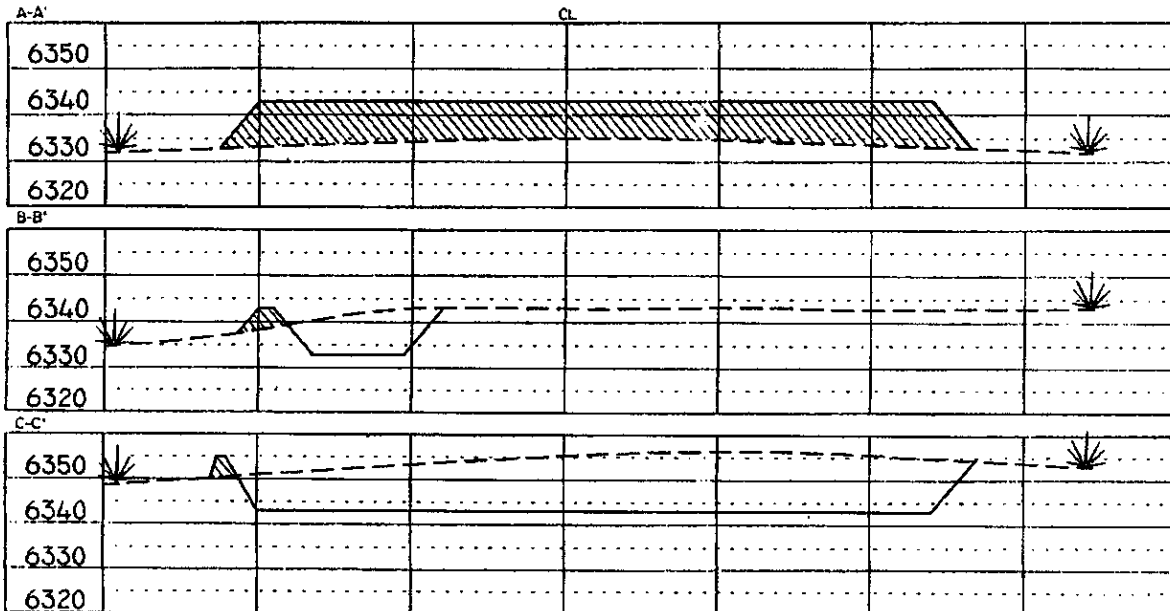
NEBU # 426A
 855' F/SL 1260' F/EL
 SEC. 6, T31N, R6W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°55'25"
 Long: 107°29'59"



Area of Construction Zone - 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.
 1"=40'-VERT.



NOTE: Contractor shall call One-Cut for location of any marked or unmarked buried pipelines or cables at well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for side slopes and ditches. Final Pad Dimensions will be verified by Contractor.

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

**NEBU 426A
Unit P 6-31N-6W
San Juan Co., NM**

DRILLING PLAN

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

Formation	TYD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2250	Aquifer
Kirtland	2379	
Fruitland	2850	Gas
Pictured Cliffs	3191	Gas
PTD	3291	

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 #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 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 300 psi.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2850	8-3/4"	7"	J-55	23#	LTC	New
0- TD	6-1/4"	5-1/2"	J-55	15.5 #	LTC	New

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:

TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-2850	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2850 - TD	Air					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.

Survey: Deviation surveys will be taken every 500' from 0-TD of 8 3/4" hole or first succeeding bit change.

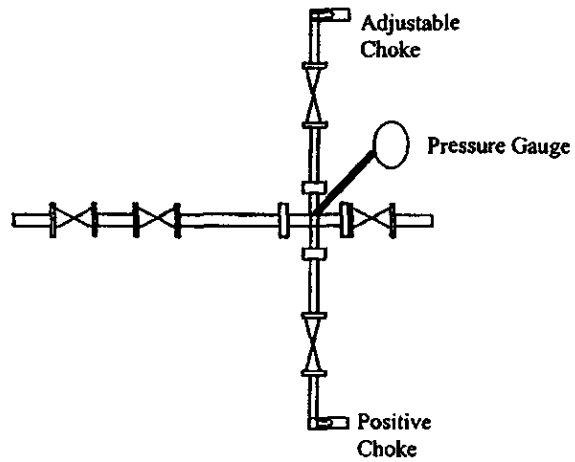
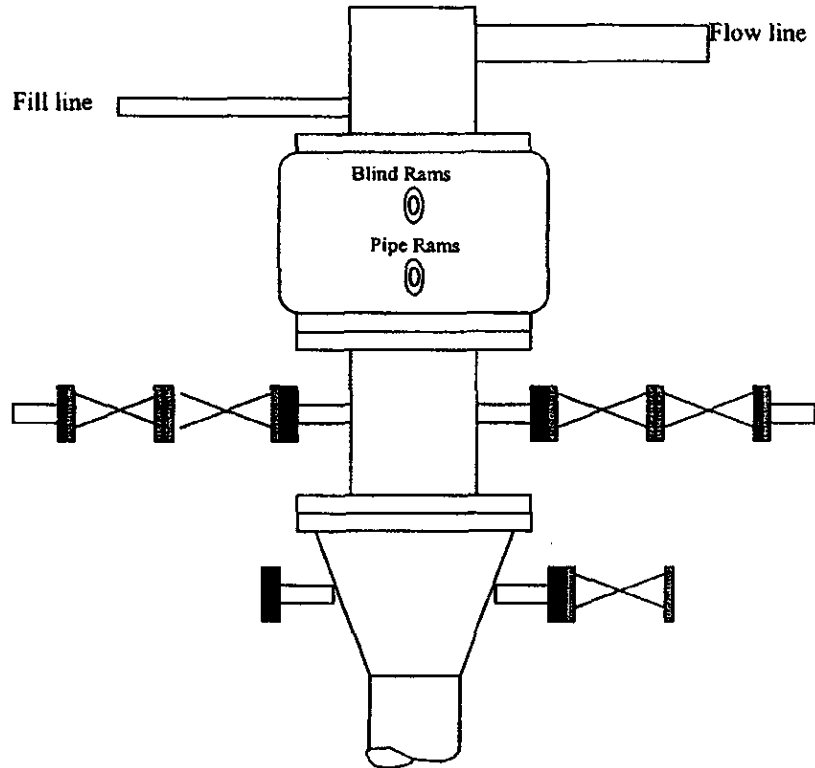
Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

Well Control Equipment

2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, BLM 43 CFR 3160 requirements for 2M systems.

devon

Release June 6, 2004

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Teresa D. McGinnis - MAT 12.12
FAX (405) 552-8113

May 20, 2004

New Mexico Oil Conservation Commission
District 3
1000 Rio Brazos Road
Aztec, NM 87410

RE: Notification of Application for Permit to Drill
NEBU 426A Well
855' FSL x 1260' FEL Section 6, T-31-N, R-6-W
San Juan County, New Mexico

ATTN: Steve Hayden

Enclosed, as required under Order R-8768-F dated July 17, 2003, you will find a copy of the notification letter to offset operator(s) of the intent to drill an Optional Infill Well in the High Productivity Area of the Basin-Fruitland Coal Pool by Devon Energy Production Company L.P.

You may contact me with any comments or questions at the (405) 228-7533.

Cordially,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Teresa D. McGinnis, CPL
Contract Landman
(405) 228-7533
teresia.mcginis@devon.com

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burlington Resources Oil & Gas
ATTN: Alan Alexander
P.O. Box 4289
Farmington, NM 87499-4289

2. Article Number

(Transfer from service label)

7003 1680 0002 1827 9758

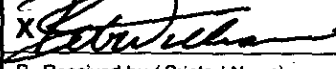
PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature


☐ Agent
☐ Addressee

B. Received by (Printed Name)

Robert Williams

C. Date of Delivery

5-17-04

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

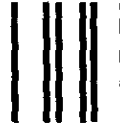
3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

UNITED STATES POSTAL SERVICE


First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Devon Energy Production Company
Attention: Teresia D. McGinnis MAT 12.12
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

RECEIVED

MAY 19 2004

LAND DEPT.

NEBU 4216A



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Williams Production Company LLC
 ATTN: Darrell Gillen
 One Williams Center
 P.O. Box 3102 MS 37-4
 Tulsa, OK 74101

2. Article Number

(Transfer from service label)

7003 1680 0002 1827 9772

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Print Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

12

McGinnis - MAT 12.12
 4462

RECEIVED
 MAY 19 2004
 LAND DEPT.

Devon Energy Production Company LP
 20 North Broadway, Suite 1500
 Oklahoma City, OK 73102-8260

• Sender: Please print your name, address, and ZIP+4 in this box •

First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10



UNITED STATES POSTAL SERVICE