

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon

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

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 _____

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

MAY 13 2004

- [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

Print or Type Name

James Bruce
 Signature

Attorney for Applicant

Title

Date

5/13/04

jamesbruc@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

May 13, 2004

Hand Delivered

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

Re: Request to amend Division Administrative Order NSL-4997-
SD

Dear Mr. Stogner:

The above order approved an unorthodox location for applicant's Eagle 34F Federal Well No. 40. Another well is proposed to be drilled on the well unit.

Pursuant to Division Rule 104.F.(2), Devon Energy Production Company, L.P. ("Devon") applies for administrative approval of an unorthodox oil well location for the following well 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):

| | |
|-------------------|--|
| <u>Well:</u> | Eagle 34F Federal Well No. 57 |
| <u>Location:</u> | 2310 feet FNL & 1575 feet FWL |
| <u>Well Unit:</u> | 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 also requests approval of simultaneous dedication of this well unit (i) in the San Andres formation with the existing Eagle 34F Federal Well Nos. 11, 12, and 40, and (ii) in the Glorieta/Yeso formations with the existing Eagle 34F Federal Well No. 40.

Both the South Red Lake Queen-Grayburg-San Andres Pool and Northeast Red Lake Glorieta-Yeso Pool are developed on statewide rules. An APD for the well, with a Form C-102, is attached as

Exhibit A.

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, Township 17 South, Range 27 East, N.M.P.M., and Sections 2 and 3, Township 18 South, Range 27 East, N.M.P.M. 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 maximize the distance between the wells.

Devon planned on drilling the well at an orthodox location. However, there is a buried pipeline to the east of the proposed well, requiring the well to be moved west of an unorthodox location. See Exhibit A.

The location is based on the Glorieta/Yeso, but since the well will penetrate the San Andres, Devon will also attempt a completion in that zone.

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

| <u>Acreeage</u> | <u>Lease</u> |
|---|---------------------------------|
| W $\frac{1}{2}$ NW $\frac{1}{4}$ & SW $\frac{1}{4}$ §34 | United States Lease LC 067849 |
| E $\frac{1}{2}$ NW $\frac{1}{4}$ §34 | United States Lease LC 064050-A |

A listing of interests in the leases is attached as Exhibit D. Royalty and working interests are the same in both leases. The only affected overriding royalty owners in the offsetting lease are:

Jane Ann Hudson Davis
Jonel Susan Grasso
Joan A. Hudson

These interest owners were notified of this application by the letter attached hereto as Exhibit E.

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.

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

| | | |
|--|---|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NMLC064050A |
| 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. |
| Contact: KAREN COTTOM E-Mail: karen.cottom@dvn.com | | 8. Lease Name and Well No. EAGLE 34F FEDERAL 57 |
| 3a. Address 20 NORTH BROADWAY OKLAHOMA CITY, OK 73102-8260 | 3b. Phone No. (include area code) Ph: 405.228.7512 Fx: 405.552.4621 | 9. API Well No. |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 2310FNL 1575FWL At proposed prod. zone SENW 2310FNL 1575FWL | | 10. Field and Pool, or Exploratory RED LAKE GLORIETA YESO NE |
| 14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES SOUTHEAST OF ARTESIA NM | | 11. Sec., T., R., M., or Blk. and Survey or Area Sec 34 T17S R27E Mer NMP |
| 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 | 12. County or Parish EDDY |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | 17. Spacing Unit dedicated to this well 40.00 | 13. State NM |
| 19. Proposed Depth 4000 MD | 20. BLM/BIA Bond No. on file CO1104 | |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 3546 GL | 22. Approximate date work will start 12/31/2003 | 23. Estimated duration 45 DAYS |

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 12/09/2003 |
| 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 #25943 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO. LP, sent to the Carlsbad
Committed to AFMSS for processing by ARMANDO LOPEZ on 12/09/2003 ()



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. 2.1 mile to Co. Rd. 227; thence westerly on 227 for approx 0.5 mile to lease road; thence north on lease road for approx. 1.0 mile; thence west 0.1 mile to a point on the well pad.

Please see attached MDSUP.

DISTRICT I
1825 W. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., 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 | Pool Name |
| | 96836 | RED LAKE: GLORIETA YESO, NE |
| Property Code | Property Name | Well Number |
| | EAGLE "34F" FEDERAL | 57 |
| OGRID No. | Operator Name | Elevation |
| 6137 | DEVON ENERGY PRODUCTION CO., L.P. | 3546' |

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 | | 2310 | NORTH | 1575 | WEST | EDDY |

Bottom Hole Location If Different From Surface

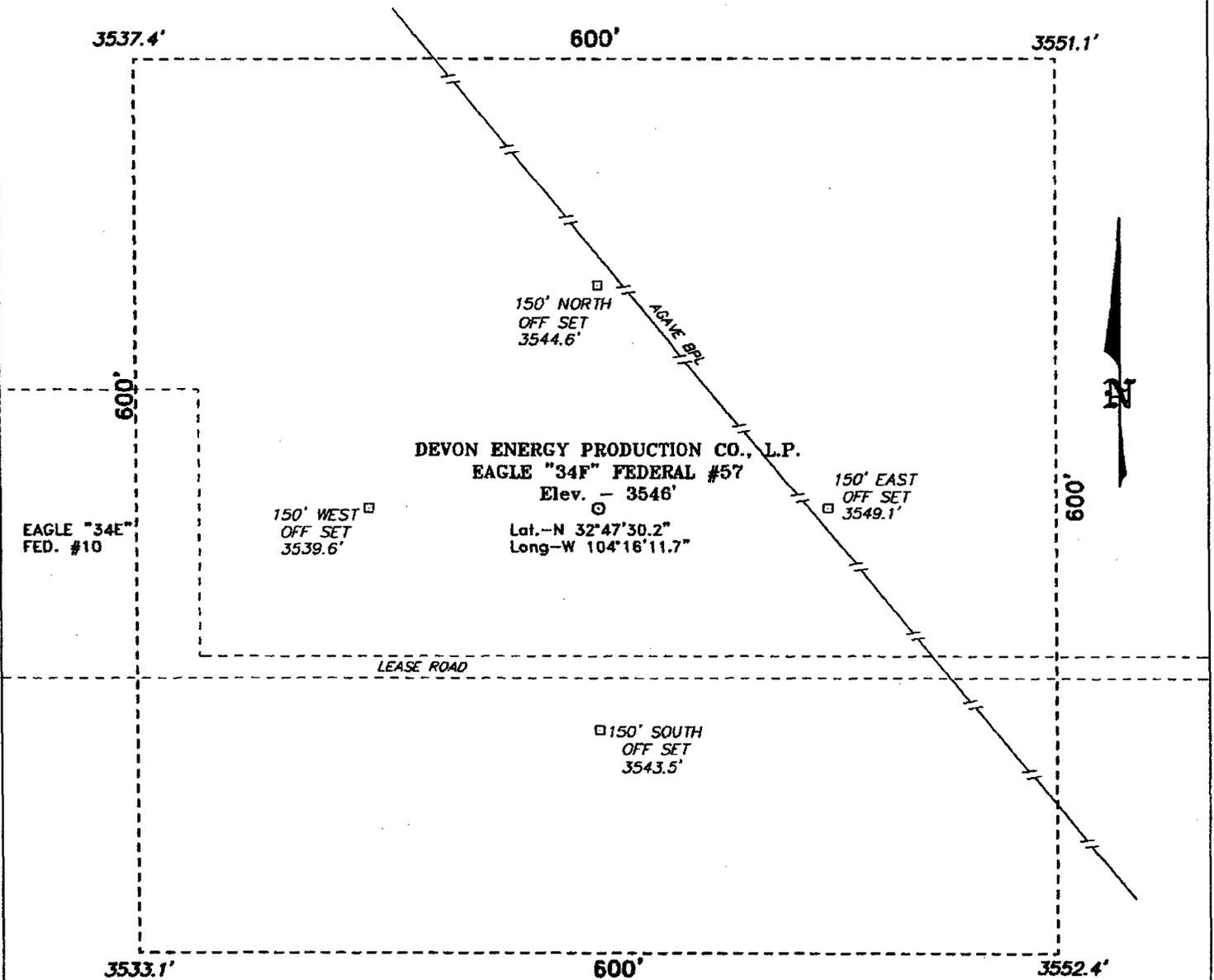
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 40 | | | |

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

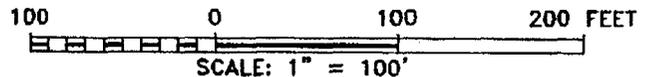
| | |
|--|--|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Karen Cottom</i> Signature</p> <p>Karen Cottom Printed Name</p> <p>Operations Technician Title</p> <p>December 9, 2003 Date</p> |
| | <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>NOVEMBER 26, 2003 Date Surveyed</p> |
| | <p>Signature & Seal of Professional Surveyor</p> |
| | <p>Certification No. Gary L. Jones 7977</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. 2.1 MILE TO CO. RD. 227; THENCE WESTERLY ON 227 FOR APPROX. 0.5 MILE TO LEASE ROAD; THENCE NORTH ON LEASE ROAD FOR APPROX. 1.0 MILE; THENCE WEST 0.1 MILE TO A POINT ON THE WELL PAD.



DEVON ENERGY PROD. CO., L.P.

REF: EAGLE "34F" FED. No. 57 / Well Pad Topo

THE EAGLE "35F" FED. No. 57 LOCATED 2310' FROM
THE NORTH LINE AND 1575' 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: 3817

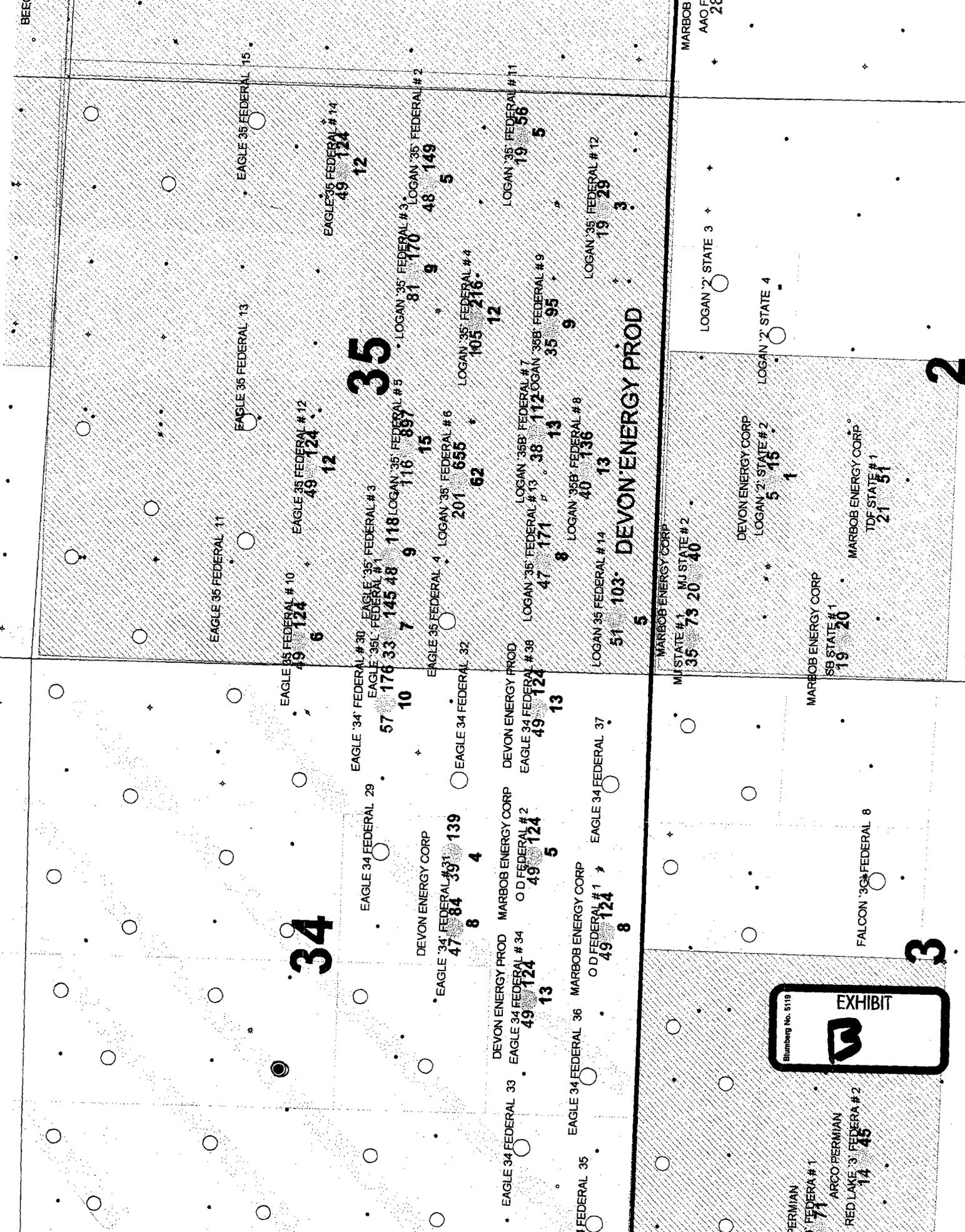
Drawn By: K. GOAD

Date: 11-26-2003

Disk: KJG CD#4 - 3817A.DWG

Survey Date: 11-25-2003

Sheet 1 of 1 Sheets



34

35

3

2



RCO PERMIAN
 LAKE 3 FEDERAL #1
 32 71
 ARCO PERMIAN
 RED LAKE 3 FEDERAL #2
 14 45

LE 34 FEDERAL 35
 EAGLE 34 FEDERAL 33
 DEVON ENERGY PROD
 MARBOB ENERGY CORP
 O D FEDERAL #2
 49 124
 13
 EAGLE 34 FEDERAL 36
 MARBOB ENERGY CORP
 O D FEDERAL #1
 49 124
 8
 EAGLE 34 FEDERAL 29
 EAGLE 34 FEDERAL 30
 EAGLE 35 FEDERAL #10
 49 124
 6
 EAGLE 35 FEDERAL 11
 EAGLE 35 FEDERAL 13
 EAGLE 35 FEDERAL 15
 EAGLE 35 FEDERAL #14
 49 124
 12
 EAGLE 35 FEDERAL #3
 EAGLE 35 FEDERAL #1
 176 33
 145 48
 118
 LOGAN 35 FEDERAL #5
 81 170
 9
 LOGAN 35 FEDERAL #2
 48 149
 5
 LOGAN 35 FEDERAL #4
 105 216
 12
 LOGAN 35 FEDERAL #11
 19 56
 5
 LOGAN 35 FEDERAL #12
 19 29
 3
 LOGAN 35B FEDERAL #7
 LOGAN 35B FEDERAL #13
 38 112
 LOGAN 35B FEDERAL #9
 35 95
 9
 LOGAN 35B FEDERAL #8
 40 136
 13
 LOGAN 35 FEDERAL #14
 51 103
 5
 DEVON ENERGY PROD

MARBOb ENERGY CORP
 MI STATE #1
 MI STATE #2
 35 73 20 40

DEVON ENERGY CORP
 LOGAN 2 STATE #2
 5 15
 1

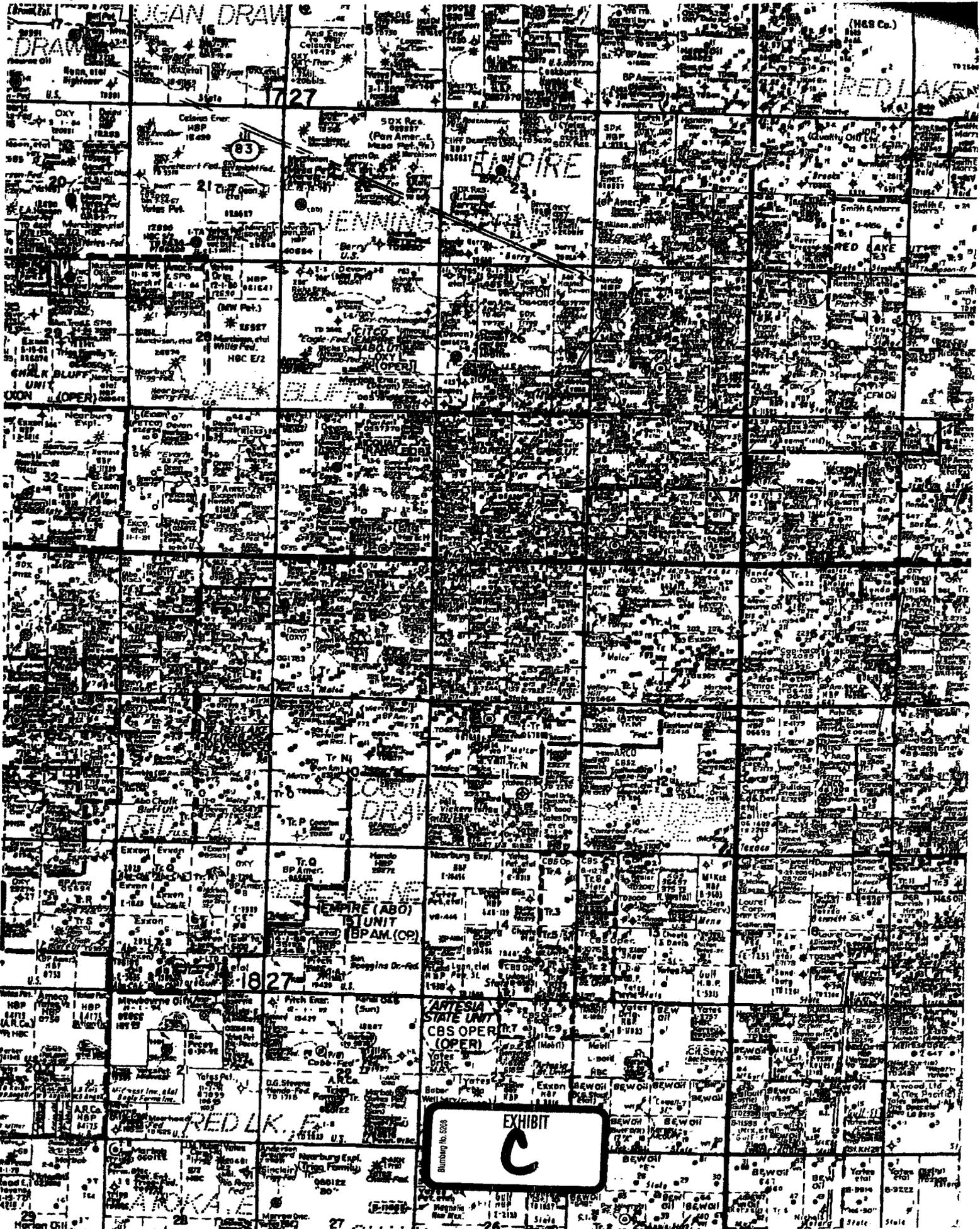
MARBOb ENERGY CORP
 SB STATE #1
 19 20

MARBOb ENERGY CORP
 TDE STATE #1
 21 51

FALCON 36 FEDERAL 8

LOGAN 2 STATE 3

LOGAN 2 STATE 4



Blumberg No. 5208

EXHIBIT

C

| Ownership of Leases Involved in Unorthodox Location | | |
|--|-------------------------|--|
| Township 17 South, Range 24 East | | |
| Eagle 34E Federal #53 and Eagle 34F Federal #57 | | |
| Lease No. NMEC-067849 - SW 1/4 NW 1/4 of Sec. 34 | Working Interest Owners | Overriding Royalty Interest Owners |
| Surface down to 2,500' | Devon Energy - 100% | Jane Ann Hudson Davis Joan Hudson Moore Jonel Susan Grasso |
| Below the Base of the San Andres, less & except the Empire Abo Formation | Devon Energy - 100% | Jane Ann Hudson Davis Jane Ann Hudson Davis Joan Hudson Moore Jonel Susan Grasso Jane Ann Hudson Davis |
| Lease No. NMEC-064050-A - SE 1/4 NW 1/4 of Sec. 34 | Working Interest Owners | Overriding Royalty Interest Owners |
| Surface down to 2,500' | Devon Energy - 100% | Trigg Family Trust |
| Below the Base of the San Andres, less & except the Empire Abo Formation | Devon Energy - 100% | Trigg Family Trust |



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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jamesbruc@aol.com

May 13, 2003

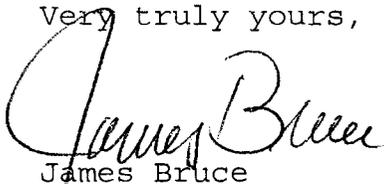
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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 an unorthodox oil well location in the San Andres and Glorieta/Yeso formations in the 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. You own an interest offsetting the well's location. If you object to the well's location, you must notify the Division in writing no later than Wednesday, June 2, 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.

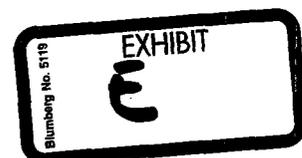


EXHIBIT A

Jane Ann Hudson Davis
6770 Wolf Creek Court
Rio Rancho, New Mexico 87124

Jonel Susan Grasso
11 Ocean Ridge
Laguna Niguel, California 92677

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