

DATE IN 5/15/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 5/15/08	TYPE NSL	APP NO. PKVRO813632907
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon Energy Production Co LP
Laguna Salado 22
Federal #4H

ADMINISTRATIVE APPLICATION CHECKLIST

5853

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 — *Ripe 6/4*
 [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

[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.

KEN GRAY
 Print or Type Name

Ken Gray
 Signature

SR LAND ADVISOR
 Title

5/15/08
 Date

KEN.GRAY@DEVN.COM
 e-mail Address

RECEIVED
 2008 MAY 15 AM 8 51

devon

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

FAX

To: DAVID BROOKS

From: KEN GRAY

Fax: 505-476-3462

Date: 5/15/08

Phone:

Pages: 14 (including cover page)

Re: LAGUNA SALADO 22
FEDERAL #4H

CC:

☐ Urgent

☒ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

• Comments:



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

May 14, 2008

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: David Brooks

Re: Laguna Salado 22 Federal #4H
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. (Devon), as Operator, intends to drill the referenced horizontal Delaware well to a TVD of approximately 6,600' with a TMD of approximately 10,600'. Devon initially attempted to stake and permit this well at an orthodox location. However, due to the proximity of the location to apparent commercial Potash resources, the Bureau of Land Management (BLM) has required Devon to move the location. The closest drillable location as approved by the BLM is located at a SHL 1,240' FNL & 2,510' FWL with a BHL of 330' FSL & 1,980' FEL which is an unorthodox surface location pursuant to the statewide pool rules.

Inasmuch as this well will be producing from an unorthodox surface location from that permitted by the statewide pool rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). Devon's records reflect that, in addition to Devon, Chesapeake Exploration, LLC, Pogo Producing Company, LLC, Oxy USA, Inc. and Liberty Energy Corporation are the owners of the operating rights under NMNM-66425 covering all of said Section 22, are the only parties affected by this application and have been given notice of this application. Additionally, Devon requests Commission approval to designate a 120 acre project area consisting of three (3) standard oil spacing units comprised of the SW/4 NE/4 and the W/2 SE/4 (unit letters G, J & O) of said section 22.

Attached you will find a Lower Brushy Canyon B structure map, a State of New Mexico form C-102, a land plat reflecting the affected parties and a Ryan Energy Technologies Directional Planning Report.

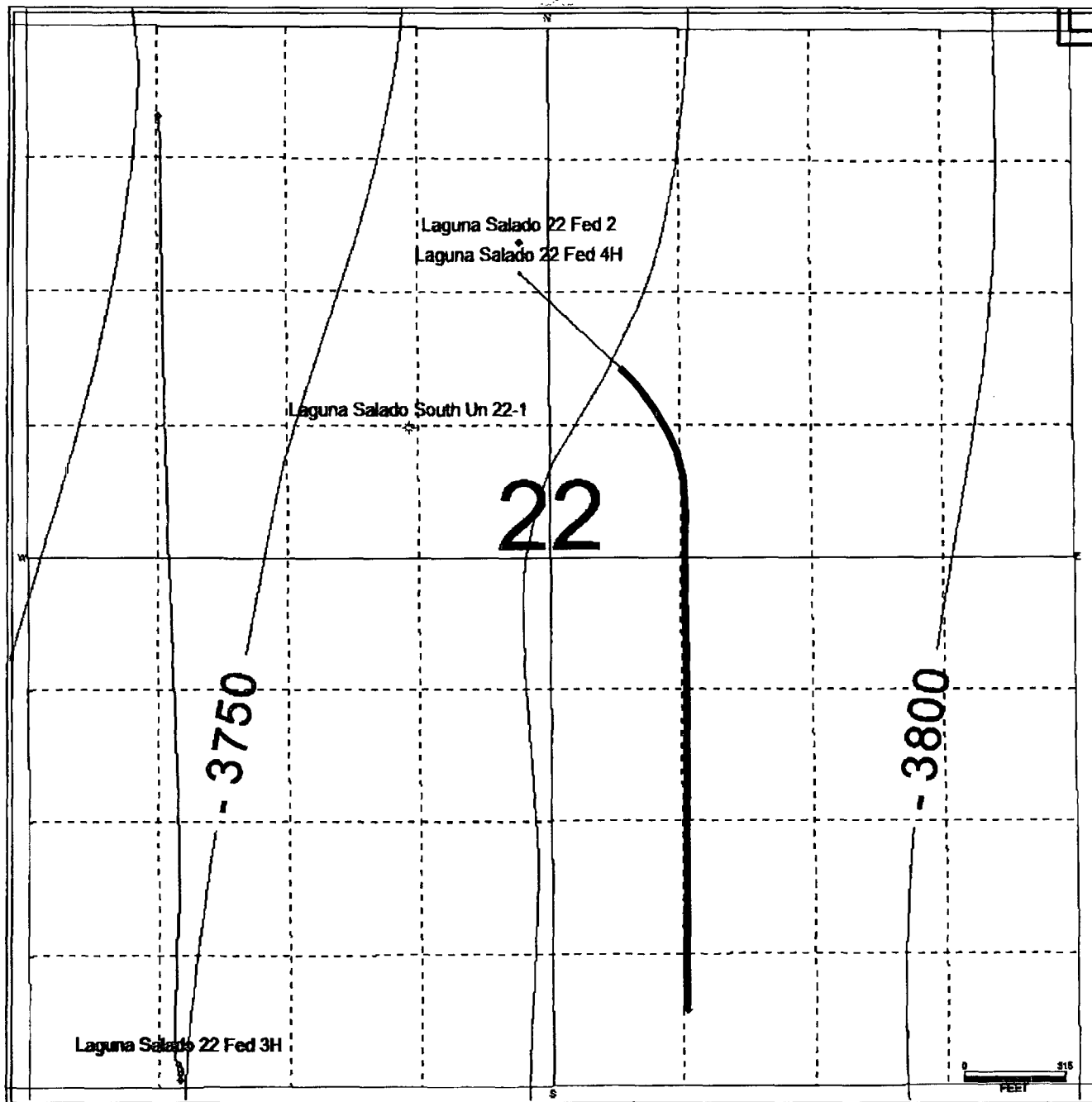
If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

Kg/
Enclosure



Devon Energy Corporation

SE EDDY COUNTY, NM

NORTH PURE GOLD 9 FEDERAL 10H

TOP LOWER BRUSHY CANYON B ZONE

(SSTVD)

By: CJB

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505Form C-102
Revised October 12, 2005Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name LAGUNA SALADO "22" FEDERAL	Well Number 4H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 2977'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	23 S	29 E		1240	NORTH	2510	WEST	EDDY

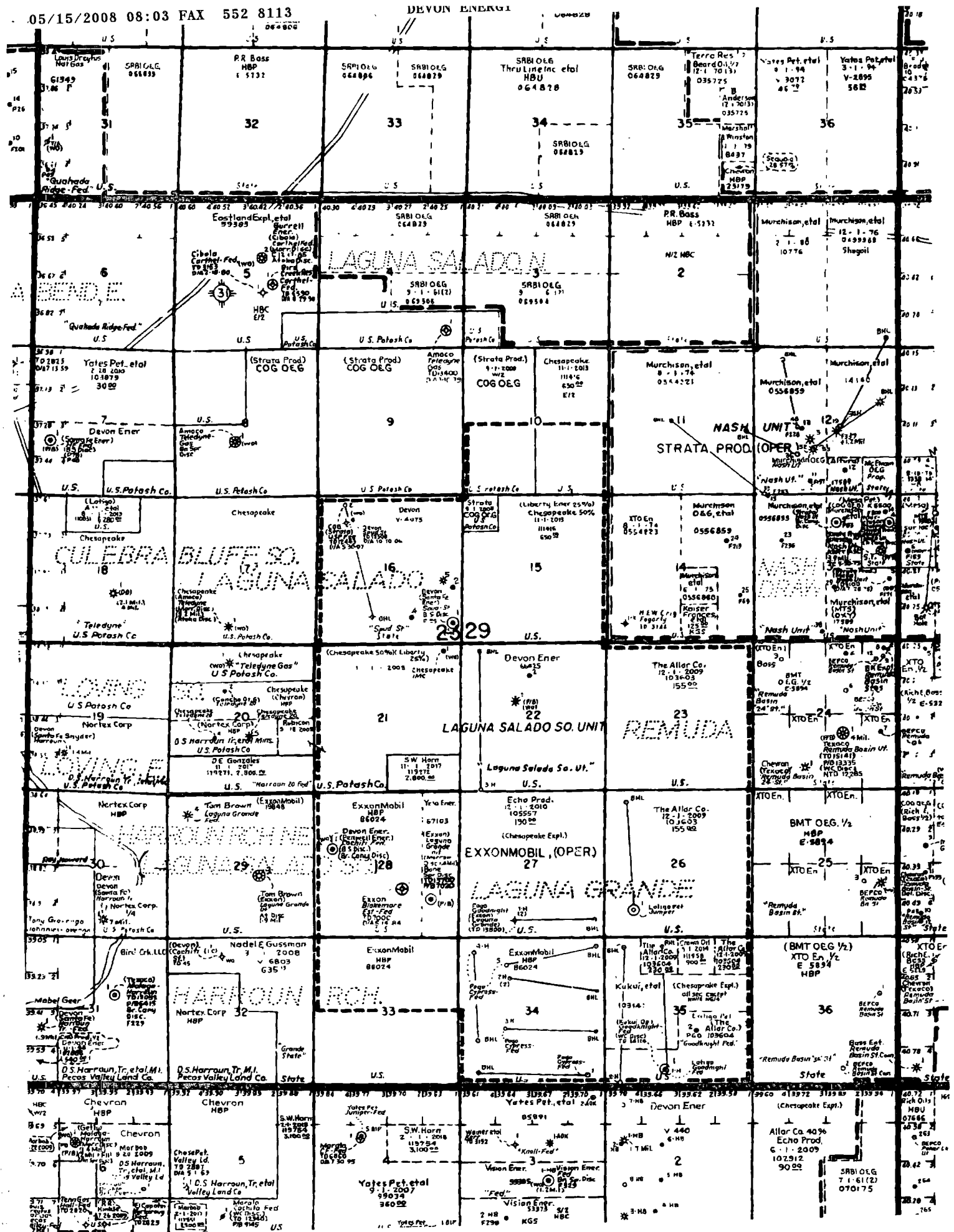
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	23 S	29 E		330	SOUTH	1980	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160'			

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>N: 327732.335" W: 1035852.298" N: 472276.614 E: 650142.480</p> <p>N: 327752.276" W: 1035821.418" N: 472279.501 E: 652793.019</p> <p>N: 327752.223" W: 1035750.528" N: 472283.117 E: 655444.171</p> <p>2510'</p> <p>2973.1'</p> <p>2989.6'</p> <p>2968.1'</p> <p>2969.6'</p> <p>SURFACE LOCATION Lat - N32°17'40.07" Long - W103°58'23.07" SPC- N.: 471039.350 E.: 652655.364 (NAD-83)</p> <p>1240'</p> <p>1980'</p> <p>330'</p> <p>3834.8'</p> <p>N: 327659.723" W: 1035852.357" N: 466960.090 E: 650154.843</p> <p>N: 327659.719" W: 1035821.279" N: 466968.555 E: 652622.838</p> <p>N: 327659.713" W: 1035750.183" N: 468977.025 E: 655492.005 (CALC)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Judy A. Barnett Printed Name Regulatory Analyst</p> <p>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>OCTOBER 29, 2007</p> <p>Date Surveyed _____ Signature _____ Professional Surveyor</p> <p>W. L. Jones</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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Ryan Energy Technologies Planning Report



Company: DEVON ENERGY CORPORATION	Date: 4/30/2008	Time: 09:59:49	Page: 1
Field: Eddy Co, NM	Co-ordinate(NE) Reference Site: Laguna Salado 22 Federal		
Site: Laguna Salado 22 Federal	Vertical (TVD) Reference: SITE 0.0		
Well: Laguna Salado 22 Fed	Section (VS) Reference: Well (0.00N,0.00E,167.98Azi)		
Wellpath: Laguna Salado	Plan:	Plan #1	

Field: Eddy Co, NM

USA

Map System: US State Plane Coordinate System 1983

Geo Datum: GRS 1980

Sys Datum: Mean Sea Level

Map Zone:

New Mexico, Eastern Zone

Coordinate System:

Site Centre

Geomagnetic Model:

lgrf2005

Site: Laguna Salado 22 Federal
Section 22,T23S, R29E
Eddy Co, NM

Site Position:	Northing: 471024.56 ft	Latitude: 32 17 39.853 N
From: Map	Easting: 652654.82 ft	Longitude: 103 58 23.091 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 0.00 ft		Grid Convergence: 0.19 deg

Well: Laguna Salado 22 Fed

Slot Name:

Well Position: +N/-S 0.00 ft	Northing: 471024.56 ft	Latitude: 32 17 39.853 N
+E/-W 0.00 ft	Easting: 652654.82 ft	Longitude: 103 58 23.091 W
Position Uncertainty: 0.00 ft		

Wellpath: Laguna Salado

Current Datum: SITE	Height 0.00 ft	Drilled From: Surface
Magnetic Data: 4/30/2008		Tie-on Depth: 0.00 ft
Field Strength: 48976 nT		Above System Datum: Mean Sea Level
Vertical Section: Depth From (TVD)		Declination: 8.14 deg
ft	+N/-S ft	Mag Dip Angle: 60.27 deg
6680.00	0.00	+E/-W ft
		Direction deg
		167.98

Plan: Plan #1

Date Composed: 4/30/2008

Principal: Yes

Version: 1

Tied-to: From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	133.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6202.54	0.00	133.13	6202.54	0.00	0.00	0.00	0.00	0.00	133.13	
6952.54	90.00	133.13	6680.00	-326.42	348.46	12.00	12.00	0.00	133.13	
7143.54	90.00	133.13	6680.00	-457.06	487.85	0.00	0.00	0.00	0.00	
7924.71	90.00	180.00	6680.00	-1153.91	789.93	6.00	0.00	6.00	90.00	
10480.79	90.00	180.00	6680.00	-3710.00	789.93	0.00	0.00	0.00	0.00	FBH-L

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6202.54	0.00	133.13	6202.54	0.00	0.00	0.00	0.00	0.00	0.00	KOP: Build 12"/100'
6225.00	2.70	133.13	6224.99	-0.36	0.39	0.43	12.00	12.00	0.00	
6250.00	5.70	133.13	6249.92	-1.61	1.72	1.93	12.00	12.00	0.00	
6275.00	8.70	133.13	6274.72	-3.75	4.00	4.50	12.00	12.00	0.00	
6300.00	11.70	133.13	6299.32	-6.78	7.23	8.13	12.00	12.00	0.00	
6325.00	14.70	133.13	6323.66	-10.68	11.40	12.82	12.00	12.00	0.00	
6350.00	17.70	133.13	6347.67	-15.44	16.49	18.54	12.00	12.00	0.00	
6375.00	20.70	133.13	6371.27	-21.06	22.48	25.28	12.00	12.00	0.00	
6400.00	23.70	133.13	6394.42	-27.52	29.38	33.03	12.00	12.00	0.00	
6425.00	26.70	133.13	6417.04	-34.79	37.14	41.77	12.00	12.00	0.00	
6450.00	29.70	133.13	6439.07	-42.87	45.76	51.46	12.00	12.00	0.00	
6475.00	32.70	133.13	6460.45	-51.72	55.21	62.08	12.00	12.00	0.00	
6500.00	35.70	133.13	6481.13	-61.32	65.46	73.61	12.00	12.00	0.00	
6525.00	38.70	133.13	6501.04	-71.66	76.49	86.01	12.00	12.00	0.00	
6550.00	41.70	133.13	6520.13	-82.68	88.27	99.25	12.00	12.00	0.00	



Ryan Energy Technologies Planning Report



Company: DEVON ENERGY CORPORATION
Field: Eddy Co, NM
Site: Laguna Salado 22 Federal
Well: Laguna Salado 22 Fed
Wellpath: Laguna Salado

Date: 4/30/2008 Time: 09:59:49 Page: 2
Co-ordinate(NE) Reference Site: Laguna Salado 22 Federal
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,167.98Azi)
Plan: Plan #1

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6575.00	44.70	133.13	6538.36	-94.38	100.75	113.30	12.00	12.00	0.00	
6600.00	47.70	133.13	6555.66	-108.72	113.92	128.10	12.00	12.00	0.00	
6625.00	50.70	133.13	6572.00	-119.85	127.73	143.63	12.00	12.00	0.00	
6650.00	53.70	133.13	6587.32	-133.15	142.14	159.84	12.00	12.00	0.00	
6675.00	56.70	133.13	6601.59	-147.19	157.12	176.68	12.00	12.00	0.00	
6700.00	59.70	133.13	6614.76	-161.71	172.63	194.12	12.00	12.00	0.00	
6725.00	62.70	133.13	6626.81	-176.68	188.61	212.09	12.00	12.00	0.00	
6750.00	65.70	133.13	6637.69	-192.07	205.03	230.56	12.00	12.00	0.00	
6775.00	68.70	133.13	6647.38	-207.82	221.85	249.47	12.00	12.00	0.00	
6800.00	71.70	133.13	6655.84	-223.90	239.02	268.77	12.00	12.00	0.00	
6825.00	74.70	133.13	6663.07	-240.26	256.48	288.41	12.00	12.00	0.00	
6850.00	77.70	133.13	6669.04	-256.86	274.20	308.33	12.00	12.00	0.00	
6875.00	80.70	133.13	6673.72	-273.64	292.12	328.48	12.00	12.00	0.00	
6900.00	83.70	133.13	6677.12	-290.57	310.19	348.81	12.00	12.00	0.00	
6925.00	86.70	133.13	6679.21	-307.60	328.37	369.25	12.00	12.00	0.00	
6950.00	89.70	133.13	6680.00	-324.89	346.60	389.75	12.00	12.00	0.00	
6952.54	90.00	133.13	6680.00	-326.42	348.46	391.84	12.00	12.00	0.00	EOC
7000.00	90.00	133.13	6680.00	-358.87	383.09	430.78	0.00	0.00	0.00	
7100.00	90.00	133.13	6680.00	-427.23	456.07	512.85	0.00	0.00	0.00	
7143.54	90.00	133.13	6680.00	-457.00	487.85	548.58	0.00	0.00	0.00	Turn 6°/100'
7150.00	90.00	133.52	6680.00	-461.43	492.55	553.90	6.00	0.00	6.00	
7200.00	90.00	138.52	6680.00	-496.79	527.89	595.84	6.00	0.00	6.00	
7250.00	90.00	139.52	6680.00	-533.96	561.33	639.16	6.00	0.00	6.00	
7300.00	90.00	142.52	6680.00	-572.82	592.78	683.72	6.00	0.00	6.00	
7350.00	90.00	145.52	6680.00	-613.28	622.15	729.40	6.00	0.00	6.00	
7400.00	90.00	148.52	6680.00	-655.21	649.37	776.09	6.00	0.00	6.00	
7450.00	90.00	151.52	6680.00	-698.52	674.35	823.65	6.00	0.00	6.00	
7500.00	90.00	154.52	6680.00	-743.07	697.04	871.95	6.00	0.00	6.00	
7550.00	90.00	157.52	6680.00	-788.75	717.36	920.85	6.00	0.00	6.00	
7600.00	90.00	160.52	6680.00	-835.43	735.26	970.24	6.00	0.00	6.00	
7650.00	90.00	163.52	6680.00	-882.98	750.69	1019.96	6.00	0.00	6.00	
7700.00	90.00	166.52	6680.00	-931.27	763.62	1069.89	6.00	0.00	6.00	
7750.00	90.00	169.52	6680.00	-980.18	774.00	1119.88	6.00	0.00	6.00	
7800.00	90.00	172.52	6680.00	-1029.56	781.80	1169.81	6.00	0.00	6.00	
7850.00	90.00	175.52	6680.00	-1079.28	787.01	1219.52	6.00	0.00	6.00	
7900.00	90.00	178.52	6680.00	-1129.21	789.62	1268.90	6.00	0.00	6.00	
7924.71	90.00	180.00	6680.00	-1153.91	789.93	1293.13	6.00	0.00	6.00	Hold Inc. / Azm.
8000.00	90.00	180.00	6680.00	-1229.21	789.93	1366.77	0.00	0.00	0.00	
8100.00	90.00	180.00	6680.00	-1329.21	789.93	1484.58	0.00	0.00	0.00	
8200.00	90.00	180.00	6680.00	-1429.21	789.93	1562.38	0.00	0.00	0.00	
8300.00	90.00	180.00	6680.00	-1529.21	789.93	1660.19	0.00	0.00	0.00	
8400.00	90.00	180.00	6680.00	-1629.21	789.93	1758.00	0.00	0.00	0.00	
8500.00	90.00	180.00	6680.00	-1729.21	789.93	1855.81	0.00	0.00	0.00	
8600.00	90.00	180.00	6680.00	-1829.21	789.93	1953.61	0.00	0.00	0.00	
8700.00	90.00	180.00	6680.00	-1929.21	789.93	2051.42	0.00	0.00	0.00	
8800.00	90.00	180.00	6680.00	-2029.21	789.93	2149.23	0.00	0.00	0.00	
8900.00	90.00	180.00	6680.00	-2129.21	789.93	2247.03	0.00	0.00	0.00	
9000.00	90.00	180.00	6680.00	-2229.21	789.93	2344.84	0.00	0.00	0.00	
9100.00	90.00	180.00	6680.00	-2329.21	789.93	2442.65	0.00	0.00	0.00	
9200.00	90.00	180.00	6680.00	-2429.21	789.93	2540.46	0.00	0.00	0.00	
9300.00	90.00	180.00	6680.00	-2529.21	789.93	2638.26	0.00	0.00	0.00	
9400.00	90.00	180.00	6680.00	-2629.21	789.93	2736.07	0.00	0.00	0.00	
9500.00	90.00	180.00	6680.00	-2729.21	789.93	2833.88	0.00	0.00	0.00	
9600.00	90.00	180.00	6680.00	-2829.21	789.93	2931.68	0.00	0.00	0.00	



Ryan Energy Technologies Planning Report



Company: DEVON ENERGY CORPORATION
Field: Eddy Co, NM
Site: Laguna Salado 22 Federal
Well: Laguna Salado 22 Fed
Wellpath: Laguna Salado

Date: 4/30/2008 Time: 09:59:49 Page: 3
Co-ordinate(N/E) Reference Site: Laguna Salado 22 Federal
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,167.98Azi)
Plan: Plan #1

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
9700.00	90.00	180.00	6680.00	-2929.21	789.93	3029.49	0.00	0.00	0.00	
9800.00	90.00	180.00	6680.00	-3029.21	789.93	3127.30	0.00	0.00	0.00	
9900.00	90.00	180.00	6680.00	-3129.21	789.93	3225.11	0.00	0.00	0.00	
10000.00	90.00	180.00	6680.00	-3229.21	789.93	3322.91	0.00	0.00	0.00	
10100.00	90.00	180.00	6680.00	-3329.21	789.93	3420.72	0.00	0.00	0.00	
10200.00	90.00	180.00	6680.00	-3429.21	789.93	3518.53	0.00	0.00	0.00	
10300.00	90.00	180.00	6680.00	-3529.21	789.93	3616.33	0.00	0.00	0.00	
10400.00	90.00	180.00	6680.00	-3629.21	789.93	3714.14	0.00	0.00	0.00	
10480.79	90.00	180.00	6680.00	-3710.00	789.93	3793.16	0.00	0.00	0.00	FBHL

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	← Latitude → Deg Min Sec			← Longitude → Deg Min Sec		
T1		6680.00	-740.00	790.00	470284.56	653444.82	32	17	32.504 N	103	58	13.916 W
FBHL		6680.00	-3710.00	790.00	467314.56	653444.82	32	17	3.113 N	103	58	14.033 W

Annotation

MD ft	TVD ft	
6202.54	6202.54	KOP: Build 12"/100'
6952.54	6680.00	EOC
7143.54	6680.00	Turn 6"/100'
7924.71	6680.00	Hold Inc. / Azm.



DEVON ENERGY CORPORATION

Field: Eddy Co, NM
 Site: Laguna Salado 22 Federal
 Well: Laguna Salado 22 Fed
 Wellpath: Laguna Salado
 Plan: Plan #1

SITE DETAILS

Laguna Salado 22 Federal
 Section 22, T23S, R29E
 Eddy Co, NM

Site Centre Northing: 471024.58
 Easting: 652854.82

Water Depth: 0.00
 Positional Uncertainty: 0.00
 Convergence: 0.19

FIELD DETAILS

Eddy Co, NM
 USA

Geodetic System: US State Plane Coordinate System 1983
 Ellipsoid: GRS 80
 Zone: New Mexico, Eastern Zone
 Magnetic Model: IGR2005

System Datum: Mean Sea Level
 Local North: Grid North

TARGET DETAILS

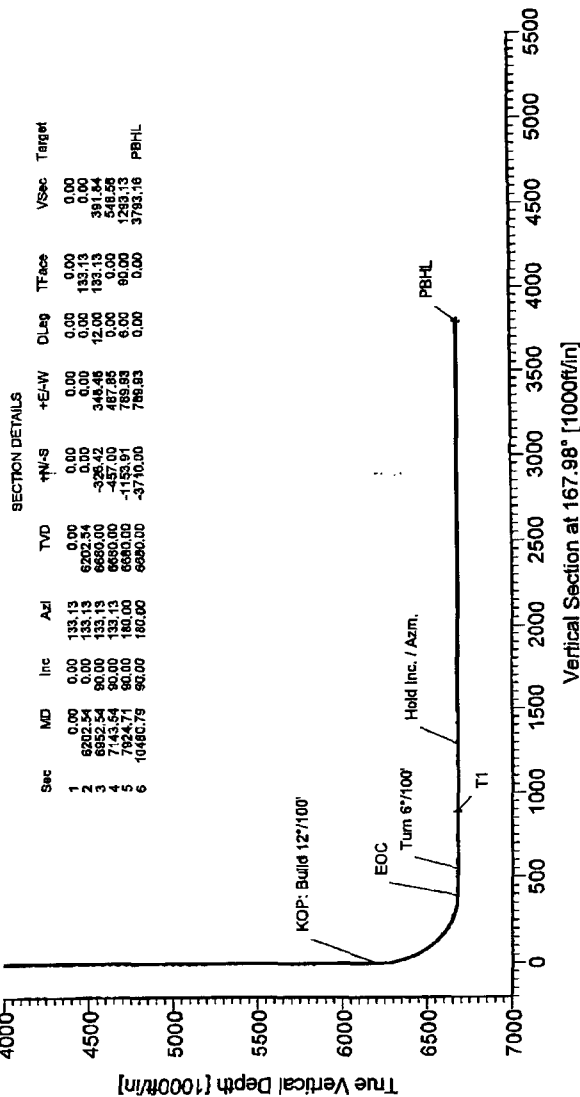
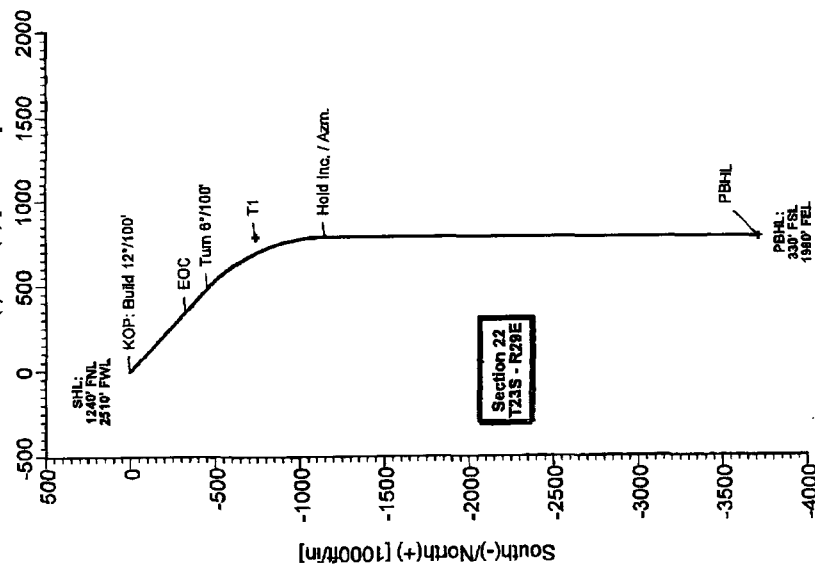
Name	TVD	+N/S	+E/W	Northing	Easting	Latitude	Longitude	Shape
T1	6680.00	-740.00	790.00	470284.58	653444.82	32°17'32.504N	103°56'13.978W	Point
PBHL	6680.00	-3710.00	790.00	467314.56	653444.82	32°17'03.113N	103°56'14.033W	Point

WELLPATH DETAILS

Laguna Salado

Rig: 0.00R
 Ref. Datum: 167.98°
 V. Section Angle: 167.98°
 Origin: +N/S 0.00
 Origin: +E/W 0.00
 Starting From TVD: 6680.00

West(-)/East(+) [1000ft/in]



Sec	MD	Inc	Azi	TVD	+N/S	+E/W	D.Lag	T.Face	V.Sec	Target
1	0.00	0.00	133.13	0.00	0.00	0.00	0.00	0.00	0.00	
2	8202.54	0.00	133.13	6202.54	0.00	0.00	133.13	0.00	0.00	
3	6852.54	90.00	133.13	6660.00	-325.42	348.48	12.00	133.13	391.84	
4	7143.54	90.00	133.13	6660.00	-457.00	487.85	0.00	0.00	124.95	
5	7824.71	90.00	180.00	6680.00	-1125.01	782.83	0.00	0.00	3783.16	PBHL
6	10480.79	90.00	180.00	6680.00	-3710.00	782.83	0.00	0.00	3783.16	PBHL

Ryan Energy Technologies
 16610 Oil Center Blvd
 Houston, TX 77073
 Ph: 281-443-1411
 Fax: 281-443-1878



Plot: Plan #1 (Laguna Salado 22 Fed-Laguna Salado)
 Created By: Ryan Ltd
 Date: 04/08/08
 Drawing: 01014
 Author: Ryan Ltd
 Date: 04/08/08



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

May 14, 2008

Liberty Energy Corporation
175 Berkeley Street, 8th Floor
Boston, MA 02116

Re: Laguna Salado 22 Federal #4H
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well location covering the referenced Delaware test well. As operator under the governing Joint Operating Agreement, Devon's records indicate that your company is the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objection to this application, please so indicate by signing and returning one copy of this letter to the undersigned.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

KG:
Enclosures

Liberty Energy Corporation has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

May 14, 2008

OXY USA, Inc.
P.O. Box 4294
Houston, TX 77210-4294
Attention: Steve Flynn

Re: Laguna Salado 22 Federal #4H
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well location covering the referenced Delaware test well. As operator under the governing Joint Operating Agreement, Devon's records indicate that your company is the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objection to this application, please so indicate by signing and returning one copy of this letter to the undersigned.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

KG:
Enclosures

Oxy USA, Inc. has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

May 14, 2008

Chesapeake Exploration, LLC
6100 N. Western
Oklahoma City, OK 73118
Attn: Craig Barnard

Re: Laguna Salado 22 Federal #4H
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well location covering the referenced Delaware test well. As operator under the governing Joint Operating Agreement, Devon's records indicate that your company is the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objection to this application, please so indicate by signing and returning one copy of this letter to the undersigned.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

KG:
Enclosures

Chesapeake Exploration, LLC has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

May 14, 2008

Pogo Producing Company, LLC
5 Greenway Plaza, Suite 2700
Houston, TX 77046
Attn: Scott Cowhand

Re: Laguna Salado 22 Federal #4H
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well location covering the referenced Delaware test well. As operator under the governing Joint Operating Agreement, Devon's records indicate that your company is the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objection to this application, please so indicate by signing and returning one copy of this letter to the undersigned.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

KG:
Enclosures

Pogo Producing Company, LLC has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, June 16, 2008 5:26 PM
To: 'Gray, Ken (OKC)'
Subject: Laguna Salado 22 Fed #4H

Dear Ken

I cannot tell from the application in this case where the point of penetration (where wellbore intersects the top of the target formation – Rule 111) will be.

Non-standard Location approval is not required if only the surface location is unorthodox. Hence, NSL approval would only be required if the point of penetration is less than 330 feet from the northern or the eastern boundary of the SW/4 NE/4 of Section 22. I am assuming the point of penetration will be in the SW/4 NE/4, since you have not indicated that either the NWNE/4 or the NE/4 NW/4 be included in the project area.

Please advise the footage location where you expect the well to enter the Delaware formation.

Separately, Division approval is not required for the designation of a project area as long as the project area conforms to the requirements of Rule 111, and you certify that you have an agreement of all interest owners regarding sharing of proceeds of the proposed horizontal well.

Thanks
David K. Brooks
Legal Examiner
505-476-3450

6/16/2008

Brooks, David K., EMNRD

From: Gray, Ken (OKC) [Ken.Gray@dmn.com]
Sent: Tuesday, June 17, 2008 7:41 AM
To: Brooks, David K., EMNRD
Subject: RE: Laguna Salado 22 Fed #4H

David, per our telephone conversation this morning, we will penetrate the top of the Harroun Ranch Delaware NE Pool with the vertical portion of this well. Consequently, the well will be classified as a NSL in accordance with Rule 111. Sorry for the inconvenience, I will try to be more definitive in the future. With respect to a "project area", the ownership is common in all 40 acre spacing units affected by this well, so the project area designation is of little consequence. Please let me know if you need additional information.

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, June 16, 2008 7:26 PM
To: Gray, Ken (OKC)
Subject: Laguna Salado 22 Fed #4H

Dear Ken

I cannot tell from the application in this case where the point of penetration (where wellbore intersects the top of the target formation – Rule 111) will be.

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Thanks
David K. Brooks
Legal Examiner
505-476-3450

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6/17/2008