

DATE IN <u>10/11/10</u>	SUSPENSE	ENGINEER <u>DKB</u>	LOGGED IN <u>10/11/10</u>	TYPE <u>NSL</u>	APP NO. <u>1028436448</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



Devon

Sirius 17 Feb 11

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

6291

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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[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
Print or Type Name

James Bruce
Signature

Attorney
Title

10/8/10
Date

jamesbruc@aol.com
c-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

October 8, 2010

Hand delivered

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

Dear Mr. Fesmire:

Pursuant to Division Rule NMAC 19.15.15.13, Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Sirius 17 Federal Well No. 1H
<u>Surface location:</u>	450 feet FNL & 200 feet FEL Section <u>18</u>
<u>Bottom hole location:</u>	450 feet FNL & 660 feet FEL Section 17
<u>Well unit (project area):</u>	N½N½ of Section 18, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

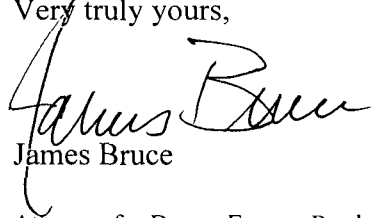
Applicant proposes to drill the well to test the Bone Spring formation (Northwest Hackberry-Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A portion of the APD for the well, with a Form C-102, is attached as Exhibit A.

The surface location is unorthodox because the operator is using the same wellpad for the proposed well and its proposed Arcturus 18 Fed. Well No. 1H. Exhibit B. This will minimize surface disturbance and reduce costs. The top of the Bone Spring will be penetrated at an unorthodox location about 240 feet from the west line of Section 17, but the well will not penetrate the productive zone until it is at an orthodox location approximately 440 feet from the west line of Section 17.

The working interest owners in the NE¼NE¼ of Section 18 are listed on Exhibit C. Notice of this application was given to the interest owners by the letter marked Exhibit D.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name "James Bruce".

James Bruce

Attorney for Devon Energy Production Company, L.P.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

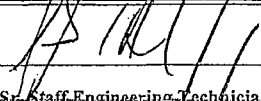
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007


1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM LC 069464-A
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Co., LP		7. If Unit or CA Agreement, Name and No.
3a. Address 20 North Broadway OKC, OK 73102		8. Lease Name and Well No. Sirius 17 Federal 1H
3b. Phone No. (include area code) (405)-552-7802		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NENE 450' FNL & 200' FEL Lot A Sec 18 At proposed prod. zone NENE 450' FNL & 660' FEL Lot A Sec 17		10. Field and Pool, or Exploratory Hackberry; Bone Spring, NW
11. Sec., T. R. M. or Blk. and Survey or Area Sec 18 T19S-R31E		12. County or Parish Eddy
13. State NM		14. Distance in miles and direction from nearest town or post office* Approximately 12 miles southeast of Loco Hills, NM.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 200'	16. No. of acres in lease 480	17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. SL: 50' BHL: 310'	19. Proposed Depth TVD 8,855' MD 13,430'	20. BLM/BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3440.6' GL	22. Approximate date work will start* 09/15/2010	23. Estimated duration 45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Stephanie A. Ysasaga	Date 07/28/2010
Title Sr. Staff Engineering Technician		

Approved by (Signature) 	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that 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.

*(Instructions on page 2)

EXHIBIT

A

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 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

*on Benson B
both on
state spacing*

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015 - 38238	² Pool Code 97020	³ Pool Name under HACKBERRY; BONE SPRING, NW (O)
⁴ Property Code	⁵ Property Name SIRIUS 17 FEDERAL	⁶ Well Number 1H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3440.6

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	19 S	31 E		450	NORTH	200	EAST	EDDY

¹¹ 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
A	17	19 S	31 E		450	NORTH	660	EAST	EDDY

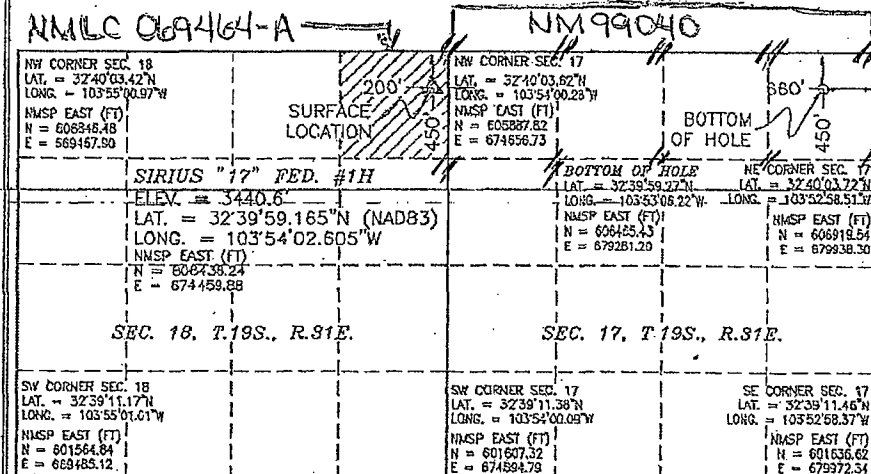
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

PENETRATION POINT: 440' FNL & 440' FWL; SEC 17

☐ PRODUCING AREA

☒ PROJECT AREA



17 OPERATOR CERTIFICATION

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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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.

Signature: *[Signature]* Date: **8/27/2010**
Printed Name: **STEPHANIE A. YSASAGA**

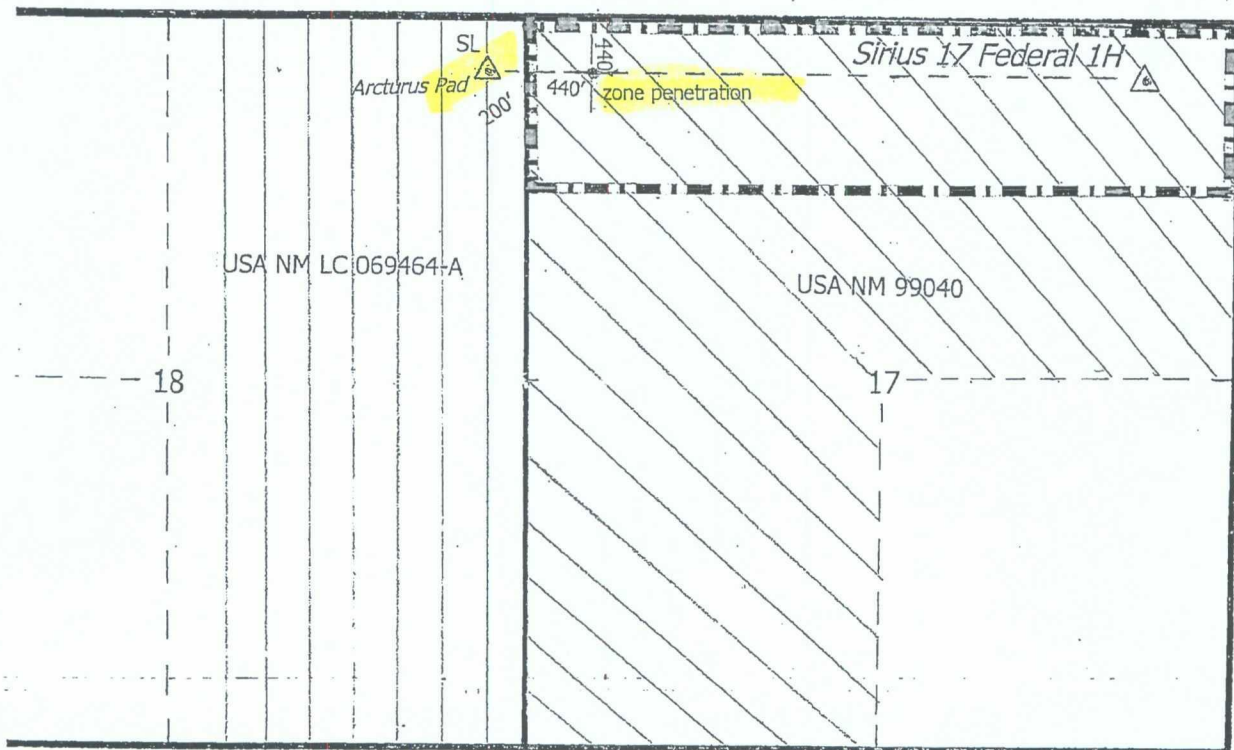
18 SURVEYOR CERTIFICATION

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.

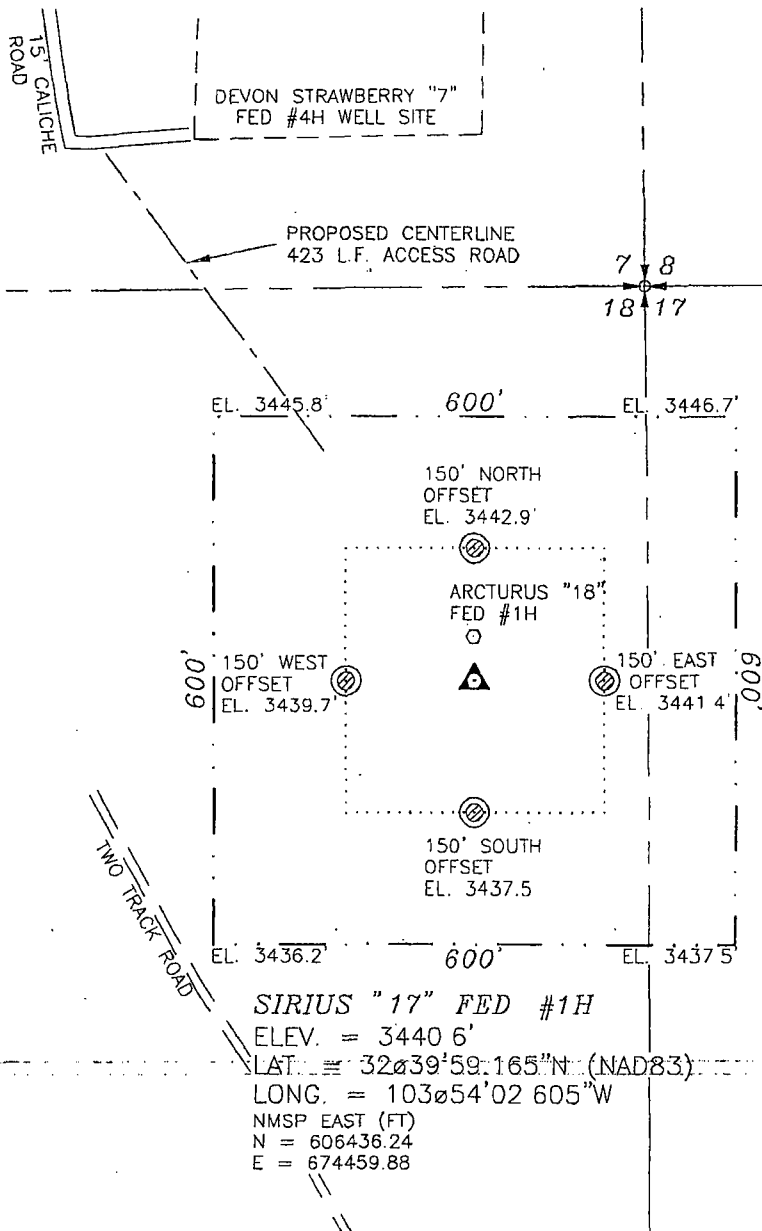
JULY 13, 2010
Date of Survey: **12797**
Signature and Seal of Professional Surveyor: *[Signature]*
Certificate Number: **FILIMON F JARAMILLO, PLS 12797**
SURVEY NO. **151**

SECTION PLAT

Eddy County, State of New Mexico
Section 17 & 18 Township 19S Range 31E
NORTH



SECTION 18, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N M P M
EDDY COUNTY, STATE OF NEW MEXICO



020 100 200 400
SCALE 1" = 200'

DIRECTIONS TO LOCATION

FROM STATE HWY 82 (SHUGART ROAD) AND CR# 222 GO SOUTH ON 222 8.5 MILES, TURN RIGHT ON CALICHE ROAD AND GO WEST-SOUTHWEST 2.6 MILES, BEND LEFT AND GO 0.1 MILES, TURN LEFT ON CALICHE ROAD AND FOLLOW WINDING ROAD SOUTHEAST APPROX 1.4 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS SOUTHEAST 423' TO THE NW CORNER OF PROPOSED PAD FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.

SIRIUS "17" FED #1H

LOCATED 450 FT FROM THE NORTH LINE
AND 200 FT FROM THE EAST LINE OF
SECTION 18, TOWNSHIP 19 SOUTH,
RANGE 31 EAST, N M P M
EDDY COUNTY, STATE OF NEW MEXICO

JULY 13, 2010

SURVEY NO 151

MADRON SURVEYING, INC 301 SOUTH CANAL (575) 887-5830 CARLSBAD, NEW MEXICO

EXHIBIT

B

Devon Energy Production Company, LP
20 North Broadway
Oklahoma City, OK 73102

Khody Land & Minerals Company
3817 NW Expressway, Suite 950
Oklahoma City, OK 73112

W/K Land Company
911 Kimbark Street
Longmont, CO 80501

Cannon Exploration Company
3608 S. County Rd. 1184
Midland, TX 79706

Roger T Elliott and Holly L. Elliott
Family Limited Partnership LP
4105 Baybrook Drive
Midland, TX 79707

Constance B. Cartwright,
Trustee U/W/O
George F Bauerdorf
River House
435 East 52nd Street, Apt. 5-B
New York, NY 10022

Cimarex Energy Company
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

EXHIBIT

C

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

October 8, 2010

Certified Mail – Return Receipt Requested

To: Persons on Exhibit 1

Ladies and gentlemen:

Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the Bone Spring formation in Section 17, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the offsetting NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 18. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). 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.

EXHIBIT D

Devon Energy Production Company, LP
20 North Broadway
Oklahoma City, OK 73102

Khody Land & Minerals Company
3817 NW Expressway, Suite 950
Oklahoma City, OK 73112

W/K Land Company
911 Kimbark Street
Longmont, CO 80501

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Constance B. Cartwright,
Trustee U/W/O
George F Bauerdorf
River House
435 East 52nd Street, Apt. 5-B
New York, NY 10022

Cimarex Energy Company
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

EXHIBIT

1