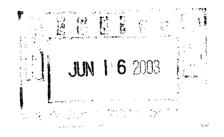
#### **DOYLE HARTMAN**

*Oil Operator* 500 NORTH MAIN P.O. BOX 10426 MIDLAND, TEXAS 79702

> (432) 684-4011 (432) 682-7616 FAX

June 13, 2003

Via FedEx Michael E. Stogner, Chief Hearing Officer New Mexico Oil Conservation Division 1220 So. St. Francis Drive Santa Fe, NM 87505



# Re: Administrative Application for:

1. Simultaneous Dedication

2. Unorthodox Jalmat Gas Location

Stevens "A-35" Com No. 4 (Formerly Stevens "B-35" No. 1) SW/4, W/2SE/4, SE/4SE/4 Section 35, T-23-S, R-36-E Lea County, New Mexico [NMOCC Order No. R-3425/280-acre Jalmat P.U.]

Gentlemen:

Reference is made to our June 6, 2003 administrative application to the New Mexico Oil Conservation Division, for approval of our simultaneous-dedication and unorthodox Jalmat gas location applications, corresponding to the recompletion of our marginal Stevens "B-35" No. 1 Langlie Mattix well, as a Jalmat gas producer, which well is located 990' FSL and 660' FEL Section 35, T-23-S, R-36-E, Lea County, New Mexico. Reference is also made to our *Notice and Waiver Request for Simultaneous Dedication/Unorthodox Jalmat Gas Location*, dated June 6, 2003, sent by certified mail, to the adjacent and diagonal Jalmat operators.

Therefore, in this regard, we are hereby forwarding, to you, for your files, a copy of Penroc Oil Corporation's (Adjacent South-Offset Operator) written waiver approval, received by us, today, June 13, 2003, corresponding to our proposed administrative application.

Very truly yours,

Doyle Hartman, Oil Operator

Linda Land

Linda Land Controller

New Mexico Oil Conservation Division June 13, 2003 Page 2

cc: James A. Davidson 201 W. Wall, Suite 600 Midland, TX 79701

# RETURN THIS COPY TO: DOYLE HARTMAN BOX 10426 MIDLAND, TX 79702

#### **DOYLE HARTMAN**

*Oil Operator* 500 NORTH MAIN P.O. BOX 10426 MIDLAND, TEXAS 79702

> (432) 684-4011 (432) 682-7616 FAX

June 6, 2003

#### CERTIFIED MAIL, RETURN RECEIPT REQUESTED

ADJACENT AND DIAGONAL JALMAT OPERATORS Stevens "A-35" Com No. 4 (Formerly Stevens "B-35" No. 1) SW/4, W/2SE/4, SE/4SE/4 Section 35, T-23-S, R-36-E Lea County, New Mexico [NMOCC Order No. R-3425/280-acre Jalmat P.U.]

Re: Notice and Waiver Request for Simultaneous Dedication/Unorthodox Jalmat Gas Location

Gentlemen:

This letter shall serve as (1) our written notice and (2) request for written waiver, pertaining to our herein enclosed administrative application to the New Mexico Oil Conservation Division, for approval of our simultaneous-dedication and unorthodox Jalmat gas location applications, corresponding to the recompletion of our marginal Stevens "B-35" No. 1 Langlie Mattix well, as a Jalmat gas producer, which well is located 990' FSL and 660' FEL Section 35, T-23-S, R-36-E, Lea County, New Mexico.

If you are agreeable to granting a written waiver for our herein proposed administrative application, we respectfully request that you execute this letter (at your earliest convenience), in the space provided below, and promptly return one executed copy in the self-addressed stamped envelope enclosed herewith. The second copy of this letter, as well as the enclosed copy of our administrative application to the NMOCD, shall be retained for your files.

Yours very truly,

DOYLE HARTMAN, Oil Operator

Doyle Hartman



JUN 1 3 2003

Adjacent and Diagonal Jalmat Operators Notice and Waiver Request for Simultaneous Dedication/Unorthodox Jalmat Gas Location Stevens "A-35" Com No. 4 June 6, 2003 Page 2

wpdocs\corresp.dh\stevens a354.app

enclosure (1)

## **APPROVAL IS HEREBY GRANTED**

Signature

PENROS O'L CORM

Company Name

6/12/03

Date

ŝ

#### Adjacent and Diagonal Jalmat Operators

Notice and Waiver Request for Simultaneous Dedication/Unorthodox Jalmat Gas Location Stevens "A-35" Com No. 4

June 6, 2003 Page 3

#### ADJACENT AND DIAGONAL JALMAT OPERATORS

Notice and Waiver Request Simultaneous Dedication/Unorthodox Jalmat Gas Location Stevens "A-35" Com No. 4 (Formerly Stevens "B-35" No. 1) SW/4, W/2SE/4, SE/4SE/4 Section 35, T-23-S, R-36-E Lea County, New Mexico [NMOCC Order No. R-3425/280-acre Jalmat P.U.]

- BP America Box 1610
   600 N. Marienfeld Midland, Texas 79701
   Attn: Dave McKenna, Regional Manager (Adjacent North-Offset Operator)
- 2) Penroc Oil Corporation
  P.O. Box 2769 (88241)
  1515 Calle Sur
  Hobbs, New Mexico 88240
  Attn: M.Y. Merchant, President
  (Adjacent East-Offset Operator)
- 3) ConocoPhillips

   4001 Penbrook
   Odessa, Texas 79762
   Attn: Charles Rule, Land Advisor
   (Diagonal Southeast-Offset Operator)
- 4) Lewis B. Burleson, Inc. Box 2479
  200 N. Loraine, Suite 600
  Midland, Texas 79702
  Attn: Lewis B. Burleson, President (Adjacent South-Offset Operator)

JAMES BRUCE ATTORNEY AT LAW

46

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE) (505) 982-2151 (FAX)

jamesbruc@aol.com

August 5, 2003

RECEIVED AUG . 5 2003 Oil Conservation Division

#### Hand Delivered

Michael E. Stogner Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: **Supplement** to application of Devon Energy Production Company, L.P. ("Devon") for administrative approval of an unorthodox oil well location:

<u>Well</u> :	Eagle 35H	Fed. Well No. 14
Location:	2560 feet	FNL & 760 feet FEL
<u>Well Unit</u> :	SE¼NE¼ of	Section 35, Township 17 South,
	Range 27	East, NMPM, Eddy County, New
	Mexico	

#### Administrative application reference No. pMES0-319250237

Dear Mr. Stogner:

By letter dated July 30, 2003 (attached as Exhibit A) you requested additional information as to why the proposed well could not be located at an orthodox location elsewhere in the well unit. I hope this letter answers your questions.

The target of the well is the Northeast Red Lake Glorieta-Yeso Pool, which is spaced on statewide rules. Wells completed in this pool tend to start producing at rates near the allowable (which I believe is 80 BOPD), and then drop off rapidly to a fairly stable rate below the allowable. It is Devon's plan, and practice, to complete <u>two</u> wells in the Glorieta-Yeso formations on each well unit. These wells are being planned in the northeast and southwest portions of each well unit, in order to minimize drainage or interference between wells. Attached as Exhibit B is a plat of Sections 34 and 35, showing Devon's currently existing and planned Glorieta-Yeso wells in those sections. As you can see, the proposed well fits into the northeast-southwest pattern. Devon has filed an APD with the Bureau of Land Management for the second well in the SE¼NE¼ of Section 35 (the Eagle 35H Fed. Well No. 15). That well is at an orthodox location.

With respect to the proposed No. 14 well, it needs to be in the southwest part of the well unit to conform to the above-described well spacing pattern. However, well locations are limited in that part of the well unit. Attached as Exhibit C is an aerial photograph of the N½ of Section 35, with surface features noted thereon. There are lease roads, electric lines, and a archaeological site located in the SW½SE½NE¼, which limit well locations. Those sites are also identified on Exhibits D and E. Devon's site must remain at least 150 feet from these obstacles, leading to the proposed unorthodox location.

There are potential orthodox, or less unorthodox, locations in the NW%SE%NE% and SE%SE%NE% of Section 35. However, locating the well in those quarter-quarter-quarter sections would disrupt the proposed development pattern in the Glorieta-Yeso formations.

In addition, we note that there is an existing Glorieta-Yeso well, operated by Devon, in the offsetting NE½SE¼ of Section 35. That well was drilled before the current development pattern was devised. That well is over 600 feet from the proposed well, and thus should not be adversely affected by the No. 14 well.

You also verbally inquired about the possibility of directionally drilling the proposed well to an orthodox location. While possible, it is difficult in shallow wells, and the extra cost adversely affects economics. More importantly, Glorieta-Yeso wells are placed on pump, and if directionally drilled the well could not be rod-pumped, and the well cannot produce.

Attached as Exhibit F is a copy of the notice letter sent to offsetting overriding royalty owners (working and royalty interests are unaffected by this application). All such interest owners have received notice, or refused service, and have not objected.

Finally, you asked for written confirmation from the BLM that this is the only location they would approve. We are working on obtaining same, but don't know if the BLM will act.

Please let me know if you need additional information to process this application. Thank you.

Vе  $tru\Gamma$ wours, ameš

Attorney for Devon Energy Production Company, L.P.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

July 30, 2003

Lori Wrotenbery Director Oil Conservation Division

EXHIBIT

Devon Energy Production Company, L.P. c/o James Bruce P. O. Box 1056 Santa Fe, New Mexico 87501

**Re:** Administrative application for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119-on August 12, 1999, for Devon Energy-Production Company, L.P.'s proposed Eagle "35H" Federal Well No. 14 at an unorthodox oil well location 2560 feet from the North line and 760 feet from the East line (Unit H) of Section 35, Township 17 South, Range 27 East, NMPM, Undesignated Northeast Red Lake-Glorieta-Yeso Pool (96836), Eddy County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the SE/4 NE/4 of Section 35.

Dear Mr. Bruce:

This letter acknowledges your administrative application dated July 9, 2003 for the above described well that is to be drilled at an extreme unorthodox oil well location in the Undesignated Northeast Red Lake-Glorieta-Yeso Pool. The Division received your application on July 10, 2003, and assigned it NMOCD administrative application reference No. pMES0-319250237. Please refer to this number in future correspondence with the Division.

I've reviewed your application and feel additional support data is needed for this well that is only 80 feet from its spacing unit boundary line and to another unit with different ORRI. This location indicates possible correlative rights violation to these offset interests.

Please submit a detailed topographic map of the entire quarter-quarter section (Unit H) showing all of the surface features that are preventing Devon from drilling this well within the required standard location window for oil wells spaced on 40 acres [see Division Rule 104.B (1)]. Please explain why Devon cannot use one of the existing well pads to drill its Eagle "35-H" Federal Well No. 14. You also stated "[t]his is the only location in the quarter-quarter section which the Bureau of Land Management will approve." Please explain this statement in detail and provide a written statement from the BLM confirming this.

Since the submitted information is insufficient to review, the application was ruled as incomplete on July 30, 2003. Please submit the above stated information by Monday, August 7, 2003.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3462, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "*mstogner@state.nm.us*." Thank you.

Sincerely,

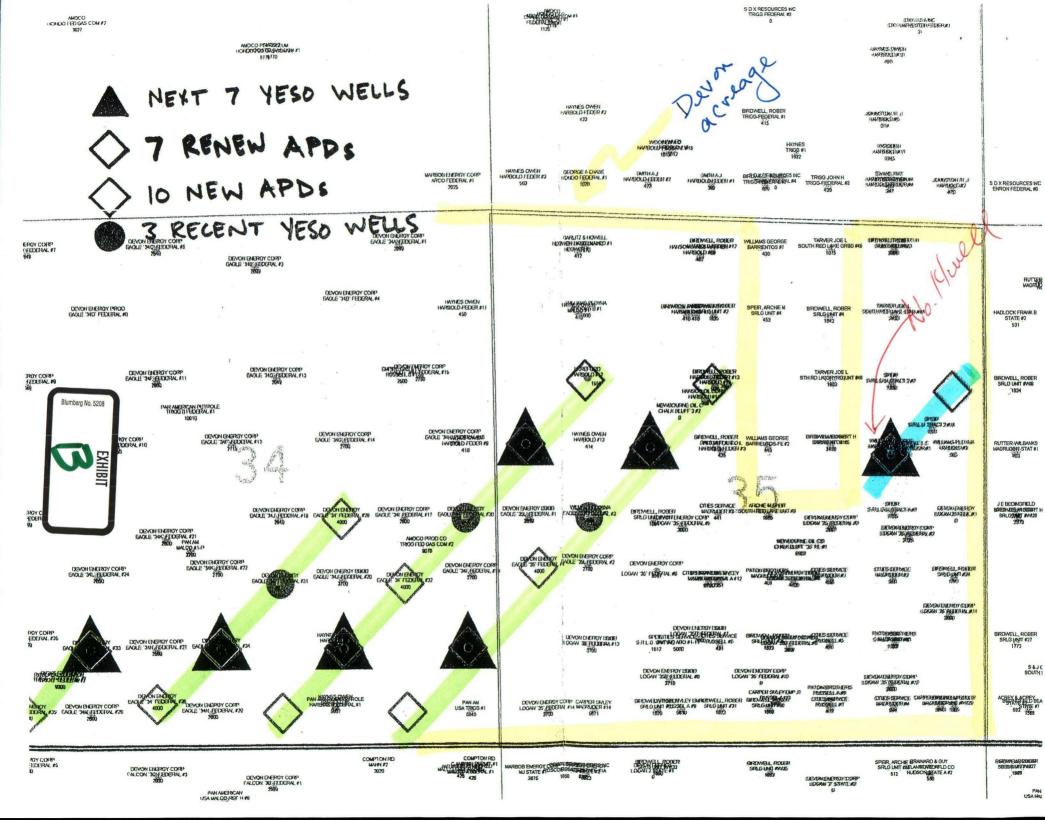
Michael E. Stogner Chief Hearing Officer/Engineer

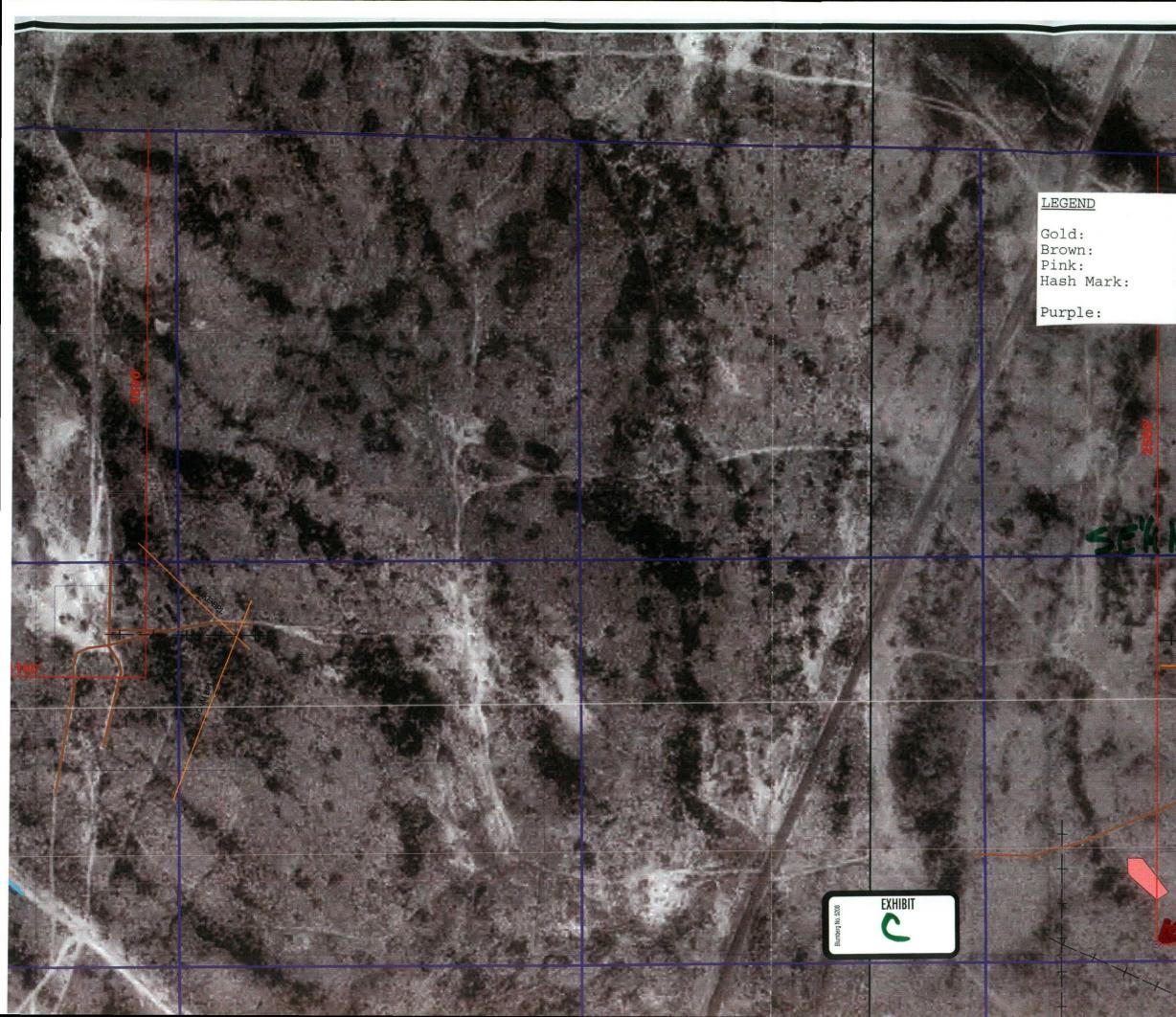
cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad

U. S. Bureau of Land Management - Roswell

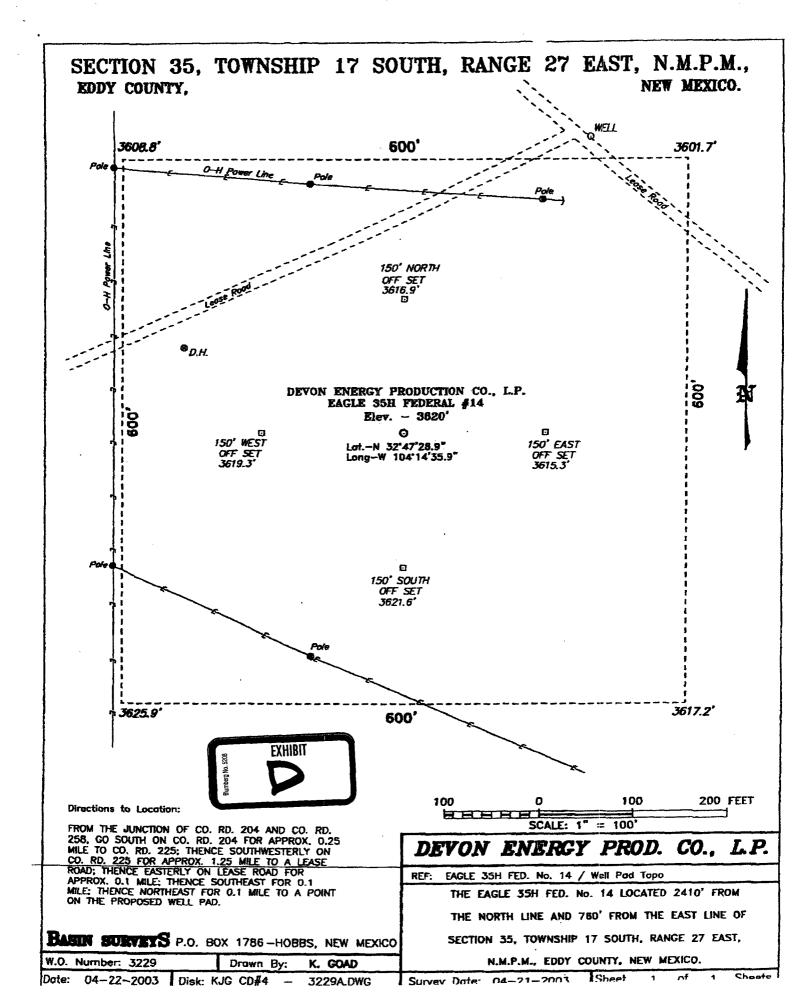
U. S. Bureau of Land Management - Santa Fe

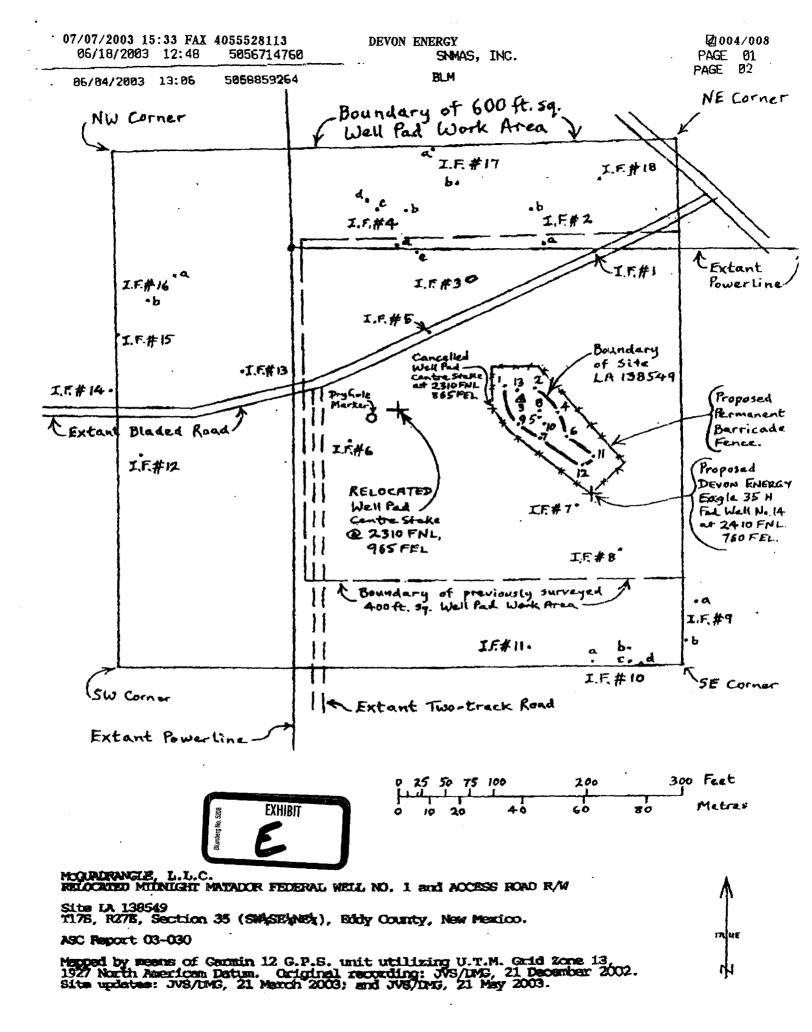




Pipeline Lease Road Archaeological Site Overhead Electric Line

Quarter-Quarter Section Line





JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE) (505) 982-2151 (FAX)

jamesbruc@aol.com

July 9, 2002

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Devon Energy Production Company, L.P., requesting administrative approval of an unorthodox oil well location in the Glorieta/Yeso formations formation in the SE¼NE¼ of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico. You own an interest offsetting the well's location. If you object to the well's location, you must notify the Division in writing no later than Tuesday, July 29, 2003 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,

James Bruc

Attorney Devon Energy Production Company, L.P.



### EXHIBIT A

Katherine K. McIntyre 620 Camino Real El Paso, TX 79922

George W. Fitt W188 Tulip Drive Genoa City, WI 53128

Rebekah Fitt-Peaster 4500 19<sup>th</sup> Street, Lot 101 Boulder, CO 80304

Christopher Fitt 10807 Cape Cod Lane Huntley, IL 60142

Jonathan Fitt 10016 Ashley Ct. Huntley, IL 60142

Charles W. Froehlich, Jr. 1444 Windsong Lane Escondido, CA 92026

Francine C. Sweaney 3335 Colony Drive San Antonio, TX 78230

Gary W. Sweaney 12938 King Circle Cypress, TX 77429

Jenny Fitt-Peaster 5101 Pennsylvania Avenue Boulder, CO 80303 Stephen C. Fitt 1180 Mercury Drive Lafayette, CO 80026

Violet Verna Fitt 129 S. Spruce #108 Wood Dale, IL 60191

Arthur Fitt 6083 S. Emporia Ct. Englewood, CO 80111

Nathanial Fitt 6900 Center Avenue Hanover Park, IL 60103

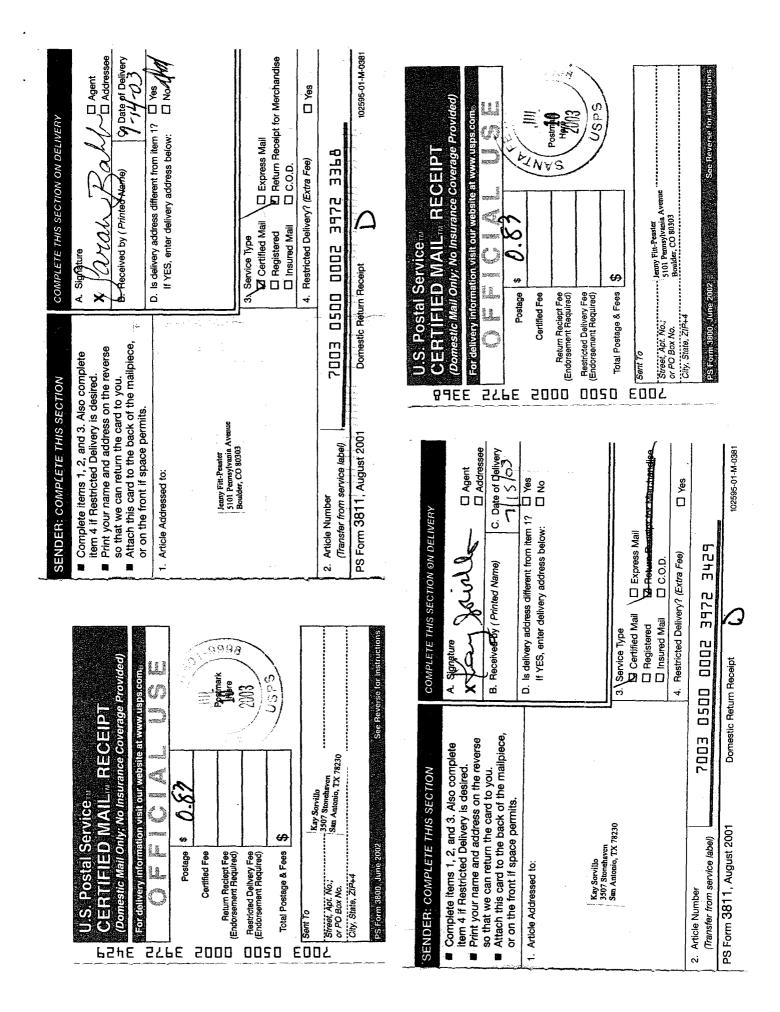
Pamela June Krueger No Address

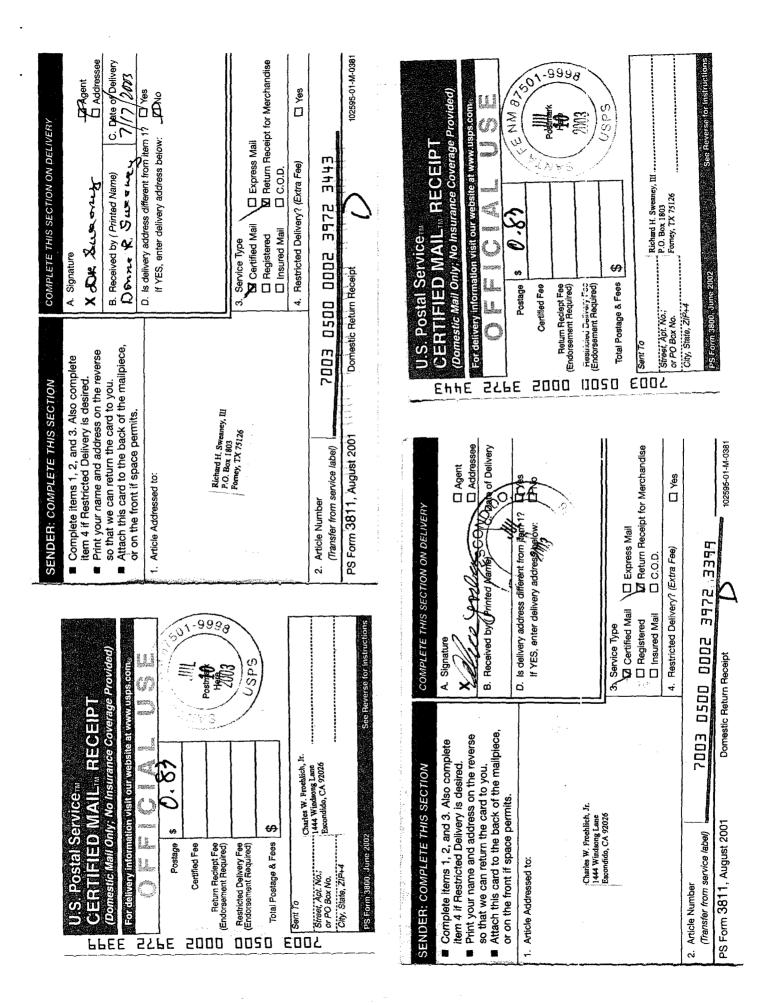
Wilma Donahue Moleen Foundation C/O Chase Manhattan Bank P.O. Box 200486 Houston, TX 77216

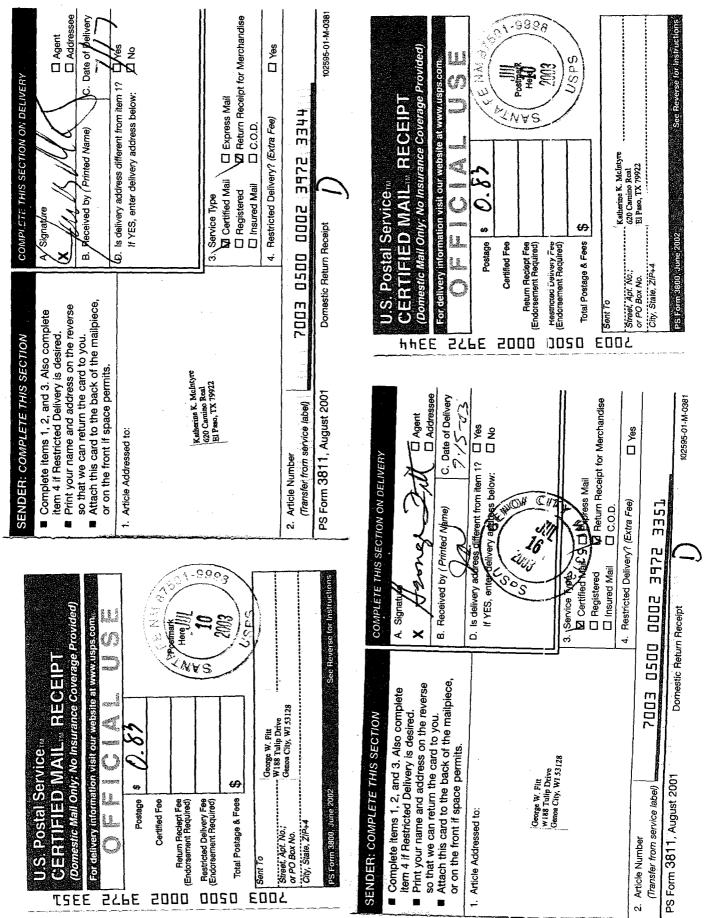
Richard H. Sweaney, III P.O. Box 1803 Forney, TX 75126

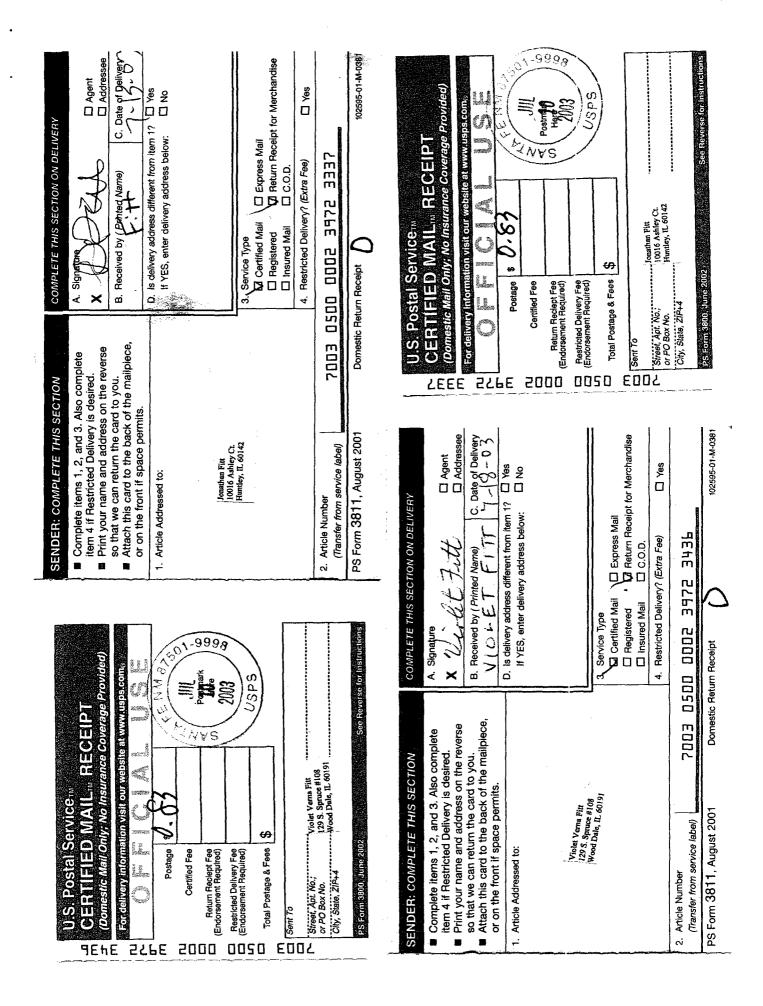
Kay Sorvillo 3507 Stonehaven San Antonio, TX 78230

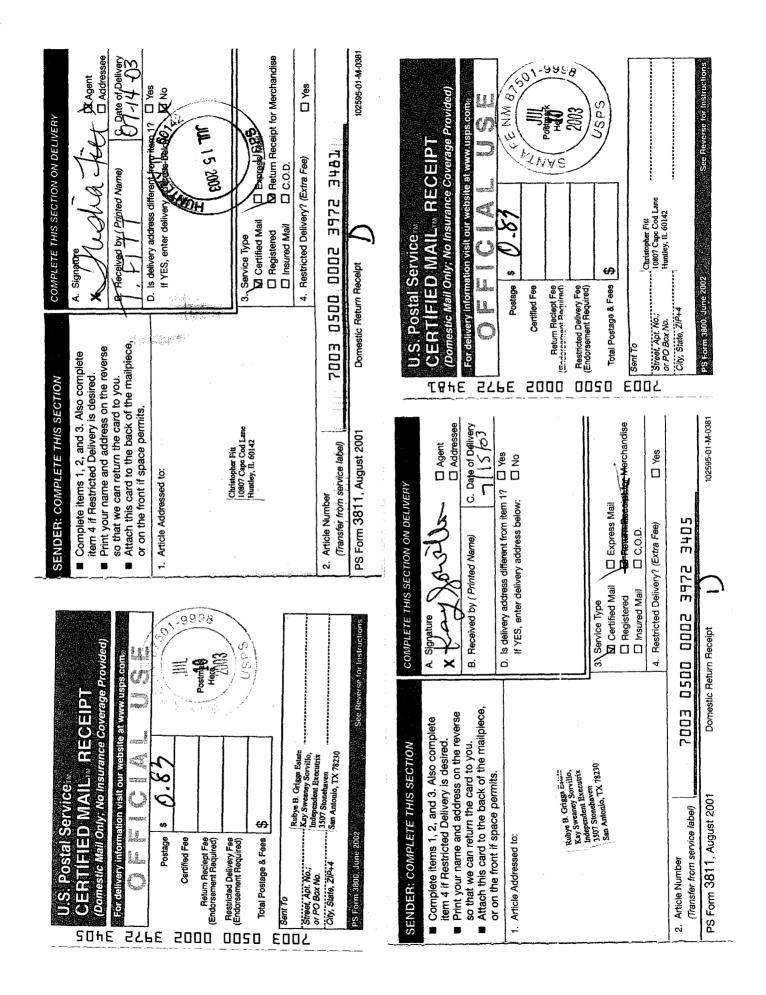
Rubye B. Griggs Estate Kay Sweaney Sorvillo, Independent Executrix 3507 Stonehaven San Antonio, TX 78230

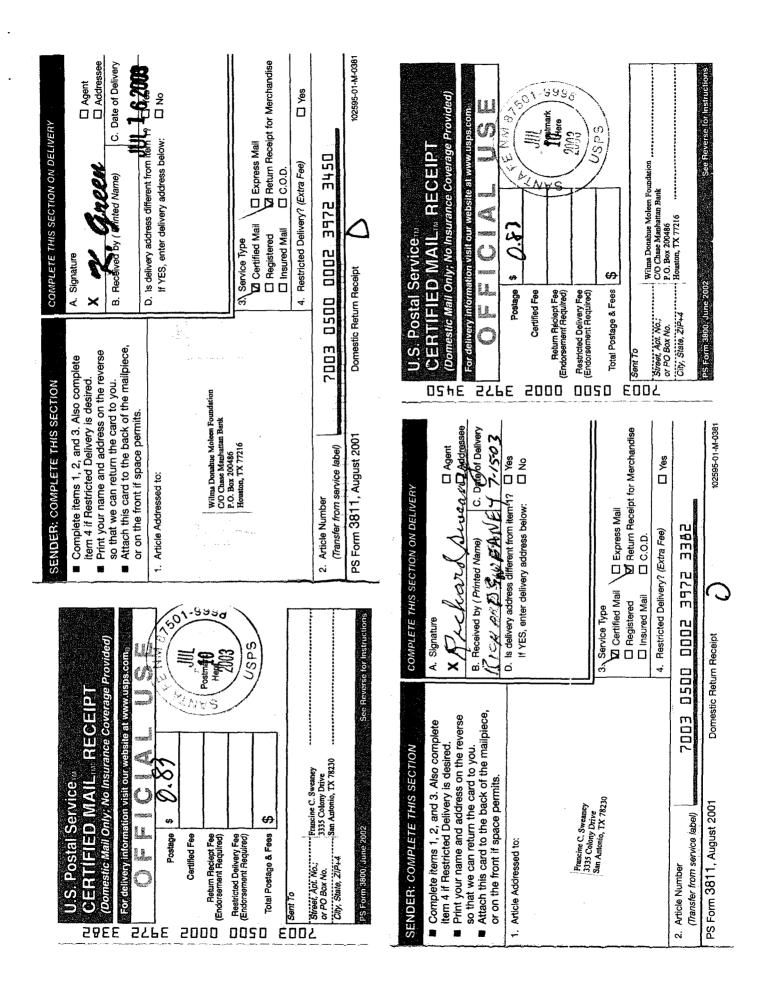


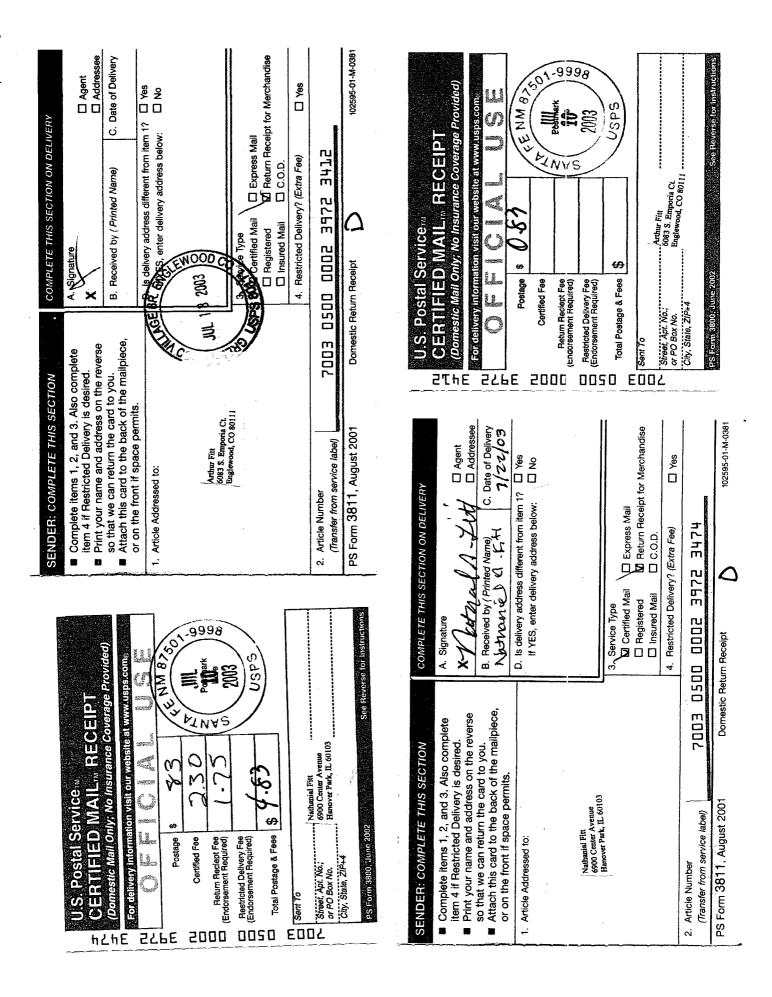


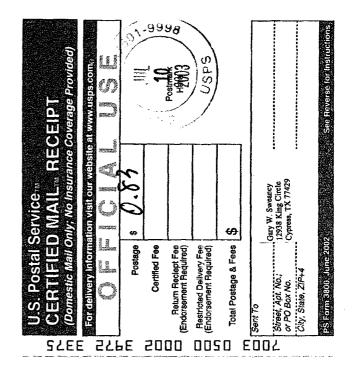












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