

|                       |          |                        |                         |                 |                               |
|-----------------------|----------|------------------------|-------------------------|-----------------|-------------------------------|
| DATE IN <u>8/1/07</u> | SUSPENSE | ENGINEER <u>BROOKS</u> | LOGGED IN <u>8/2/07</u> | TYPE <u>NSL</u> | APP NO. <u>P-TD5072145091</u> |
|-----------------------|----------|------------------------|-------------------------|-----------------|-------------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Devon*  
*Keller 4 st #1*

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

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RECEIVED

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

*James Bruce*  
 Signature

Attorney for Applicant  
 Title Date

jamesbruc@aol.com  
 e-mail Address

*8/1/07*

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

August 1, 2007

Hand delivered

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

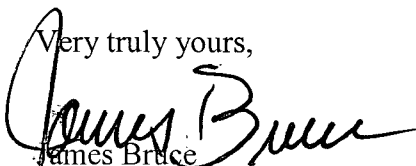
|                   |   |
|-------------------|---|
| <u>Well:</u>      | Keller 4 State Well No. 1   |
| <u>Location:</u>  | 1980 feet FSL & 1475 feet FWL   |
| <u>Well unit:</u> | NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, Township 23 South, Range 35 East,<br>N.M.P.M., Lea County, New Mexico |

The well was drilled to a depth sufficient to test the Morrow formation, and was completed in and produced from the Atoka formation. Applicant intends to re-complete the well uphole, and requests unorthodox location approval in the Delaware and Bone Spring formations. Both pools are spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The SW $\frac{1}{4}$  of Section 4 is covered by State Lease V-6366. See Exhibit B. Interest ownership is common in the SW $\frac{1}{4}$ , so no offset interest owners have been notified of this application.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

DISTRICT I  
1628 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
511 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |   |   |
|-----------------------------------|---|---|
| API Number<br><b>30-025-36643</b> | Pool Code<br><b>52769</b>                                 | Pool Name<br><b>under S Rock Lake Bore Spring</b> |
| Property Code                     | Property Name<br><b>KELLER "4" STATE</b>                  | Well Number<br><b>1</b>                           |
| OGED No.                          | Operator Name<br><b>DEVON ENERGY PRODUCTION CO., L.P.</b> | Elevation<br><b>3541'</b>                         |

Surface Location

|                           |                     |                         |                      |         |                              |                                  |                              |                               |                      |
|---------------------------|---------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|
| UL or lot No.<br><b>K</b> | Section<br><b>4</b> | Township<br><b>23 S</b> | Range<br><b>35 E</b> | Lot Idn | Feet from the<br><b>1980</b> | North/South line<br><b>SOUTH</b> | Feet from the<br><b>1475</b> | East/West line<br><b>WEST</b> | County<br><b>LEA</b> |
|---------------------------|---------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|

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 |         | 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

|  |  |
|--|--|
|  | <b>OPERATOR CERTIFICATION</b><br><br>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.<br><br>Signature _____<br><br>Printed Name _____<br><br>Title _____<br><br>Date _____  |
|  | <b>SURVEYOR CERTIFICATION</b><br><br>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.<br><br><b>FEBRUARY 3, 2005</b><br><br>Signature & Seal of Professional Surveyor<br><br>Certificate No. <b>7977</b> L. Jones<br><b>HARRIS SURVEYS</b> |

EXHIBIT **A**

13 Records found.

Lease Number:

**V0-6366-0000**

Company name: DEVON ENERGY PRODUCTION COMPANY, LP  
 Company ID: 6137  
 Assigned from: N/A  
 Total acres: 520.32  
 Prod stat: N/A

**Lease term:**

Lease term: FIVE(5) YEAR TERM, 1/6th ROYALTY  
 Issue date: 9/1/2001  
 Termination date: Active  
 Termination reason: N/A  
 Current term: Primary Term

**Billing information:**

Bill to: DEVON ENERGY PRODUCTION COMPANY, LP  
 Rent per acre: 1.00  
 Billing frequency: Annual  
 Minimum annual rent: 520.32  
 Last bill date: 8/3/2006  
 Next bill date: 9/1/2007  
 Escalation: 0

**Land information:**

| Section | Township | Range | Unit Letter | Lot | Tract | Acreage |
|---------|----------|-------|-------------|-----|-------|---------|
| 4       | 23S      | 35E   | A           | 1   |       | 40.32   |
|         |          |       | E           |     |       | 40.00   |
|         |          |       | F           |     |       | 40.00   |
|         |          |       | G           |     |       | 40.00   |
|         |          |       | H           |     |       | 40.00   |
|         |          |       | I           |     |       | 40.00   |
|         |          |       | J           |     |       | 40.00   |
|         |          |       | K           |     |       | 40.00   |
|         |          |       | L           |     |       | 40.00   |
|         |          |       | M           |     |       | 40.00   |
|         |          |       | N           |     |       | 40.00   |
|         |          |       | O           |     |       | 40.00   |
|         |          |       | P           |     |       | 40.00   |

EXHIBIT

*B*