

*Case 13368*

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Ave., 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 and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N. Broadway Oklahoma City, OK 73102		OGRID Number 6137
		API Number 30-015-33248
Property Code 33470	Property Name Apache 24 Fee	Well No. 006

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	24	22S	30E	E	1980	N	660	W	Eddy

**Proposed Pools**

QUAHADA RIDGE, DELAWARE, SOUTHEAST 50443
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Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type Private	Ground Level Elevation 3366
Multiple N	Proposed Depth 7900	Formation Delaware	Contractor	Spud Date 02/01/2004

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	625	600	0
Intl	11	8.625	32	3800	1000	0
Prod	7.875	5.5	15.5	7900	1300	0

**Casing/Cement Program: Additional Comments**

13 3/8 cmt lead w/350sx Class C & tail w/250 sx Class C, circ to surface 8 5/8 cmt lead w/800 sx Class C & tail w/200 sx Class C, circ to surface, 5 1/2 cmt lead w/430 sx Class C & tail w/300 sx Class C & Lead w/450sx Class C & tail w/175sx Class C thru DV tool @4000, circ to surface No Hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	
Annular	2000	2000	

BEFORE THE OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
Case Nos. 13368/13372 Exhibit No. 4  
Submitted by:  
Devon Energy Production Company, L.P.  
Hearing Date: June 5, 2006

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		<b>OIL CONSERVATION DIVISION</b>	
Electronically Signed By: Karen Cottom		Electronically Approved By: Bryan Arrant	
Title: Operations Technician		Title: Geologist	
Date: 12/17/2003		Approval Date: 02/19/2004	Expiration Date: 02/19/2005
Phone: 405-228-7512		Conditions of Approval: There are conditions. See Attached.	

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Form C-

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-33248	Pool Name QUAHADA RIDGE;DELAWARE, SOUTHEAST	Pool Code 50443
Property Code 33470	Property Name Apache 24 Fee	Well No. 006
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	Elevation 3366

**Surface And Bottom Hole Location**

UL or Lot E	Section 24	Township 22S	Range 30E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 660	E/W Line W	County Eddy
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

**OPERATOR CERTIFICATION**  
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*  
Electronically Signed By: Karen Cottom  
Title: Operations Technician  
Date: 12/17/2003

**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.*  
Surveyed By: Gary Jones  
Date of Survey: 12/10/2003  
Certificate Number: 7977

### Permit Conditions Of Approval

**Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137**

**Well: Apache 24 Fee #006**

OCD Reviewer	Condition
BARRANT	Notify OCD time of spud and time to witness the cementing of ALL casing strings.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

Joanna Prukop  
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

January 21<sup>st</sup>, 2004

Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, OK 73102  
Attn: James Blount or To Whom It May Concern

**RE: Devon Energy's Production Company, L.P., Apache '24' Fee #6, located 1980'FNL & 660' FWL in Unit E of Section 24, Township 22 South-Range 30 East, Eddy County, New Mexico**

Dear Mr. Blount,

Per your request on Friday, January 16, 2004 to either approve or deny the above captioned application to drill (APD), the New Mexico Oil Conservation Division (NMOCD) office in Artesia, replies as to the following:

1. As indicated from the New Mexico State Land Office and the Bureau of Land Management, said application is in the Life of Mine Reserves (LMR). It is the NMOCD's understanding that from the responses from the aforementioned, that there is potash leases in this area.
2. Per R-111-P (on page 11) for any well drilled in the Potash Area, "...the well operator shall send one copy by registered mail to each potash operator holding potash leases within a radius of one mile of the proposed well....."
3. The NMOCD will therefore hold for approval/or denial said application until such time a waiver or denial by potash leaseholder is submitted to this office.
4. Please note that said submittal of application will expire on 12/17/2004 for approval or denial per in part reasons stated above and per terms of the Joint Powers Agreement.

Respectfully yours

Bryan G. Arrant  
PES

cc:

- New Mexico State Land Office & Minerals Division, Joe Mraz-Geologist
- Bureau of Land Management, Craig Cranston-Mining Engineer Solid Minerals
- Tim Gum, District Supervisor, Artesia

encl

# devon

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

January 23, 2004

IMC Potash Carlsbad Inc.  
1361 Potash Mines Road  
Carlsbad, NM 88221-0071

Re: Apache 24 Fee #6  
1980' FNL & 660' FWL, Unit E Sec 24 T22S R30E, Eddy, NM

To Whom it may concern:

Per the R-111-P rule, I am sending you the Application for Permit to drill Devon Energy Production Company, LP., submitted to the Oil Conservation Division in Artesia, NM.

Should you require any additional information or assistance, please do not hesitate to contact me at (405) 228-7512.

Sincerely,



Karen Cottom  
Engineering Technician  
Devon Energy Production Company, L.P.

kc  
Enclosure

RECEIVED  
FFR 0 2 2004  
OCD-ARTESIA

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com).

**OFFICIAL USE**

2169 0493 1000 0302 2002

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Send To  
**IMC POTASH CARLSBAD, INC.**  
 Street, Apt. No. or P.O. Box No. **1361 POTASH MINES ROAD**  
 City, State, ZIP+4® **CARLSBAD, NM 88221-0071**  
**KAREN COTTON**  
 PS Form 3800, June 2002 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**IMC POTASH CARLSBAD INC.  
 1361 POTASH MINES ROAD  
 CARLSBAD, NM 88221-0071**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *Karen Cotton* Agent  Addressed  
 B. Received by (Printed Name) *Karen Cotton* C. Date of Delivery *8/21/01*  
 D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.  
 4. Restricted Delivery? (Extra Fee)  Yes  No

2. Article Number (Transfer from service label) **7002 2030 0001 3840 6912**  
 PS Form 3811, August 2001 Domestic Return Receipt 24CPS-03-2-0836

# devon

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

January 30, 2004

Oil Conservation Division  
Attn: Bryan Arrant  
1301 W Grand Ave  
Artesia, NM 88210-1729

Re: Apache 24 Fee #6  
1980' FNL & 660' FWL, Unit E Sec 24 T22S R30E, Eddy, NM

Dear Bryan:

Devon Energy Production Company, LP., per the R-111-P rule, has sent notice to the IMC Potash Company regarding the drilling of the referenced well. Please see attached certified mail receipt as proof of delivery to IMC Potash (aka Western AG Minerals) signed on 1/26/04.

Should you require any additional information or assistance, please do not hesitate to contact me at (405) 228-7512.

Sincerely,



Karen Cottom  
Engineering Technician  
Devon Energy Production Company, L.P.

kc  
Enclosure

RECEIVED  
FEB 02 7 00 AM  
OCD-ARTESIA



April 12, 2004

IMC Potash Carlsbad Inc.  
P. O. Box 71  
1361 Potash Mines Road  
Carlsbad, New Mexico 88221-0071  
505.887.2871

Karen Cottom  
Engineering Technician  
Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

Dear Ms. Cottom:

IMC Potash Carlsbad Inc. objects to the location of Devon Energy's Application to Drill the Apache 24 Fee #6, 1980' FNL, 660' FWL, Unit E Section 24, Township 22 South, Range 30 East, NMPM. This location is in an area clearly designated as measured ore by the BLM, and is in IMC's LMR containing valuable potash ore. IMC's 5 year mine plan shows we expect to mine within ¼ mile of this location in 2007.

Drilling the well applied for by Devon definitely constitutes a hazard to proposed mining in this area.

IMC Potash Carlsbad Inc. objects the drilling of a well at this location.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Morehouse", with a long horizontal flourish extending to the right.

Dan Morehouse  
Superintendent,  
Mine Engineering and Construction

cc: Don Purvis                      Charlie High  
Joe Lara                              Craig Cranston  
Tim Gum                                Joe Mraz



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

April 20, 2004

IMC Potash Carlsbad, Inc.  
1361 Potash Mines Road  
Carlsbad, New Mexico 88221

Attn: Dan Morehouse

Re: Apache 24 Fee #6  
SW/4 NW/4  
Section 24-T22S-R30E  
Eddy County, New Mexico

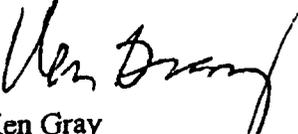
Gentlemen:

Devon Energy Production Company, L.P. ("Devon") is in receipt of your letter dated April 12, 2004 in which you state IMC's objection to the drilling of the referenced well. I have reviewed our files and determined that the Potash resource underlying the referenced private lands is not currently leased to IMC and therefore is not subject to IMC's LMR designation, any such designation by BLM, or any five (5) year mine plan as suggested in said letter. Devon, therefore, will proceed in accordance with any permits as issued by the NMOCD.

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



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

September 20, 2004

Devon Energy Production Company, L.P.

20 North Broadway

Oklahoma City, OK 73102

Attn: Lind Guthrie or To Whom It May Concern

**RE: Devon Energy Production Company, L.P.**

**Apache 24 Fee # 6, located in Unit E (1980' FNL & 660' FWL) of**

**Section 24, Township 22 South, Range 30 East, Eddy County, New Mexico**

**API # 30-015-33248**

Dear Ms. Guthrie or To Whom It may Concern,

In regards to the above referenced well, the New Mexico Oil Conservation Division (NMOCD) rescinds said application to drill (APD) per the letter of objection from IMC which Devon Energy received dated April 12, 2004.

I apologize for the lateness of this letter of notification.

Please call if you have any questions regarding this matter,

Respectfully yours,

Bryan G. Arrant

PES

CC: Tim Gum, District Supervisor-Artesia

Dan Morehouse, Mine Engineering Superintendent for IMC

Well File