

DATE IN <u>1-21-04</u>	SUSPENSE <u>2/10/04</u>	ENGINEER <u>MS</u>	LOGGED IN <u>ms</u>	TYPE <u>NSL</u>	<u>P.M.E.S.D.</u> APP NO. <u>402332660</u>
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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



Eagle 34F #40
F-34-175-27E

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]**

RECEIVED

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

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

JAN 21 2004

Check One Only for [B] or [C]

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

Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

- [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

[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, NM 87504
 Print or Type Name

James Bruce
 Signature

Attorney for Applicant
 Title
 1/17/04
 Date

jamesbruce@aol.com
 e-mail Address

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) 660-6612 (CELL)
(505) 982-2151 (FAX)

jamesbruc@aol.com

January 17, 2004

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Devon Energy Production Company, L.P. ("Devon") applies for administrative approval of unorthodox oil well locations for the following wells in both the San Andres formation (~~South~~ Red Lake Queen-Grayburg-San Andres Pool) and Glorieta/Yeso formations (Undesignated Northeast Red Lake Glorieta-Yeso Pool):

Well: Eagle 34F Federal Well No. 40
Location: 1550 feet FNL & 2110 feet FWL (Unit F)
Well Unit: SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Devon requests approval of simultaneous dedication of this well unit (in the San Andres formation) with the existing Eagle 34F Federal Well Nos. 11 and 12.

Well: Eagle 34K Federal Well No. 43 (Unit K)
Location: 2310 feet FSL & 2410 feet FWL
Well Unit: NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Devon requests approval of simultaneous dedication of this well unit (in the San Andres formation) with the existing Eagle 34F Federal Well Nos. 20, 21, and 22, and simultaneous dedication of this well unit (in the Glorieta/Yeso formation) with the existing Eagle 34F Federal Well No. 20.

Well: Eagle 34L Federal Well No. 45 (Unit L)
Location: 2310 feet FSL & 1170 feet FWL
Well Unit: NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Devon requests approval of simultaneous dedication of this well unit (in the San Andres formation) with the existing Eagle 34F Federal Well Nos. 23 and 24.

Both the ~~South~~ Red Lake Queen-Grayburg-San Andres Pool and Northeast Red Lake Glorieta-Yeso Pool are developed on statewide rules. Form C-102's for the wells are attached as Exhibits A-1, A-2, and A-3.

The application is based on engineering and topographic reasons. Attached as Exhibit B is a well plat of Glorieta-Yeso wells drilled or being drilled by Devon in Sections 34 and 35. Devon has an ongoing program to develop the Glorieta/Yeso by drilling two wells in each quarter-quarter section, in a northeast-southwest pattern. Wells are being placed in the northeast and southwest corners of each well unit to equalize the distance between the wells.

Attached as the fourth page of each of Exhibits A-1, A-2, and A-3 are survey plats of the well units. There are pipelines, lease roads, and electric lines requiring the wells to be moved from orthodox locations, requiring the wells to be unorthodox to remain in the northeast-southwest pattern.

The locations are based on the Glorieta/Yeso, but since the wells will also penetrate the San Andres, Devon will also attempt completions in that zone.

Attached as Exhibit C is a land plat, highlighting the three well units. The following leases are involved:

<u>Acreage</u>	<u>Lease</u>
E $\frac{1}{2}$ NW $\frac{1}{4}$ §34	United States Lease LC 064050-A
W $\frac{1}{2}$ NW $\frac{1}{4}$ & SW $\frac{1}{4}$ §34	United States Lease LC 067849
NE $\frac{1}{4}$ & NW $\frac{1}{4}$ SE $\frac{1}{4}$ §34	United States Lease NM 0557370

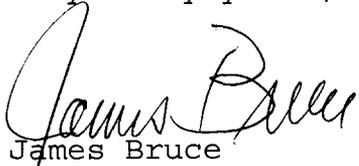
Royalty interests are the same in all leases, and Devon is the only working interest owner. The overriding royalty owners in the leases are as follows (ownership is not the same in all leases):

Summit Overseas Exploration, Inc.
 Trustee U/W/O Howard B. Wright
 Jane Ann Hudson Davis
 Joan A. Hudson
 Jonel Susan Grasso

The overriding royalty owners have been notified of this application by the letter attached as Exhibit D.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Devon Energy
Production Company, L.P.

ADDRESS LIST FOR UNORTHODOX LOCATIONS
IN TOWNSHIP 17 SOUTH 27 EAST
SECTIONS 34 & 35

Summit Overseas Exploration, Inc.
P.O. Box 260590
Lakewood, CO 80226-0590

Howard B. Wright Trust
c/o Wells Fargo Bank, NA, Trustee
P.O. Box 5383
Denver, CO 80217-5383

Jane Ann Hudson Davis
6770 Wolf Creek Ct.
Rio Rancho, NM 87124

Joan A. Hudson
c/o Sun Trust Banks, Inc.
801 Laurel Oak Drive
Naples, FL 34108

Jonel Susan Grasso
11 Ocean Ridge
Laguna Niguel, CA 92677



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

5. Lease Serial No. NMLC064050A			
6. If Indian, Allottee or Tribe Name			
7. If Unit or CA Agreement, Name and No.			
8. Lease Name and Well No. EAGLE 34F FEDERAL 40			
9. API Well No.			
10. Field and Pool, or Exploratory RED LAKE GLORIETA YESO NE			
11. Sec., T., R., M., or Blk. and Survey or Area Sec 34 T17S R27E Mer NMP			
12. County or Parish EDDY	13. State NM		
14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES SOUTHEAST OF ARTESIA NM	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 160.00	17. Spacing Unit dedicated to this well 40.00
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 4000 MD	20. BLM/BIA Bond No. on file CO1104	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3549 GL	22. Approximate date work will start 12/15/2003	23. Estimated duration 45 DAYS	

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
DEVON ENERGY PRODUCTION CO. LP
Contact: KAREN COTTOM
E-Mail: karen.cottom@dvn.com

3a. Address
20 NORTH BROADWAY
OKLAHOMA CITY, OK 73102-8260

3b. Phone No. (include area code)
Ph: 405.228.7512
Fx: 405.552.4621

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface SENW 1550FNL 2110FWL
At proposed prod. zone SENW 1550FNL 2110FWL

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 an 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, the 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 (Electronic Submission)	Name (Printed/Typed) KAREN COTTOM	Date 11/06/2003
Title OPERATIONS TECHNICIAN		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

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 #24846 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO. LP, sent to the Carlsbad



**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a San Andres, Glorieta Yeso well per the approved Master Drilling and Surface Use Plan for the Red Lake Field Area to 4000' TD for commercial quantities of oil and gas. If the well is deemed noncommercial the well bore will be plugged and abandoned per Federal regulations.

Directions: From the junction of US Hwy 82 and Co. Rd. 204, go south 0.1 mile to Co. Rd. 225; thence South on 225 for approx. 1.5 mile to lease road; thence northerly on lease road for 1.0 mile to the lease.
Please see attached MDSUP.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 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	Pool Code 96836	Pool Name RED LAKE GLORIETA YESO, NE
Property Code	Property Name EAGLE "34F" FEDERAL	Well Number 40
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3549'

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	34	17 S	27 E		1550	NORTH	2110	WEST	EDDY

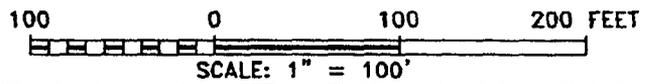
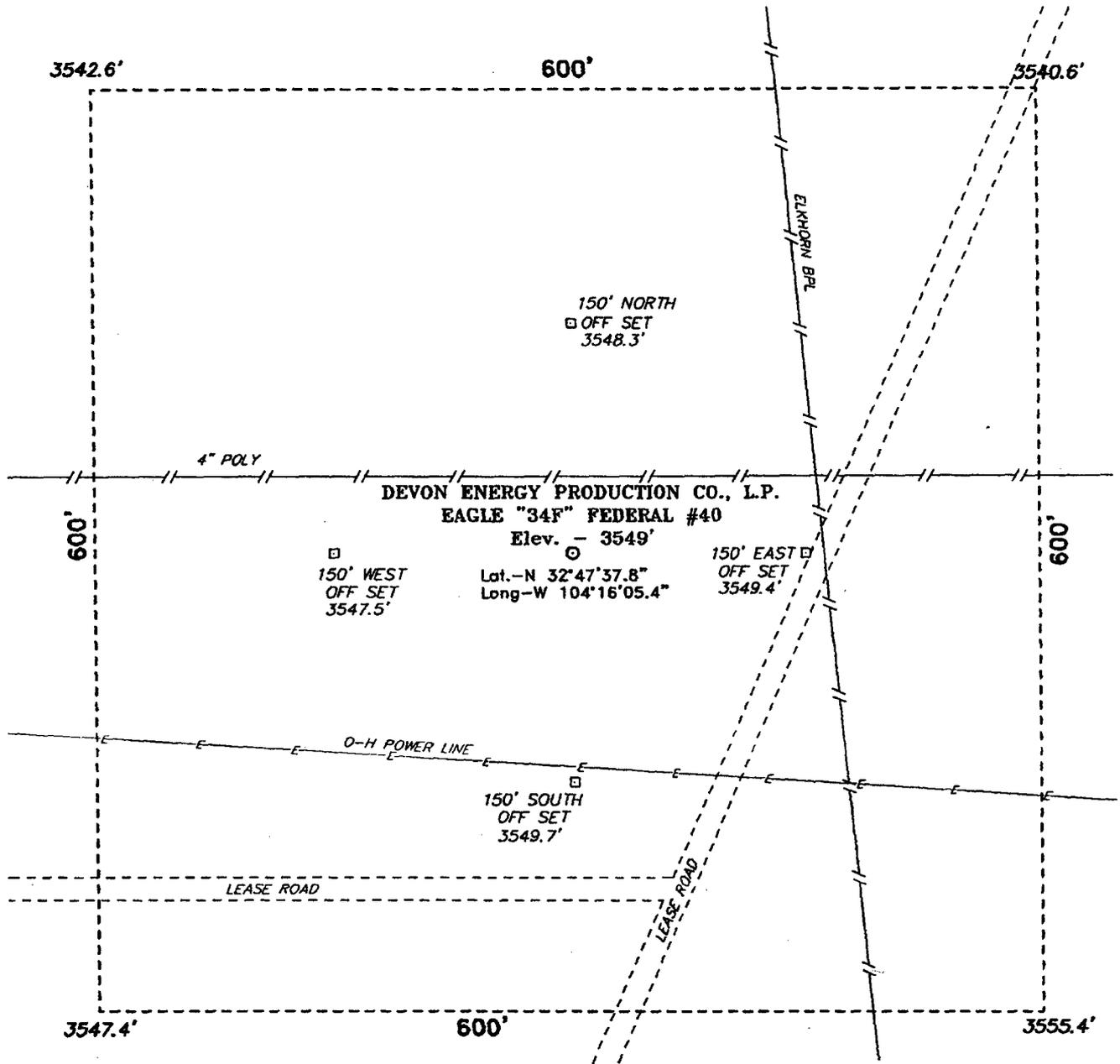
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Karen Cottom</i> Signature</p> <p>Karen Cottom Printed Name</p> <p>Operations Technician Title</p> <p>November 5, 2003 Date</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 08, 2003 Date Surveyed</p>
	<p>Signature & Seal of Professional Surveyor</p> <p><i>Gary L. Jones</i> Professional Surveyor</p>
	<p>W.O. No. 3672</p> <p>Certificate No. Gary L. Jones 7977</p> <p>NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR</p>

SECTION 34, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 204, GO SOUTH 0.1 MILE TO CO. RD. 225; THENCE SOUTH ON 225 FOR APPROX. 1.5 MILE TO LEASE ROAD; THENCE NORTHERLY ON LEASE ROAD FOR 1.0 MILE TO THE PROPOSED LEASE ROAD.

DEVON ENERGY PROD. CO., L.P.

REF: EAGLE "34F" FED. No. 40 / Well Pad Topo

THE EAGLE "34F" FED. No. 40 LOCATED 1550' FROM THE NORTH LINE AND 2110' FROM THE WEST LINE OF SECTION 34, TOWNSHIP 17 SOUTH, RANGE 27 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 3672

Drawn By: K. GOAD

Date: 10-10-2003

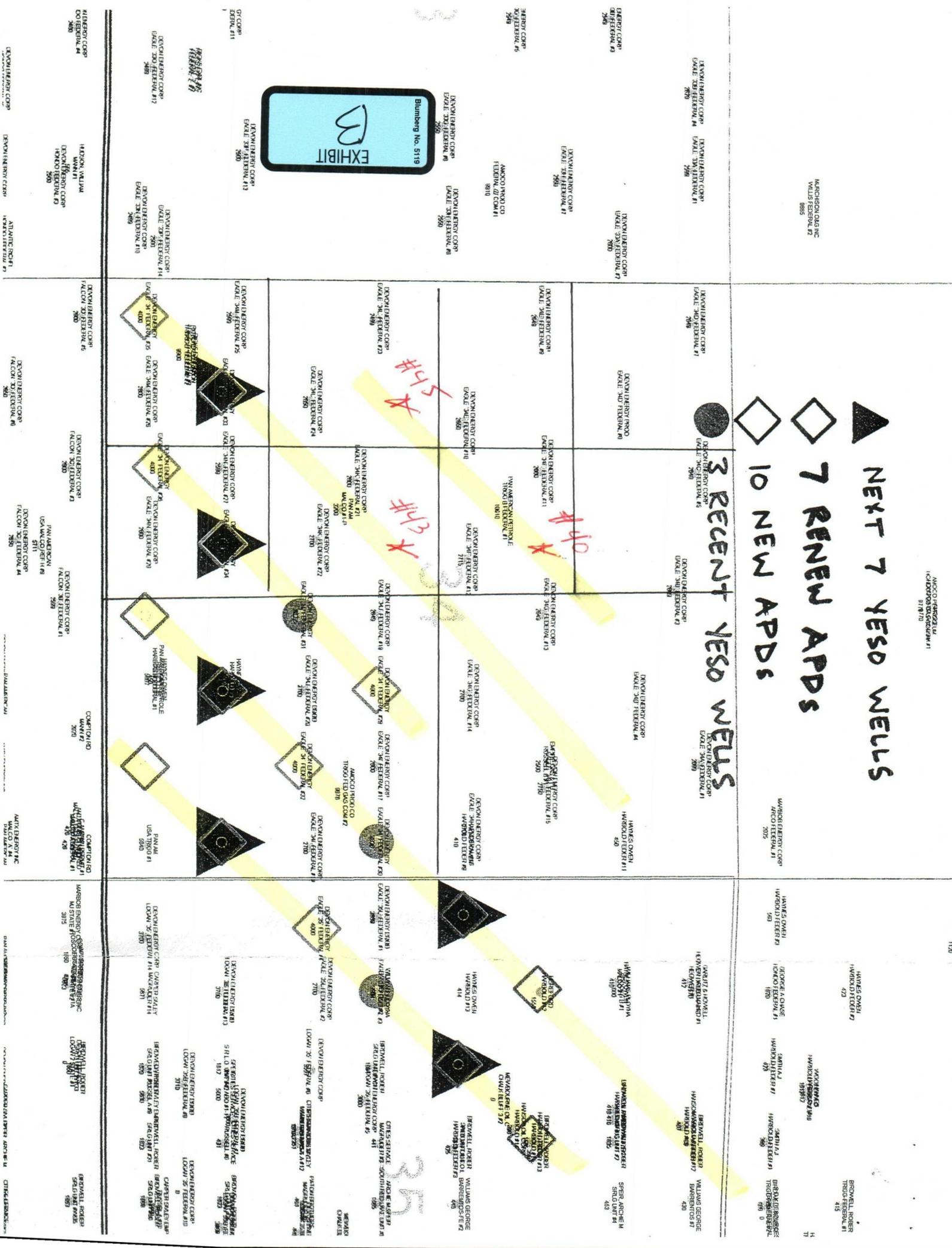
Disk: KJG CD#4 - 3672A.DWG

Survey Date: 10-08-2003

Sheet 1 of 1 Sheets

4

▲ NEXT 7 YESO WELLS
◇ 7 RENEW APDS
◇ 10 NEW APDS
● 3 RECENT YESO WELLS



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) 660-6612 (CELL)
(505) 982-2151 (FAX)

jamesbruc@aol.com

January 17, 2003

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 unorthodox oil well locations in the San Andres and Glorieta/Yeso formations in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico. You own an interest offsetting the wells' locations. If you object to the well's location, you must notify the Division in writing no later than Friday, February 6, 2004 (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 Bruce

Attorney for Devon Energy
Production Company, L.P.

