

DATE IN 2-7-11	SUSPENSE	ENGINEER DKB	LOGGED IN 2.7.11	TYPE NSL	APP NO. 1103858602
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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*  
*Cotton Draw V#1224*

## 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

[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.**

Sam McCurdy  
 Print or Type Name

*Sam McCurdy*  
 Signature

Landman  
 Title

2/7/2011  
 Date

Sam. McCurdy @ devn.com  
 e-mail Address

RECEIVED OGD  
 2011 FEB - 7 P 1:46



RECEIVED OCD

2011 FEB -7 P 1:46

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

FAX

To: David Brooks

From: Sam McCurdy  
Office: 405-228-2406

Fax: 505-476-3462

Date: February 7, 2011

Phone:

Pages: 14 (including cover page)

Re: Cotton Draw Unit #122H

CC:

☐ Urgent

☒ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

● Comments:



Sam McCurdy  
Landman

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260  
Phone 405-228-2406  
Fax 405-552-8113

February 7, 2011

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

RE: Cotton Draw Unit #122H  
SHL: 160' FNL, 1345' FWL  
BHL: 330' FSL, 1650' FWL  
Section 35-T24S-R31E  
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, intends to drill the referenced horizontal Wolfcamp formation well to a total vertical depth of approximately 13,600' with a total measured depth of approximately 18,134'. Devon will penetrate the target formation at a standard location but drill the bottom hole location closer than 660' to the outer boundary of the project area in an effort to maximize the productive length of the wellbore. As reflected on the attached C-102, the well has been permitted at a surface location of 160' FNL and 1,345' FWL with a permitted bottom hole location of 330' FSL and 1650' FWL of Section 35, Township 24 South, Range 31 East. Devon will penetrate the top of the Wolfcamp formation with the vertical portion the well bore at a legal location as shown on the C-102 and continue drilling through the Wolfcamp formation with the horizontal portion of the well bore. According to Division rules, the above mentioned BHL would be classified as a non-standard location.

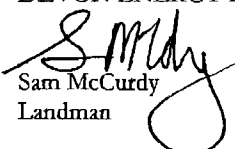
Although the target formation will be penetrated at a legal location the BHL for the referenced well is proposed to continue until 330' FSL with perforations to occur closer than 660'. Devon respectfully requests that the Commission administratively approve this application for a non-standard location in accordance with Division Rule 104(F) (3). This non-standard BHL affects the leasehold owner in Unit letters C and D of Section 2-T25S-R31E. Devon is the owner of 50% of the operating rights to State of New Mexico lease K-4562 which covers Unit letters C & D among other lands. The owner of the other 50% interest for same lease is the same as the 50% owner of the operating rights in the proposed well. Therefore, no additional notification of this application should be required as this non-standard location will only affect working interest parties to the referenced well. Additionally, Devon requests Commission approval to designate a 160 acre project area consisting of four standard oil spacing units comprised of the E/2 W/2 Section 35 (Unit letters C, F, K & N).

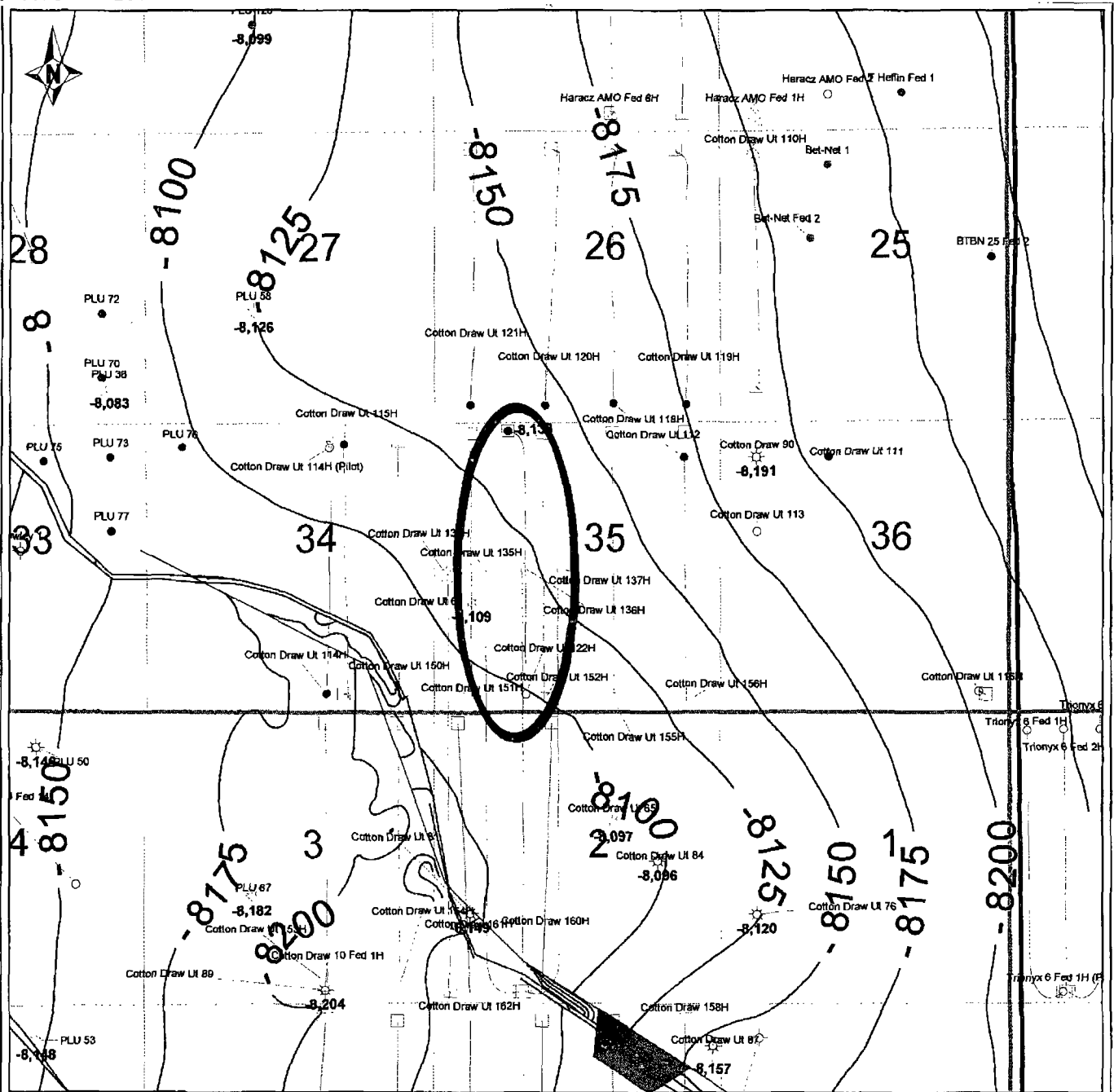
Attached for your review you will find a structure map on top of the Wolfcamp formation, Devon's directional drilling plan, a land plat reflecting the affected parties and a State of New Mexico form C-102.

Feel free to contact the undersigned at (405) 228-2406 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

  
Sam McCurdy  
Landman



PETRA 2/3/2011 5:00:44 PM

**COTTON DRAW UNIT 122H**

Sec 35 24S 31E

Surface Hole Location: 160 FNL 1345 FWL

Penetration Point: 160 FNL 1345 FWL, CDU Wolfcamp Pool

Highest Perforation: 660 FNL 1650 FWL, CDU Wolfcamp Pool

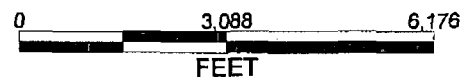
Bottom Hole Location: 330 FSL 1650 FWL, CDU Wolfcamp Pool

**DEVON ENERGY**

EDDY COUNTY NEW MEXICO

WOLFCAMP STRUCTURE MAP (SUBSEA)

SEC 35 24S 31E



February 3, 2011



## **Devon Energy**

**Eddy Co., New Mexico (Nad 83)**

**Cotton Draw Unit #122**

**Cotton Draw Unit #122**

**Lateral #1**

**Plan: Design #1**

## **Standard Survey Report**

**17 September, 2010**







## CUDD Drilling &amp; Measurement Services

## Survey Report



Company: Devon Energy  
 Project: Eddy Co., New Mexico (Nad 83)  
 Site: Cotton Draw Unit #122  
 Well: Cotton Draw Unit #122  
 Wellbore: Lateral #1  
 Design: Design #1

Local Co-ordinate Reference: Site Cotton Draw Unit #122  
 TVD Reference: WELL @ 3524.00ft (Original Well Elev)  
 MD Reference: WELL @ 3524.00ft (Original Well Elev)  
 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature  
 Database: EDM 2003.21 Single User Db

Project	Eddy Co., New Mexico (Nad 83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Cotton Draw Unit #122, Sec 35, T-24S, R-31E				
Site Position:		Northing:	429,885.19 ft	Latitude:	32° 10' 49.799 N
From:	Map	Easting:	720,957.67 ft	Longitude:	103° 45' 9.919 W
Position Uncertainty:	0.00 ft	Slot Radius:	"	Grid Convergence:	0.31 °

Well	Cotton Draw Unit #122					
Well Position	+N/-S	0.00 ft	Northing:	429,885.19 ft	Latitude:	32° 10' 49.799 N
	+E/-W	0.00 ft	Easting:	720,957.67 ft	Longitude:	103° 45' 9.819 W
Position Uncertainty		0.00 ft	Wellhead Elevation:	3,524.00 ft	Ground Level:	3,504.00 ft

Wellbore	Lateral #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	09/17/10	7.74	60.15	48,677

Design	Design #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	178.21

Survey Tool Program	Date 09/17/10			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.00	0.00	Design #1 (Lateral #1)	NS-GYRO-MS	North sensing gyrocompassing m/s
12,700.00	18,134.24	Design #1 (Lateral #1)	CUDD MWD	MWD - Standard CUDD MWD

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
806.00	0.00	0.00	806.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
980.00	0.00	0.00	980.00	0.00	0.00	0.00	0.00	0.00	0.00
Salado									
2,812.00	0.00	0.00	2,812.00	0.00	0.00	0.00	0.00	0.00	0.00
Castile									
4,107.00	0.00	0.00	4,107.00	0.00	0.00	0.00	0.00	0.00	0.00
Base of Salt									
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
9 5/8" Casing									



## CUDD Drilling &amp; Measurement Services

## Survey Report



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 Well: Cotton Draw Unit #122  
 Wellbore: Lateral #1  
 Design: Design #1

Local Co-ordinate Reference: Site Cotton Draw Unit #122  
 TVD Reference: WELL @ 3524.00ft (Original Well Elev)  
 MD Reference: WELL @ 3524.00ft (Original Well Elev)  
 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature  
 Database: EDM 2003.21 Single User Db

## Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,364.00	0.00	0.00	4,364.00	0.00	0.00	0.00	0.00	0.00	0.00
Bell Canyon									
5,355.00	0.00	0.00	5,355.00	0.00	0.00	0.00	0.00	0.00	0.00
Cherry Canyon									
6,628.00	0.00	0.00	6,628.00	0.00	0.00	0.00	0.00	0.00	0.00
Brushy Canyon									
8,215.00	0.00	0.00	8,215.00	0.00	0.00	0.00	0.00	0.00	0.00
1st BS Lime									
9,318.00	0.00	0.00	9,318.00	0.00	0.00	0.00	0.00	0.00	0.00
1st BS Ss									
9,892.00	0.00	0.00	9,892.00	0.00	0.00	0.00	0.00	0.00	0.00
2nd BS Lime									
9,916.00	0.00	0.00	9,916.00	0.00	0.00	0.00	0.00	0.00	0.00
2nd BS Ss									
10,402.00	0.00	0.00	10,402.00	0.00	0.00	0.00	0.00	0.00	0.00
3rd BS Lime									
11,118.00	0.00	0.00	11,118.00	0.00	0.00	0.00	0.00	0.00	0.00
3rd BS Ss									
11,618.00	0.00	0.00	11,618.00	0.00	0.00	0.00	0.00	0.00	0.00
Wolfcamp									
12,848.00	0.00	0.00	12,848.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP - B&T 10.0'x100'									
13,173.43	32.54	105.40	13,156.21	-23.89	86.73	29.57	10.00	10.00	0.00
13,173.68	32.54	105.40	13,156.43	-23.93	86.86	29.62	0.00	0.00	0.00
13,742.00	66.17	170.58	13,543.00	-347.97	284.02	366.64	10.00	5.92	11.47
Upper Penn Shale									
13,900.30	79.28	179.90	13,590.00	-498.12	306.07	517.26	10.00	8.28	5.89
PP (CDU#122)									
14,007.50	90.00	179.90	13,600.00	-604.70	306.25	623.62	10.00	10.00	0.00
EOC Hold 1:90.0° @ A:179.90									
18,134.55	90.00	179.90	13,600.00	-4,791.74	313.10	4,742.09	0.00	0.00	0.00
PBHL TD (CDU#122)									

## Design Targets

Target Name	hit/mis target Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N-S (ft)	+E-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PP (CDU#122)	- plan hits target center - Point	0.00	0.00	13,580.00	-498.12	306.07	429,387.07	721,263.74	32° 10' 44.853 N	103° 45' 6.389 W
PBHL - TD (CDU#122)	- plan hits target center - Point	0.00	0.00	13,600.00	-4,791.74	313.10	425,153.48	721,270.77	32° 10' 2.959 N	103° 45' 6.573 W





## CUDD Drilling &amp; Measurement Services

## Survey Report



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 Site: Cotton Draw Unit #122  
 Well: Cotton Draw Unit #122  
 Wellbore: Lateral #1  
 Design: Design #1

Local Co-ordinate Reference: Site Cotton Draw Unit #122  
 TVD Reference: WELL @ 3524.00ft (Original Well Elev)  
 MD Reference: WELL @ 3524.00ft (Original Well Elev)  
 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature  
 Database: EDM 2003.21 Single User Db

## Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
4,200.00	4,200.00	9 5/8" Casing	9-5/8	12-1/4

## Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
606.00	606.00	Rustler		0.00	
980.00	980.00	Salado		0.00	
2,812.00	2,812.00	Castile		0.00	
4,107.00	4,107.00	Base of Salt		0.00	
4,364.00	4,364.00	Bell Canyon		0.00	
5,355.00	5,355.00	Cherry Canyon		0.00	
6,626.00	6,626.00	Brushy Canyon		0.00	
8,215.00	8,215.00	1st BS Lime		0.00	
8,318.00	8,318.00	1st BS Ss		0.00	
9,892.00	9,892.00	2nd BS Lime		0.00	
9,916.00	9,916.00	2nd BS Ss		0.00	
10,402.00	10,402.00	3rd BS Lime		0.00	
11,118.00	11,118.00	3rd BS Ss		0.00	
11,618.00	11,618.00	Wolfcamp		0.00	
13,742.00	13,543.00	Upper Penn Shale		0.00	

## Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates	Comment
		+N/-S (ft)	+E/-W (ft)
12,848.00	12,848.00	0.00	0.00
14,007.50	13,600.00	-604.70	308.25
			KOP B&T 10.0°/100'
			EOC Hold 1:90.0° @ A. 179.60

Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

## CDU #122\_Plan #1\_Report\_09-17-10.txt

Devon Energy  
Cotton Draw Unit #122 - Design #1

Eddy Co., New Mexico (Nad 83)  
Cotton Draw Unit #122

Measured Dogleg Depth Rate (ft) (°/100ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)
0.00	0.00	0.00	0.00	0.00 N	0.00 E	0.00
0.00	0.00	0.00	12848.00	0.00 N	0.00 E	0.00
0.00	5.20	105.40	12900.00	0.63 S	2.27 E	0.78
10.00	15.20	105.40	13000.00	5.32 S	19.32 E	6.59
10.00	25.20	105.40	13100.00	14.48 S	52.57 E	17.92
10.00	32.54	105.40	13173.43	23.89 S	86.73 E	29.57
10.00	32.54	105.40	13173.68	23.93 S	86.86 E	29.62
0.00	32.97	110.20	13200.00	28.28 S	100.41 E	34.86
10.00	36.13	126.98	13300.00	55.48 S	149.62 E	65.25
10.00	41.25	140.77	13400.00	98.87 S	194.14 E	111.48
10.00	47.69	151.72	13500.00	157.12 S	232.60 E	172.15
10.00	54.97	160.52	13600.00	228.47 S	263.86 E	245.41
10.00	62.78	167.83	13700.00	310.74 S	286.94 E	329.03
10.00	70.92	174.16	13800.00	401.45 S	301.15 E	420.48
10.00	79.25	179.89	13900.00	497.82 S	306.07 E	516.97
10.00	79.28	179.90	13900.30	498.12 S	306.07 E	517.26
10.00	89.25	179.90	14000.00	597.20 S	306.24 E	616.13
10.00	90.00	179.90	14007.50	604.70 S	306.25 E	623.62
10.00	90.00	179.90	14100.00	697.19 S	306.40 E	715.92
0.00	90.00	179.90	14200.00	797.19 S	306.57 E	815.72
0.00	90.00	179.90	14300.00	897.19 S	306.73 E	915.51
0.00	90.00	179.90	14400.00	997.19 S	306.90 E	1015.30
0.00	90.00	179.90	14500.00	1097.19 S	307.07 E	1115.09
0.00	90.00	179.90	14600.00	1197.19 S	307.23 E	1214.88
0.00	90.00	179.90	14700.00	1297.19 S	307.40 E	1314.68
0.00						

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14800.00	90.00	179.90	13600.00	1397.19 S	307.56 E	1414.47
0.00						
14900.00	90.00	179.90	13600.00	1497.19 S	307.73 E	1514.26
0.00						
15000.00	90.00	179.90	13600.00	1597.19 S	307.90 E	1614.05
0.00						
15100.00	90.00	179.90	13600.00	1697.19 S	308.06 E	1713.84
0.00						
15200.00	90.00	179.90	13600.00	1797.19 S	308.23 E	1813.64
0.00						
15300.00	90.00	179.90	13600.00	1897.19 S	308.39 E	1913.43
0.00						
15400.00	90.00	179.90	13600.00	1997.19 S	308.56 E	2013.22
0.00						
15500.00	90.00	179.90	13600.00	2097.19 S	308.73 E	2113.01
0.00						
15600.00	90.00	179.90	13600.00	2197.19 S	308.89 E	2212.81
0.00						
15700.00	90.00	179.90	13600.00	2297.19 S	309.06 E	2312.60
0.00						
15800.00	90.00	179.90	13600.00	2397.19 S	309.22 E	2412.39
0.00						
15900.00	90.00	179.90	13600.00	2497.19 S	309.39 E	2512.18
0.00						
16000.00	90.00	179.90	13600.00	2597.19 S	309.56 E	2611.97
0.00						
16100.00	90.00	179.90	13600.00	2697.19 S	309.72 E	2711.77
0.00						
16200.00	90.00	179.90	13600.00	2797.19 S	309.89 E	2811.56
0.00						
16300.00	90.00	179.90	13600.00	2897.19 S	310.05 E	2911.35
0.00						
16400.00	90.00	179.90	13600.00	2997.19 S	310.22 E	3011.14
0.00						
16500.00	90.00	179.90	13600.00	3097.19 S	310.39 E	3110.93
0.00						
16600.00	90.00	179.90	13600.00	3197.19 S	310.55 E	3210.73
0.00						
16700.00	90.00	179.90	13600.00	3297.19 S	310.72 E	3310.52
0.00						
16800.00	90.00	179.90	13600.00	3397.19 S	310.88 E	3410.31
0.00						
16900.00	90.00	179.90	13600.00	3497.19 S	311.05 E	3510.10
0.00						
17000.00	90.00	179.90	13600.00	3597.19 S	311.22 E	3609.90
0.00						
17100.00	90.00	179.90	13600.00	3697.19 S	311.38 E	3709.69
0.00						
17200.00	90.00	179.90	13600.00	3797.19 S	311.55 E	3809.48
0.00						
17300.00	90.00	179.90	13600.00	3897.19 S	311.71 E	3909.27
0.00						
17400.00	90.00	179.90	13600.00	3997.19 S	311.88 E	4009.06
0.00						
17500.00	90.00	179.90	13600.00	4097.19 S	312.05 E	4108.86
0.00						
17600.00	90.00	179.90	13600.00	4197.19 S	312.21 E	4208.65
0.00						
17700.00	90.00	179.90	13600.00	4297.19 S	312.38 E	4308.44
0.00						
17800.00	90.00	179.90	13600.00	4397.19 S	312.55 E	4408.23
0.00						
17900.00	90.00	179.90	13600.00	4497.19 S	312.71 E	4508.02

## CDU #122\_Plan #1\_Report\_09-17-10.txt

0.00						
18000.00	90.00	179.90	13600.00	4597.19 S	312.88 E	4607.82
0.00						
18100.00	90.00	179.90	13600.00	4697.19 S	313.04 E	4707.61
0.00						
18134.55	90.00	179.90	13600.00	4731.74 S	313.10 E	4742.09
0.00						

All data are in feet unless otherwise stated. Directions and coordinates are relative to Grid North.

Vertical depths are relative to WELL. Northings and Eastings are relative to Site.

The Dogleg Severity is in Degrees per 100 feet.

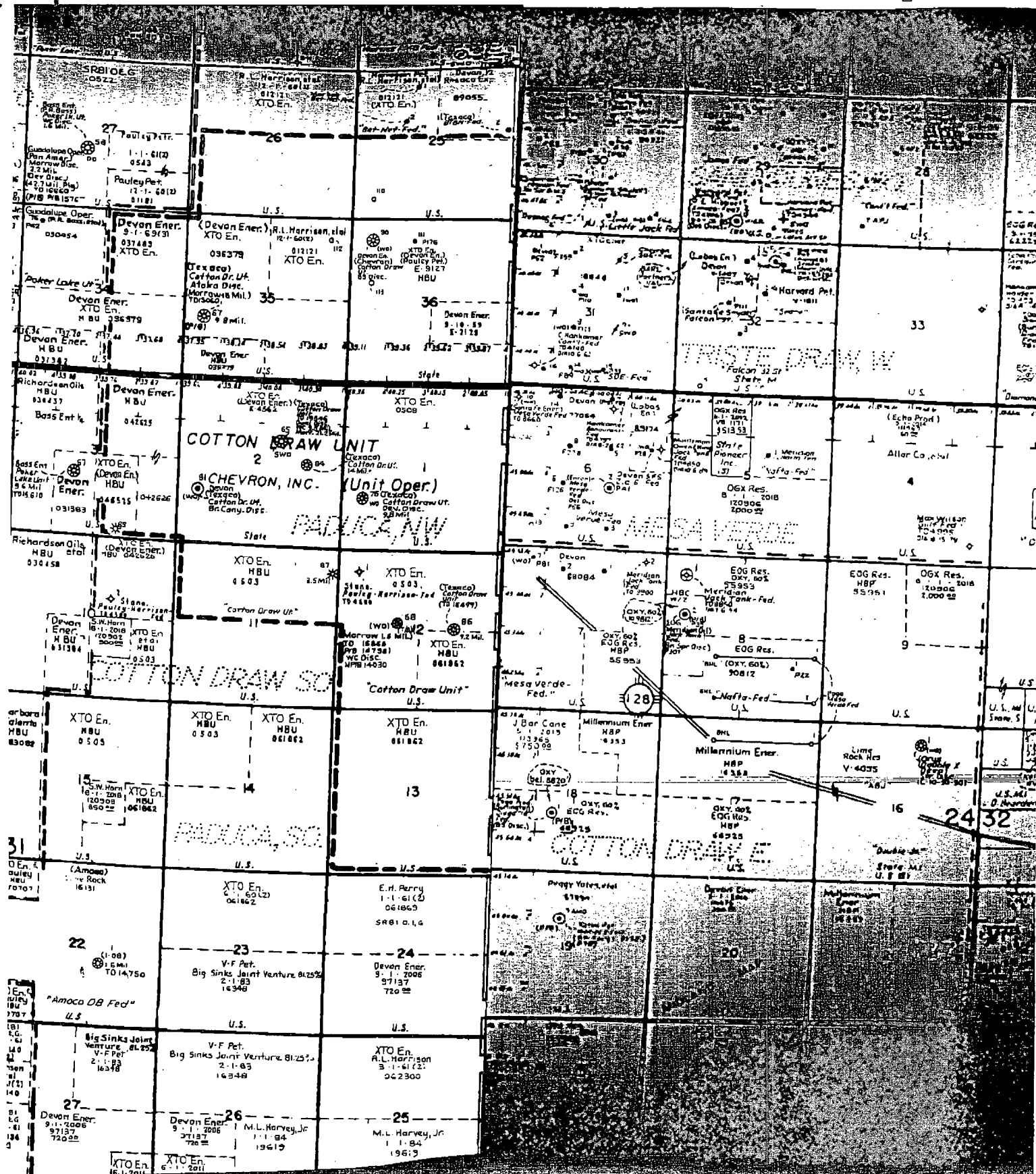
Vertical Section is from Slot and calculated along an Azimuth of 176.210° (Grid).

Coordinate System is North American Datum 1983 US State Plane 1983, New Mexico Eastern Zone.

Central meridian is -104.333°.

Grid Convergence at Surface is 0.309°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 18134.55ft., the Bottom Hole Displacement is 4742.09ft., in the Direction of 176.210° (Grid).



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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-38453	<sup>2</sup> Pool Code 82520	<sup>3</sup> Pool Name Paducah WC Gas
<sup>4</sup> Property Code	<sup>5</sup> Property Name COTTON DRAW	<sup>6</sup> Well Number 122
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>9</sup> Elevation 3504.6

<sup>10</sup> 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	35	24 S	31 E		160	NORTH	1345	WEST	EDDY

<sup>11</sup> 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
N	35	24 S	31 E		330	SOUTH	1650	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b><sup>17</sup> OPERATOR CERTIFICATION</b></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 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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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>JULY 29, 2010</p> <p>Outside Survey</p> <p> </p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number: F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 159</p>		

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Monday, February 28, 2011 3:29 PM  
**To:** 'McCurdy, Sam'  
**Cc:** Kautz, Paul, EMNRD  
**Subject:** Cotton Draw Unit #122H; NSL application

Dear Mr. McCurdy

As I understand, this well is proposed to be completed in the Wolfcamp. The proposed location in the W/2 of Section 35-24S-31E is in the undesignated Paduca Wolfcamp Gas Pool. So you have correctly applied for an NSL based on gas well spacing rules. However, you request a 160-acre project area consisting of 4 oil units. Since this is a gas pool, the unit size would be 320 acres and the project area would be equal to the spacing unit, i.e. the W/2 of Section 35. Classification could be changed if the well is an oil well.

I am copying Paul Kautz to confirm that this location is considered to be within a gas pool.

Also, your letter states that "Devon will penetrate the top of the Wolfcamp formation with the vertical portion of the well bore, which would lead one to assume that the penetration point is the same as the surface location. However, your attached C-102 identified the surface location as 660 FNL & 1650 FWL.

Please clarify these matters.

Thanks  
David K. Brooks  
Legal Examiner



## Brooks, David K., EMNRD

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**From:** McCurdy, Sam [Sam.McCurdy@dmv.com]  
**Sent:** Tuesday, March 01, 2011 6:45 AM  
**To:** Brooks, David K., EMNRD  
**Cc:** Kautz, Paul, EMNRD  
**Subject:** RE: Cotton Draw Unit #122H; NSL application

Mr. Brooks,

Devon will be drilling this based on the NMOCD rules as set forth for a gas well. Therefore despite the initial request to establish a 160-acre project area, Devon would request that the project area be comprised of W/2 Section 35, containing 320.00 acres more or less.

Devon will penetrate the top of the Wolfcamp formation directly beneath the surface location being 160' FNL & 1345' FWL. The C-102 also identifies where Devon will penetrate the productive interval within the Wolfcamp formation, which is 660' FNL & 1650' FWL. Both the SHL and the penetration point for the productive interval are shown on the C-102. Since the target formation will be penetrated at a non-standard location closer than 660' to the outer boundary of the project area at the SHL, Devon will also affect the leasehold owner in Unit letters M & N of Section 26-T24S-R31E, Eddy County, NM. The ownership in this section is the same as the ownership in the well.

I apologize for the errors contained within the cover letter, please let me know if you have any questions.

Sincerely,  
Sam McCurdy  
(405) 228-2406

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**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Monday, February 28, 2011 4:29 PM  
**To:** McCurdy, Sam  
**Cc:** Kautz, Paul, EMNRD  
**Subject:** Cotton Draw Unit #122H; NSL application

Dear Mr. McCurdy

As I understand, this well is proposed to be completed in the Wolfcamp. The proposed location in the W/2 of Section 35-24S-31E is in the undesignated Paduca Wolfcamp Gas Pool. So you have correctly applied for an NSL based on gas well spacing rules. However, you request a 160-acre project area consisting of 4 oil units. Since this is a gas pool, the unit size would be 320 acres and the project area would be equal to the spacing unit, i.e. the W/2 of Section 35. Classification could be changed if the well is an oil well.

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Thanks



David K. Brooks  
Legal Examiner

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