

DATE IN 11-11-04	SUSPENSE	ENGINEER Stagner	LOGGED IN 11-12-04	TYPE NSL	APP NO. DEM0431731959
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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



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.

Print or Type Name

Signature

Title

Date

e-mail Address

devon

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

FAX

To: MIKE STOGNER

From: KEN GRAY

Fax: 505-476-3462

Date: 11/11/04

Phone:

Pages: 11 (including cover page)

Re: ORC 7 #24

CC:

☐ Urgent

☒ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

• Comments:



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8280
Fax 405-552-8113

November 11, 2004

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

RE: Old Ranch Canyon 7 Federal #4
Section 7-T22S-R24E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, has deepened the referenced directional well to a total measured depth of 10,400'. As reflected on the attached C-102, the well was permitted at a surface location of 1,599' FNL and 1,248' FWL with a permitted bottom hole location of 2,310' FSL and 1980' FWL. This well was originally deepened to a recalculated BHL of 2,096' FSL and 2,042' FWL (after sidetracking) to test the Morrow formation without success, was recompleted in the Upper Penn formation with marginal success from perforations from 7,823' to 8,220' and further recompleted in the vertical portion of the wellbore in the Bone Springs formation from 3,021'-3,032' and from 3,064'-3,084' without success. NMOCD has previously approved the Bone Springs recompletion as an unorthodox location pursuant to Administrative Order NSL-5105 dated September 3, 2004. Devon now proposes to recomplete the referenced well in the vertical portion of the wellbore to test the Yeso formation from 2,343' to 2,406'.

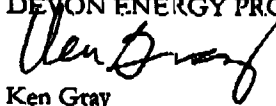
Inasmuch as the vertical portion of the referenced well and the potential Yeso production is located at an unorthodox location from that permitted by the Statewide Pool Rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). This unorthodox location affects the operator in the E/2 Section 12, E/2 Section 1 all in T22S-R24E and the S/2 section 6-T22S-R24E, being Yates Petroleum Corporation. Therefore, Yates Petroleum Corporation has been given notice of this administrative application. Devon is the owner of 100% of the operating rights covering all of Section 7-T22S-R24E.

Attached for your review you will find a land plat reflecting Yates Petroleum Corporation as the only affected party, porosity and resistivity logs reflecting the Yeso interval of interest, a State of New Mexico form C-102, and a Scientific Drilling Survey Report.

Feel free to contact the undersigned at (405) 552-4633 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor



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

November 11, 2004

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Re: Old Ranch Canyon 7 Federal #4
Section 7-122S-R24E
Eddy County, New Mexico

Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s administrative application for approval of an unorthodox well location covering the referenced well. New Mexico Oil Conservation Division (NMOCD) records indicate that your company is the named operator of an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objection to this application, please so indicate by signing and returning one copy of this letter to the undersigned.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Ken Gray
Senior Land Advisor

KG:
Enclosures

Yates Petroleum Corporation has no objection to this administrative application for unorthodox location.

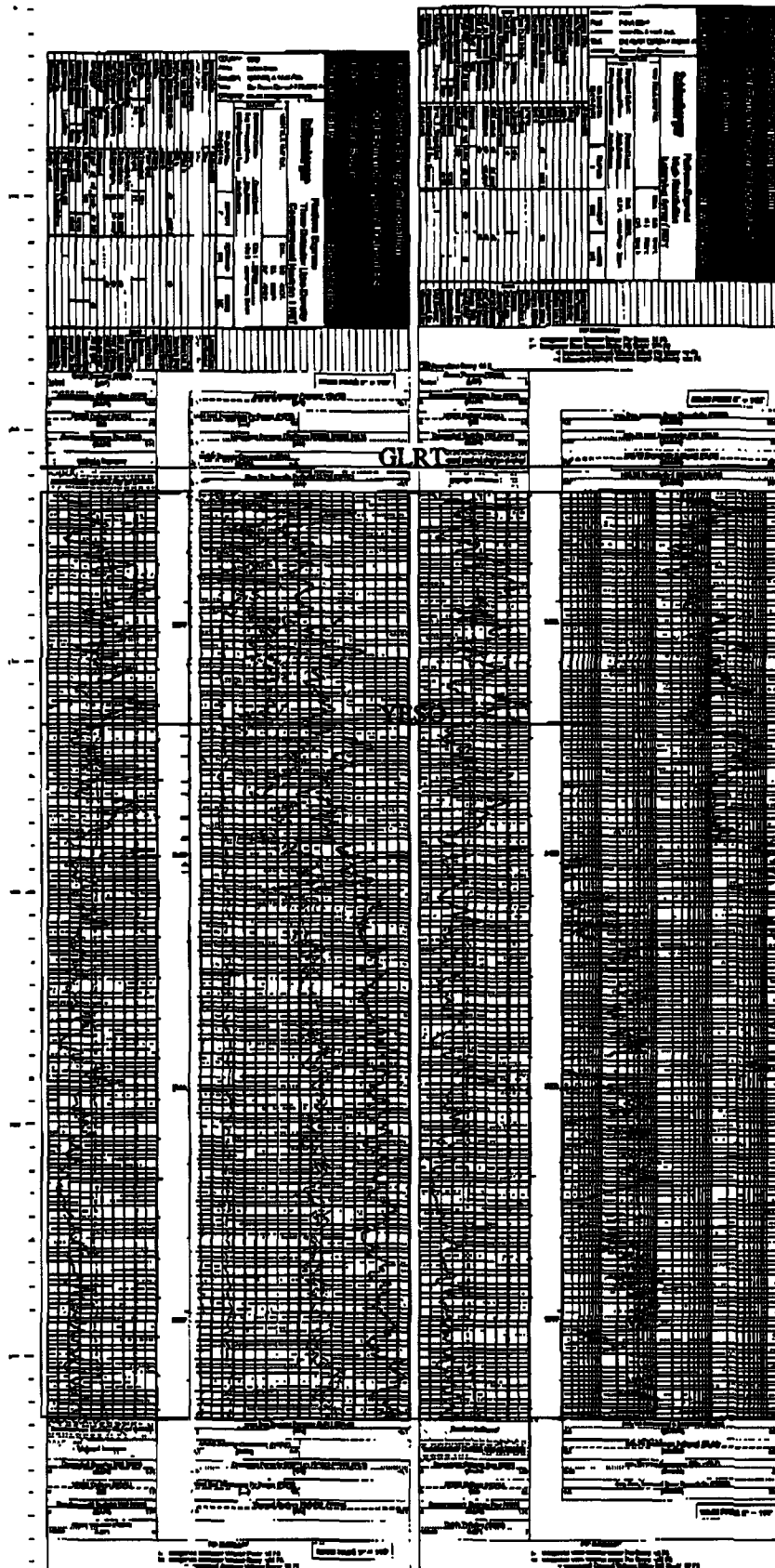
By: _____

Title: _____

Date: _____

ORC 7 #4 YESO

30715757010
 CANYON ENERGY PRODUCTION CO
 OLD RANCH CANYON 7 A
 4018 602



P. O. Box 1980
Hobbs, NM 88241-1980

Energy, Minerals, and Natural Resources Department

Revised 02-10-94

Instructions on back

DISTRICT II

P. O. Drawer 00
Artesia, NM 88211-0711

DISTRICT III

1000 Rio Brazos Rd.
Aztec, NM 87410

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☒ AMENDED REPORT
3-28-2003

DISTRICT IV

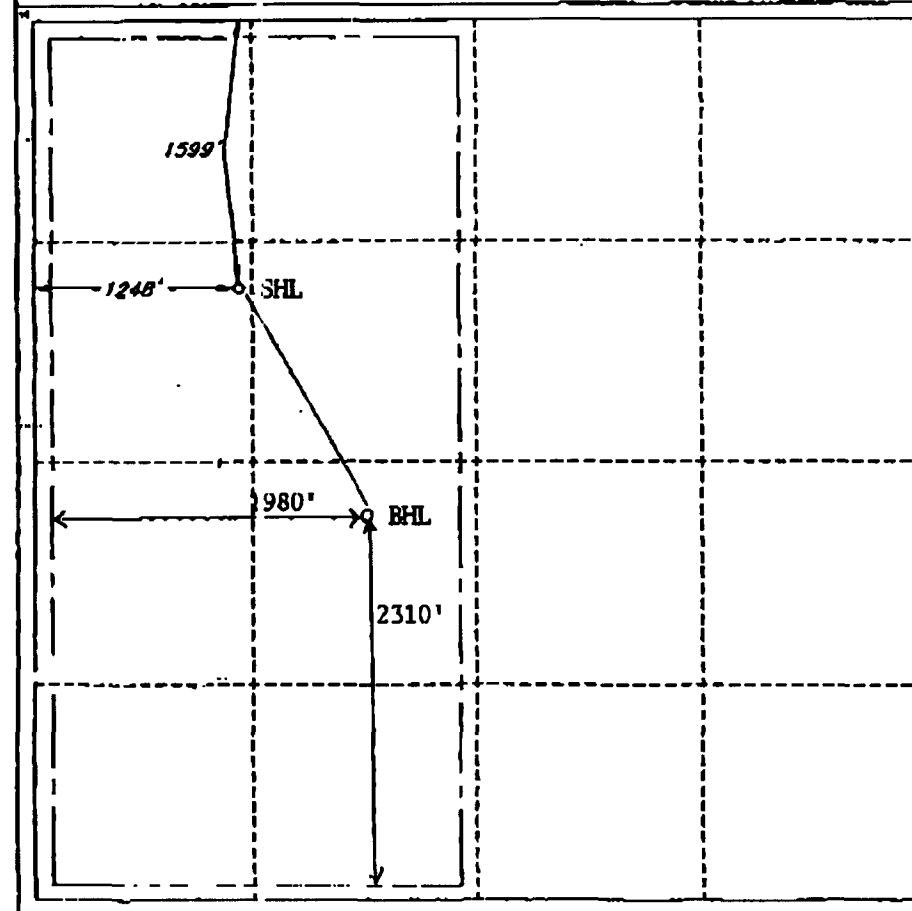
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

Condace R. Graham

1 APT Number 30-015-31151		1 Pool Code		1 Pool Name Indian Basin (Morrow)	
1 Property Code		1 Property Name OLD RANCH CANYON '7' FEDERAL			
1 Well Number 4					
1 OGRID No. 6137 20905		1 Operator Name Devon Energy Production Company, L.P. SANTA FE SNYDER CORPORATION			1 Elevation 3096'
* SURFACE LOCATION					
UL or lot no. E	Section 7	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida 1599'	North/South line NORTH
				Feet from the 1248'	East/West line WEST
					County EDDY
" BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE					
UL or lot no. 444 K	Section 7	Township 22-S	Range 24 East NMPM	Lot Ida 4360+	North/South line South
				Feet from the 980'	East/West line West
					County Eddy
1 Dedicated Acres 320		1 Joint or LHM		1 Consolidation Code	
				1 Order No. 2310' FSL 1980' FWL	

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
James P. Stinson

Printed Name

James P. "Phil" Stinson

Title
Agent for Santa Fe Snyder

Date
3-2-03

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.

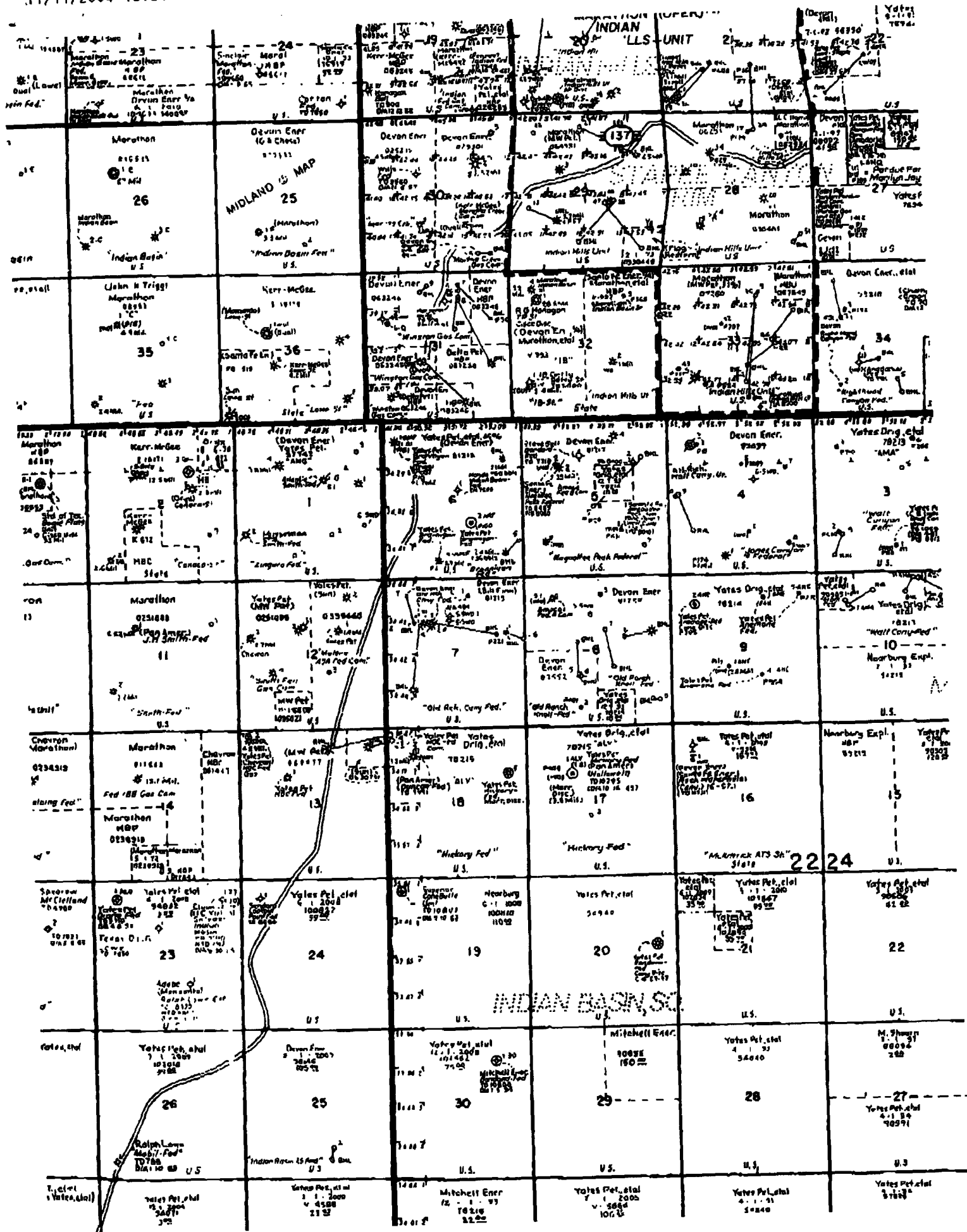
Date of Survey
FEBRUARY 8, 2000

Signature and Seal of Professional Surveyor

[Signature]

Certificate No.
V. L. BEZNER R.E.S. #7920

JOB #57531 / 31 NE / V.H.B.





Scientific Drilling

DEVON ENERGY

Field: Indian Basin
Site: Eddy County, NM
Well: Old Ranch Canyon 7 #4
Wellpath: VH - Job #32K1003533
Survey: 10/14/03

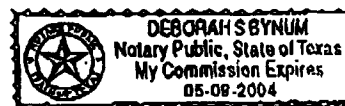
This survey is correct to the best of my knowledge
and is supported by actual field data.

[Signature] Company Representative

Notorized this date 16th of December, 2003.

[Signature]
Notary Signature

County of Midland
State of Texas



Scientific Drilling Survey Report

Company: DEVON ENERGY
 Field: Indian Basin
 Site: Eddy County, NM
 Well: Old Ranch Canyon 7 #4
 Wellpath: VH - Job #: 12K1003533

Date: 12/15/2003
 Co-ordinate (NE) Reference: Site: Eddy County, NM, True North
 Vertical (TVD) Reference: SITE 0.0
 Section (SS) Reference: Well (0.00N, 0.00E, 0.00Azi)
 Survey Calculation Method: Minimum Curvature
 Dk: Sybase

Survey: 10/14/03
 KSRG 0'-1450'
 Company: Scientific Drilling
 Tool: Keeper, Keeper Gyro

Start Date: 10/14/2003
 Engineer: Cary Coffee
 Tied to: From Surface

Survey

MD ft	Incl deg	Azimuth deg	TVD ft	NS ft	ES ft	E/T ft	DLS deg/100ft	Cut ft	Cut deg
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.0	0.00
100.0	0.53	167.77	100.0	-0.5	-0.5	0.1	0.53	0.5	167.77
200.0	0.93	118.26	200.0	-1.3	-1.3	0.9	0.71	1.6	144.74
300.0	0.28	138.95	300.0	-1.8	-1.8	1.8	0.69	2.6	136.09
400.0	0.30	158.55	400.0	-2.3	-2.3	2.0	0.10	3.0	136.20
500.0	0.46	94.83	500.0	-2.5	-2.5	2.5	0.42	3.6	135.22
600.0	0.25	85.23	600.0	-2.5	-2.5	3.1	0.22	4.0	129.13
700.0	0.03	107.01	700.0	-2.5	-2.5	3.4	0.22	4.2	126.94
800.0	0.49	211.02	800.0	-2.9	-2.9	3.2	0.50	4.3	132.49
900.0	0.51	283.93	900.0	-3.2	-3.2	2.5	0.59	4.1	141.45
1000.0	0.94	301.38	1000.0	-2.6	-2.6	1.4	0.48	3.0	152.12
1100.0	0.78	339.59	1100.0	-1.6	-1.6	0.3	0.58	1.6	163.77
1200.0	0.24	22.00	1200.0	-0.7	-0.7	0.3	0.62	0.8	158.03
1300.0	0.49	292.35	1300.0	-0.4	-0.4	0.0	0.54	0.4	182.74
1400.0	0.34	9.00	1399.9	0.1	0.1	-0.4	0.53	0.4	281.12
1500.0	0.27	271.24	1499.9	0.4	0.4	-0.6	0.46	0.7	303.64
1600.0	0.34	254.15	1599.9	0.3	0.3	-1.1	0.11	1.1	285.28
1700.0	0.61	225.03	1699.9	-0.2	-0.2	-1.7	0.35	1.7	284.65
1800.0	0.52	224.98	1799.9	-0.9	-0.9	-2.4	0.09	2.6	250.56
1900.0	0.44	201.71	1899.9	-1.5	-1.5	-2.9	0.21	3.3	242.06
2000.0	0.59	191.64	1999.9	-2.4	-2.4	-3.1	0.17	4.0	232.67
2100.0	0.57	242.14	2099.9	-3.1	-3.1	-3.7	0.50	4.8	229.64
2200.0	0.48	196.06	2199.9	-3.8	-3.8	-4.2	0.42	5.7	228.39
2300.0	0.73	246.78	2299.9	-4.4	-4.4	-4.9	0.57	6.6	228.19
2400.0	0.51	242.98	2399.9	-4.8	-4.9	-5.9	0.22	7.7	230.55
2500.0	0.86	194.15	2499.9	-5.6	-5.6	-6.5	0.50	8.6	228.91
2600.0	0.54	192.02	2599.9	-6.7	-6.7	-6.7	0.12	9.4	225.20
2700.0	1.41	169.38	2699.9	-8.3	-8.3	-6.6	0.94	10.6	218.30
2800.0	5.50	159.67	2799.7	-14.0	-14.0	-4.7	4.12	14.8	198.46
2900.0	5.11	157.67	2899.3	-22.6	-22.6	-1.3	0.43	22.7	183.35
3000.0	4.93	160.21	2998.9	-30.8	-30.8	1.8	0.29	30.9	176.62
3100.0	5.31	147.10	3098.5	-38.7	-38.7	5.8	1.23	39.2	171.50
3200.0	4.79	156.34	3198.1	-46.5	-46.5	9.8	1.12	47.5	168.05
3300.0	4.66	158.94	3297.8	-54.2	-54.2	12.5	0.14	55.7	166.66
3400.0	5.42	157.05	3397.4	-62.3	-62.3	16.1	0.78	64.4	165.47
3500.0	6.30	152.18	3496.8	-71.5	-71.5	20.5	1.01	74.4	163.97
3600.0	7.56	148.96	3596.1	-82.0	-82.0	26.5	1.32	86.2	162.09
3700.0	8.77	150.50	3695.1	-94.3	-94.3	33.6	1.23	100.1	160.36
3800.0	10.33	147.51	3793.7	-108.5	-108.5	42.2	1.64	116.4	158.73
3900.0	11.43	148.98	3891.9	-124.5	-124.5	52.1	1.13	135.0	157.28
4000.0	13.65	151.79	3989.5	-143.4	-143.4	62.8	2.30	156.6	156.34
4100.0	15.98	150.74	4086.2	-165.8	-165.8	75.1	2.35	182.1	155.63
4200.0	18.04	150.90	4181.8	-191.4	-191.4	89.4	2.06	211.2	154.96
4300.0	19.07	151.06	4276.6	-219.2	-219.2	104.8	1.03	243.0	154.44
4400.0	20.36	152.12	4370.7	-248.9	-248.9	120.9	1.34	276.7	154.10
4500.0	23.65	152.89	4463.4	-282.3	-282.3	138.2	3.50	314.3	153.91
4600.0	25.86	151.70	4554.1	-319.5	-319.5	157.8	2.07	356.3	153.72
4700.0	26.89	152.78	4643.7	-358.8	-358.8	178.5	1.14	400.7	153.55
4800.0	27.84	153.44	4732.5	-399.8	-399.8	199.2	1.00	446.7	153.51

Scientific Drilling Survey Report

Company: DEVON ENERGY Field: Indian Basin Site: Eddy County, NM Well: Old Ranch Canyon 7 #4 Wellpath: VH - Job #32K1003533	Date: 12/15/2003 Time: 14:44:38 Page: 2 Co-ordinate(NE) Reference: Site: Eddy County, NM, True North Vertical (TVD) Reference: SITE 0.0 Section (N/S) Reference: Well (0.00N,0.00E,0.00Azi) Survey Calculation Method: Minimum Curvature Dr: Sybase
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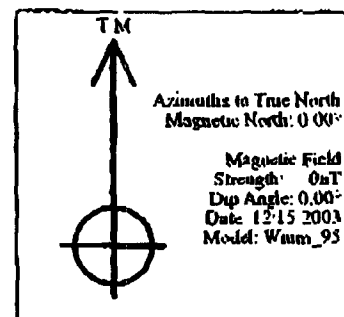
Survey

MD ft	Incl deg	Azimuth deg	TVD ft	N/S ft	N/S ft	E/W ft	DF.S deg/100ft	ClsD ft	ClsA deg
4900.0	29.88	152.50	4820.1	-442.8	-442.8	221.2	2.08	494.9	153.46
5000.0	31.21	152.05	4906.2	-487.8	-487.8	244.8	1.36	545.7	153.35
5100.0	32.58	151.24	4991.1	-534.3	-534.3	268.9	1.44	598.6	153.20
5200.0	33.34	150.17	5075.0	-581.7	-581.7	296.5	0.96	652.9	152.99
5300.0	32.71	149.58	5158.9	-628.8	-628.8	323.9	0.71	707.3	152.75
5400.0	33.54	148.87	5242.6	-675.8	-675.8	351.8	0.92	761.9	152.50
5500.0	34.07	148.06	5325.7	-723.2	-723.2	380.9	0.70	817.4	152.22
5600.0	33.22	148.66	5406.9	-770.4	-770.4	410.0	0.91	872.7	151.98
5700.0	33.89	149.50	5492.3	-817.8	-817.8	438.4	0.82	927.9	151.81
5800.0	32.88	150.29	5575.8	-865.4	-865.4	466.0	1.10	982.9	151.70
5900.0	33.08	150.76	5659.7	-912.8	-912.8	492.8	0.32	1037.3	151.64
6000.0	31.53	153.57	5744.2	-960.0	-960.0	517.8	2.16	1090.7	151.66
6100.0	29.83	156.94	5830.2	-1008.3	-1008.3	539.1	2.42	1141.6	151.82
6200.0	29.30	155.86	5917.2	-1051.5	-1051.5	558.9	0.75	1190.8	152.01
6300.0	27.86	164.85	6005.0	-1095.0	-1095.0	578.8	1.52	1238.6	152.14
6400.0	27.26	154.75	6093.6	-1136.9	-1136.9	598.5	0.80	1284.8	152.23
6500.0	25.97	153.94	6183.0	-1177.3	-1177.3	617.9	1.34	1329.6	152.31
6600.0	25.61	153.36	6273.1	-1216.2	-1216.2	637.2	0.44	1373.1	152.35
6700.0	24.68	153.74	6363.6	-1254.3	-1254.3	656.1	0.94	1415.6	152.38
6800.0	23.48	153.31	6454.9	-1290.8	-1290.8	674.3	1.21	1456.3	152.42
6900.0	23.00	153.20	6546.8	-1326.0	-1326.0	692.1	0.48	1495.8	152.44
7000.0	24.23	159.88	6638.4	-1362.8	-1362.8	708.0	2.94	1535.7	152.55
7100.0	23.37	160.58	6729.9	-1400.7	-1400.7	721.6	0.91	1575.7	152.74
7200.0	21.22	159.81	6822.4	-1436.4	-1436.4	734.5	2.17	1613.3	152.82
7300.0	19.13	159.19	6916.3	-1468.7	-1468.7	746.5	2.10	1647.6	153.06
7400.0	14.88	158.84	7012.0	-1495.9	-1495.9	756.9	4.45	1676.5	153.16
7500.0	11.57	153.79	7109.3	-1516.7	-1516.7	765.9	3.31	1699.1	153.21
7600.0	9.13	150.17	7207.7	-1532.0	-1532.0	774.3	2.52	1717.1	153.20
7700.0	7.47	149.20	7306.6	-1545.1	-1545.1	781.8	1.87	1731.5	153.17
7800.0	4.32	155.39	7406.1	-1554.1	-1554.1	786.5	3.21	1741.7	153.16
7900.0	2.95	167.25	7505.9	-1560.0	-1560.0	788.6	1.56	1748.0	153.18
8000.0	2.73	170.28	7605.8	-1564.9	-1564.9	789.6	0.27	1752.8	153.23
8100.0	2.56	167.49	7705.7	-1569.4	-1569.4	790.5	0.21	1757.2	153.27
8200.0	2.38	174.27	7805.6	-1573.6	-1573.6	791.2	0.34	1761.3	153.31
8300.0	2.62	168.51	7905.5	-1577.9	-1577.9	791.8	0.36	1765.5	153.35
8400.0	2.88	162.97	8005.4	-1582.6	-1582.6	793.0	0.37	1770.1	153.38
8450.0	2.44	176.39	8055.3	-1584.8	-1584.8	793.5	1.52	1772.4	153.41

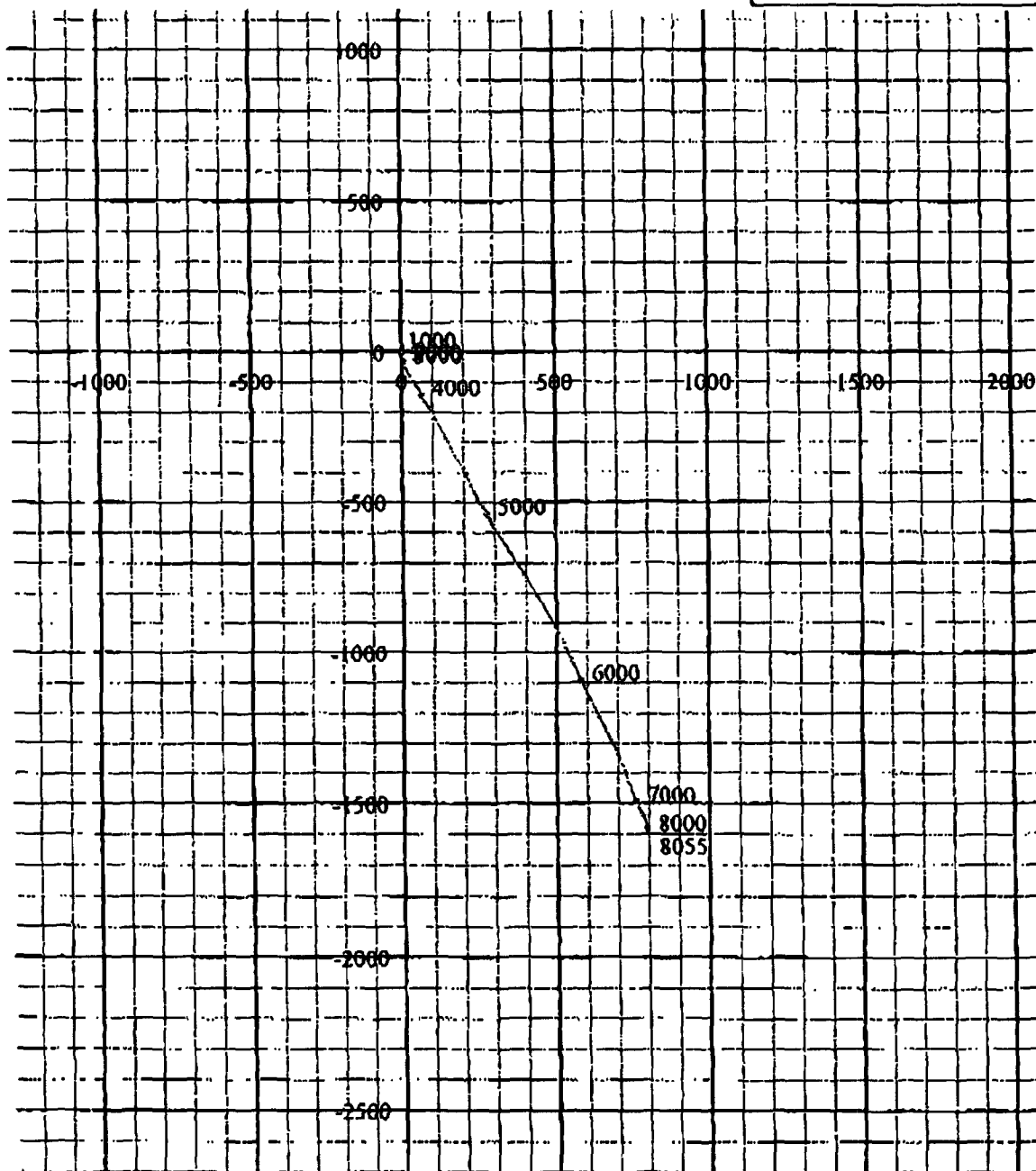


Scientific
Drilling

Field: Indian Basin
Site: Eddy County, NM
Well: Old Ranch Canyon 7 #4
Wellpath: VH - Job #32K1003533
Survey: 10/14/03



South(-)/North(+) [200ft/in]



West(-)/East(+) [200ft/in]

OPERATOR:
WELL/LEASE:
COUNTY

DEVON ENERGY PRODUCTION
OIL RANCH CANYON 7 FED 1
EDDY

005-0024

STATE OF NEW MEXICO
DEVIATION REPORT

2,720	3.20	6,306	27.70
2,855	5.60	6,370	27.40
3,010	5.20	6,433	27.20
3,104	5.40	6,496	25.40
3,196	5.10	6,559	25.70
3,260	4.90	6,621	25.50
3,354	6.70	6,684	24.50
3,447	6.70	6,778	23.90
3,508	6.60	6,842	23.10
3,602	8.10	6,904	23.80
3,686	9.20	6,974	24.15
3,780	10.80	7,099	23.00
3,882	11.80	7,163	21.60
3,912	11.80	7,226	20.20
4,008	14.20	7,289	18.40
4,077	16.40	7,350	14.80
4,133	18.20	7,413	13.00
4,228	18.50	7,476	11.30
4,281	19.80	7,538	9.80
4,353	20.40	7,601	8.20
4,416	22.00	7,664	7.30
4,477	24.30	7,695	6.10
4,539	25.90	7,727	5.10
4,601	27.00	7,758	4.60
4,663	27.10	7,822	2.90
4,727	27.50	7,884	2.90
4,789	27.90	7,945	2.70
4,852	30.40	8,011	2.80
4,915	31.00	8,074	2.50
4,978	31.70	8,135	2.80
5,105	34.20	8,199	2.60
5,167	33.40	8,262	2.60
5,230	33.10	8,325	2.70
5,294	34.00	8,387	2.40
5,357	34.00	8,488	2.70
5,421	34.60	8,565	2.00
5,584	34.40	8,782	1.00
5,611	33.70	8,981	0.00
5,674	34.60	9,161	1.00
5,737	33.50	9,333	1.50
5,863	33.20	9,524	2.00
5,927	32.40	9,681	2.00
5,990	31.50	9,800	1.50
6,053	30.30	9,970	1.50
6,117	30.20	10,290	2.00
6,180	29.20	10,400	2.00
6,243	28.40		

By: [Signature]

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 10th day of October, 2003, by
Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

[Signature]
Notary Public for Midland County, Texas

My Commission Expires: 4/06/2007





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

November 11, 2004

RECEIVED

NOV 15 2004

OIL CONSERVATION
DIVISION

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

RE: Old Ranch Canyon 7 Federal #4
Section 7-T22S-R24E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, has deepened the referenced directional well to a total measured depth of 10,400'. As reflected on the attached C-102, the well was permitted at a surface location of 1,599' FNL and 1,248' FWL with a permitted bottom hole location of 2,310' FSL and 1980' FWL. This well was originally deepened to a recalculated BHL of 2,096' FSL and 2,042' FWL (after sidetracking) to test the Morrow formation without success, was recompleted in the Upper Penn formation with marginal success from perforations from 7,823' to 8,220' and further recompleted in the vertical portion of the wellbore in the Bone Springs formation from 3,021'-3,032' and from 3,064'-3,084' without success. NMOCD has previously approved the Bone Springs recompletion as an unorthodox location pursuant to Administrative Order NSL-5105 dated September 3, 2004. Devon now proposes to recomplete the referenced well in the vertical portion of the wellbore to test the Yeso formation from 2,343' to 2,406'.

Inasmuch as the vertical portion of the referenced well and the potential Yeso production is located at an unorthodox location from that permitted by the Statewide Pool Rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). This unorthodox location affects the operator in the E/2 Section 12, E/2 Section 1 all in T22S-R23E and the S/2 section 6-T22S-R24E, being Yates Petroleum Corporation. Therefore, Yates Petroleum Corporation has been given notice of this administrative application. Devon is the owner of 100% of the operating rights covering all of Section 7-T22S-R24E.

Attached for your review you will find a land plat reflecting Yates Petroleum Corporation as the only affected party, porosity and resistivity logs reflecting the Yeso interval of interest, a State of New Mexico form C-102, and a Scientific Drilling Survey Report.

Feel free to contact the undersigned at (405) 552-4633 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor



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

November 11, 2004

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Re: Old Ranch Canyon 7 Federal #4
Section 7-T22S-R24E
Eddy County, New Mexico

Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s administrative application for approval of an unorthodox well location covering the referenced well. New Mexico Oil Conservation Division (NMOCD) records indicate that your company is the named operator of an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objection to this application, please so indicate by signing and returning one copy of this letter to the undersigned.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

KG:
Enclosures

Yates Petroleum Corporation has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____

30015311510100
DEVON ENERGY PRODUCTION CO
OLD RANCH CANYON 7 4
4015 KB

[illegible]

P. O. Box 1980
Hobbs, NM 88241-1980

STATE OF NEW MEXICO
Energy, Minerals, and Natural Resources Department

Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

☒ AMENDED REPORT
3-28-2003

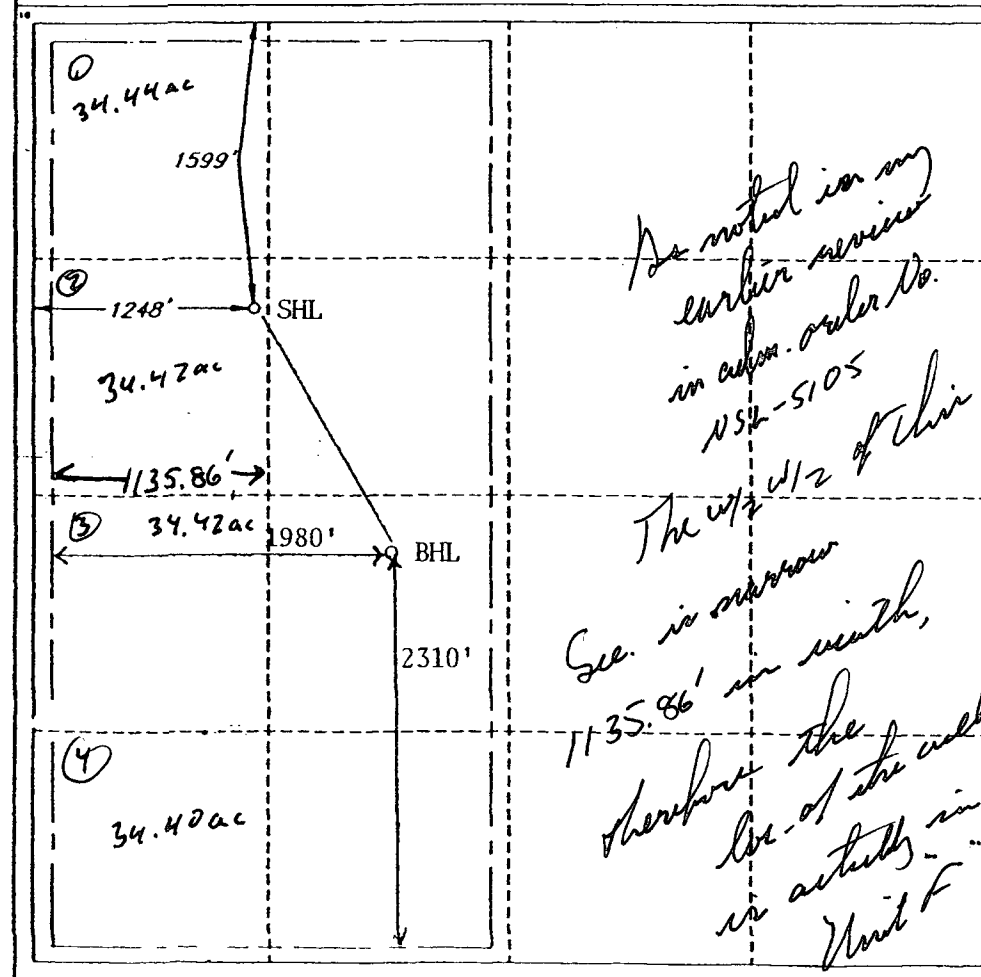
DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

Candace R. Graham

* API Number 30-015-31151		* Pool Code		* Pool Name Indian Basin (Morrow)					
* Property Code		* Property Name OLD RANCH CANYON '7' FEDERAL						* Well Number 4	
* OGRID No. 6137 20305		* Operator Name Devon Energy Production Company, L.P. SANTA FE SNYDER CORPORATION						* Elevation 3998'	
** SURFACE LOCATION									
UL or lot no. E	Section 7	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 1599'	North/South line NORTH	Feet from the 1248'	East/West line WEST	County EDDY
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no. 117 K	Section 7	Township 22-S	Range 24 East NMPM	Lot Ida	Feet from the 1360±	North/South line South	Feet from the 990'	East/West line West	County Eddy
** Dedicated Acres 320		** Joint or Infill		** Consolidation Code		** Order No. 2310' FSL 1980' FWL			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
James P. "Phil" Stinson
Printed Name
James P. "Phil" Stinson
Title
Agent for Santa Fe Snyder
Date
3-2-00

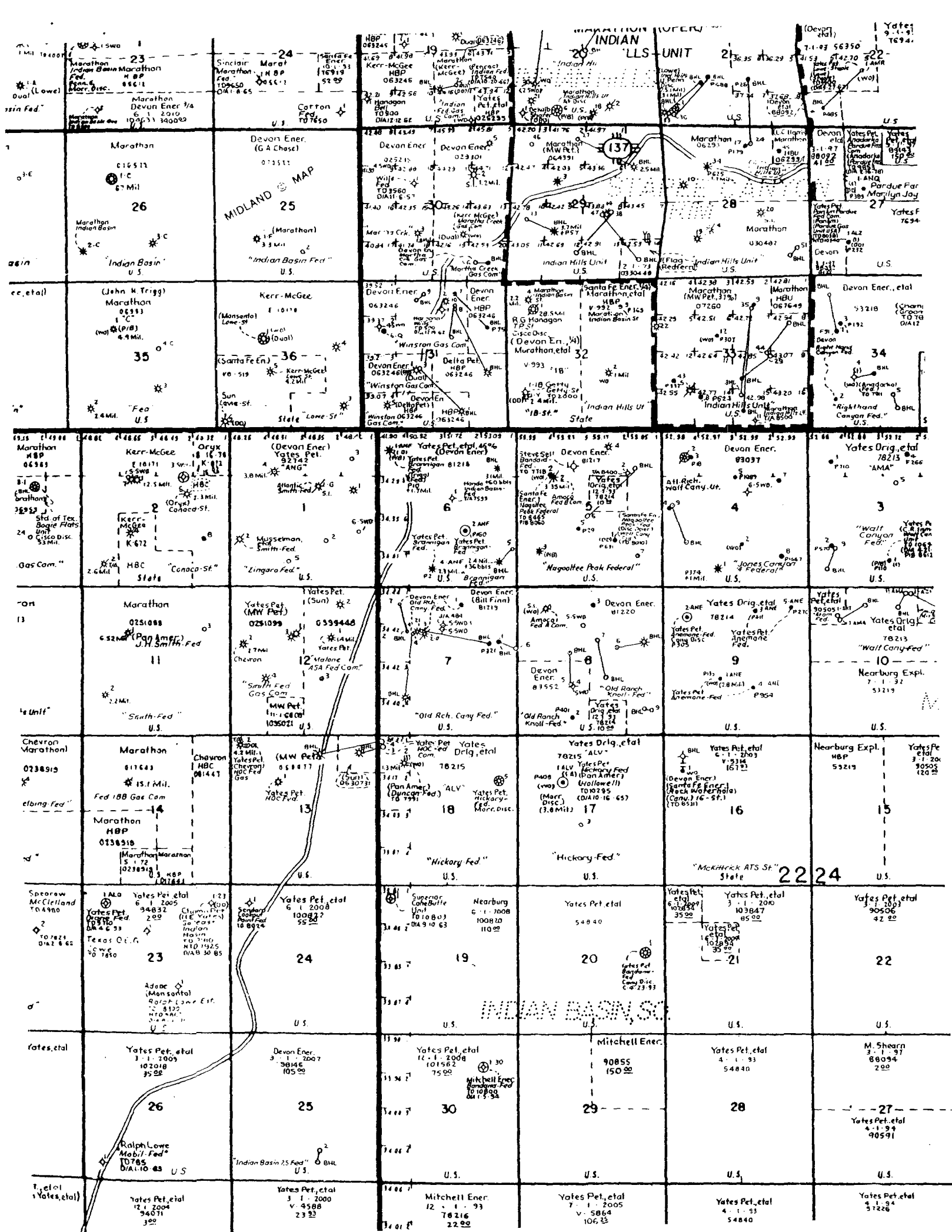
SURVEYOR CERTIFICATION

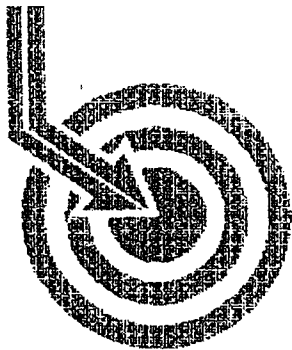
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
FEBRUARY 8, 2000

Signature and Seal of
Professional Surveyor

Certificate No.
V. L. BEZNER R.P.S. #7920
JOB #67531 / 51 NE / V.H.B.





Scientific Drilling

DEVON ENERGY

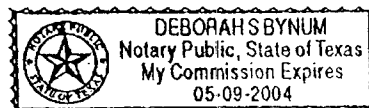
Field: Indian Basin
Site: Eddy County, NM
Well: Old Ranch Canyon 7 #4
Wellpath: VH - Job #32K1003533
Survey: 10/14/03

This survey is correct to the best of my knowledge
and is supported by actual field data.

Geoff Hargis Company Representative

Notorized this date 16th of December, 2003.

Deborah Sue Bynum
Notary Signature
County of Midland
State of Texas



Scientific Drilling Survey Report

Company: DEVON ENERGY	Date: 12/15/2003	Time: 14:44:38	Page: 1
Field: Indian Basin	Co-ordinate(NE) Reference:	Site: Eddy County, NM, True North	
Site: Eddy County, NM	Vertical (TVD) Reference:	SITE 0.0	
Well: Old Ranch Canyon 7 #4	Section (VS) Reference:	Well (0.00N, 0.00E, 0.00Azi)	
Wellpath: VH - Job #32K1003533	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey: 10/14/03	Start Date:	10/14/2003
KSRG 0'-8450'		
Company: Scientific Drilling	Engineer:	Cary Coffee
Tool: Keeper, Keeper Gyro	Tied-to:	From Surface

Survey

MD ft	Incl deg	Azin deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.0	0.00
100.0	0.53	167.77	100.0	-0.5	-0.5	0.1	0.53	0.5	167.77
200.0	0.93	118.26	200.0	-1.3	-1.3	0.9	0.71	1.6	144.74
300.0	0.26	138.95	300.0	-1.8	-1.8	1.8	0.69	2.6	136.09
400.0	0.30	158.55	400.0	-2.3	-2.3	2.0	0.10	3.0	138.20
500.0	0.46	94.63	500.0	-2.5	-2.5	2.5	0.42	3.6	135.22
600.0	0.25	85.23	600.0	-2.5	-2.5	3.1	0.22	4.0	129.13
700.0	0.03	107.01	700.0	-2.5	-2.5	3.4	0.22	4.2	126.94
800.0	0.49	211.02	800.0	-2.9	-2.9	3.2	0.50	4.3	132.49
900.0	0.51	283.93	900.0	-3.2	-3.2	2.5	0.59	4.1	141.45
1000.0	0.94	301.38	1000.0	-2.6	-2.6	1.4	0.48	3.0	152.12
1100.0	0.78	339.59	1100.0	-1.6	-1.6	0.5	0.58	1.6	163.77
1200.0	0.24	22.00	1200.0	-0.7	-0.7	0.3	0.62	0.8	158.03
1300.0	0.49	292.35	1300.0	-0.4	-0.4	0.0	0.54	0.4	182.74
1400.0	0.34	9.00	1399.9	0.1	0.1	-0.4	0.53	0.4	281.12
1500.0	0.27	271.24	1499.9	0.4	0.4	-0.6	0.46	0.7	303.64
1600.0	0.34	254.15	1599.9	0.3	0.3	-1.1	0.11	1.1	285.28
1700.0	0.61	225.03	1699.9	-0.2	-0.2	-1.7	0.35	1.7	264.65
1800.0	0.52	224.98	1799.9	-0.9	-0.9	-2.4	0.09	2.6	250.56
1900.0	0.44	201.71	1899.9	-1.5	-1.5	-2.9	0.21	3.3	242.06
2000.0	0.59	191.64	1999.9	-2.4	-2.4	-3.1	0.17	4.0	232.67
2100.0	0.57	242.14	2099.9	-3.1	-3.1	-3.7	0.50	4.8	229.64
2200.0	0.48	196.06	2199.9	-3.8	-3.8	-4.2	0.42	5.7	228.39
2300.0	0.73	246.78	2299.9	-4.4	-4.4	-4.9	0.57	6.6	228.19
2400.0	0.51	242.98	2399.9	-4.9	-4.9	-5.9	0.22	7.7	230.55
2500.0	0.66	194.15	2499.9	-5.6	-5.6	-6.5	0.50	8.6	228.91
2600.0	0.54	192.02	2599.9	-6.7	-6.7	-6.7	0.12	9.4	225.20
2700.0	1.41	169.38	2699.9	-8.3	-8.3	-6.6	0.94	10.6	218.30
2800.0	5.50	159.67	2799.7	-14.0	-14.0	-4.7	4.12	14.8	198.46
2900.0	5.11	157.67	2899.3	-22.6	-22.6	-1.3	0.43	22.7	183.35
3000.0	4.93	160.21	2998.9	-30.8	-30.8	1.8	0.29	30.9	176.62
3100.0	5.31	147.10	3098.5	-38.7	-38.7	5.8	1.23	39.2	171.50
3200.0	4.79	158.34	3198.1	-46.5	-46.5	9.8	1.12	47.5	168.05
3300.0	4.66	158.94	3297.8	-54.2	-54.2	12.8	0.14	55.7	166.66
3400.0	5.42	157.05	3397.4	-62.3	-62.3	16.1	0.78	64.4	165.47
3500.0	6.30	152.18	3496.8	-71.5	-71.5	20.5	1.01	74.4	163.97
3600.0	7.56	148.96	3596.1	-82.0	-82.0	26.5	1.32	86.2	162.09
3700.0	8.77	150.50	3695.1	-94.3	-94.3	33.6	1.23	100.1	160.36
3800.0	10.33	147.51	3793.7	-108.5	-108.5	42.2	1.64	116.4	158.73
3900.0	11.43	148.98	3891.9	-124.5	-124.5	52.1	1.13	135.0	157.28
4000.0	13.65	151.79	3989.5	-143.4	-143.4	62.8	2.30	156.6	156.34
4100.0	15.98	150.74	4086.2	-165.8	-165.8	75.1	2.35	182.1	155.63
4200.0	18.04	150.90	4181.8	-191.4	-191.4	89.4	2.06	211.2	154.96
4300.0	19.07	151.06	4276.6	-219.2	-219.2	104.8	1.03	243.0	154.44
4400.0	20.36	152.12	4370.7	-248.9	-248.9	120.9	1.34	276.7	154.10
4500.0	23.85	152.89	4463.4	-282.3	-282.3	138.2	3.50	314.3	153.91
4600.0	25.86	151.70	4554.1	-319.5	-319.5	157.8	2.07	356.3	153.72
4700.0	26.89	152.78	4643.7	-358.8	-358.8	178.5	1.14	400.7	153.55
4800.0	27.84	153.44	4732.5	-399.8	-399.8	199.2	1.00	446.7	153.51

@
 2300
 1603'FWL
 1253'FWL
 @
 2400
 1604'FWL
 1253'FWL

Scientific Drilling Survey Report

Company: DEVON ENERGY	Date: 12/15/2003	Time: 14:44:38	Page: 2
Field: Indian Basin	Co-ordinate(NE) Reference:	Site: Eddy County, NM, True North	
Site: Eddy County, NM	Vertical (TVD) Reference:	SITE 0.0	
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Wellpath: VH - Job #32K1003533	Survey Calculation Method:	Minimum Curvature	Db: Sybase

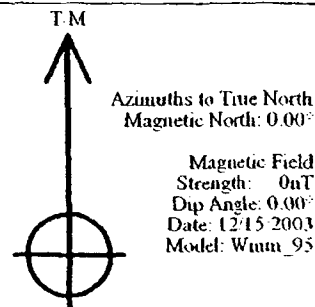
Survey

MD ft	Incl deg	Azin deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
4900.0	29.88	152.56	4820.1	-442.8	-442.8	221.2	2.08	494.9	153.46
5000.0	31.21	152.05	4906.2	-487.8	-487.8	244.8	1.36	545.7	153.35
5100.0	32.58	151.24	4991.1	-534.3	-534.3	269.9	1.44	598.6	153.20
5200.0	33.34	150.17	5075.0	-581.7	-581.7	296.5	0.96	652.9	152.99
5300.0	32.71	149.58	5158.9	-628.8	-628.8	323.9	0.71	707.3	152.75
5400.0	33.54	148.87	5242.6	-675.8	-675.8	351.8	0.92	761.9	152.50
5500.0	34.07	148.06	5325.7	-723.2	-723.2	380.9	0.70	817.4	152.22
5600.0	33.22	148.66	5408.9	-770.4	-770.4	410.0	0.91	872.7	151.98
5700.0	33.89	149.50	5492.3	-817.8	-817.8	438.4	0.82	927.9	151.81
5800.0	32.88	150.29	5575.8	-865.4	-865.4	466.0	1.10	982.9	151.70
5900.0	33.08	150.76	5659.7	-912.8	-912.8	492.8	0.32	1037.3	151.64
6000.0	31.53	153.57	5744.2	-960.0	-960.0	517.8	2.16	1090.7	151.66
6100.0	29.83	156.94	5830.2	-1006.3	-1006.3	539.1	2.42	1141.6	151.82
6200.0	29.30	155.86	5917.2	-1051.5	-1051.5	558.9	0.75	1190.8	152.01
6300.0	27.86	154.85	6005.0	-1095.0	-1095.0	578.8	1.52	1238.6	152.14
6400.0	27.26	154.75	6093.6	-1136.9	-1136.9	598.5	0.60	1284.8	152.23
6500.0	25.97	153.94	6183.0	-1177.3	-1177.3	617.9	1.34	1329.6	152.31
6600.0	25.61	153.36	6273.1	-1216.2	-1216.2	637.2	0.44	1373.1	152.35
6700.0	24.68	153.74	6363.6	-1254.3	-1254.3	656.1	0.94	1415.5	152.38
6800.0	23.48	153.31	6454.9	-1290.8	-1290.8	674.3	1.21	1456.3	152.42
6900.0	23.00	153.20	6546.8	-1326.0	-1326.0	692.1	0.48	1495.8	152.44
7000.0	24.23	159.88	6638.4	-1362.8	-1362.8	708.0	2.94	1535.7	152.55
7100.0	23.37	160.58	6729.9	-1400.7	-1400.7	721.6	0.91	1575.7	152.74
7200.0	21.22	159.81	6822.4	-1436.4	-1436.4	734.5	2.17	1613.3	152.92
7300.0	19.13	159.19	6916.3	-1468.7	-1468.7	746.5	2.10	1647.6	153.06
7400.0	14.68	158.84	7012.0	-1495.9	-1495.9	756.9	4.45	1676.5	153.16
7500.0	11.57	153.79	7109.3	-1516.7	-1516.7	765.9	3.31	1699.1	153.21
7600.0	9.13	150.17	7207.7	-1532.6	-1532.6	774.3	2.52	1717.1	153.20
7700.0	7.47	149.20	7306.6	-1545.1	-1545.1	781.6	1.67	1731.5	153.17
7800.0	4.32	155.39	7406.1	-1554.1	-1554.1	786.5	3.21	1741.7	153.16
7900.0	2.95	167.25	7505.9	-1560.0	-1560.0	788.6	1.56	1748.0	153.18
8000.0	2.73	170.28	7605.8	-1564.9	-1564.9	789.6	0.27	1752.8	153.23
8100.0	2.56	167.49	7705.7	-1569.4	-1569.4	790.5	0.21	1757.2	153.27
8200.0	2.38	174.27	7805.6	-1573.6	-1573.6	791.2	0.34	1761.3	153.31
8300.0	2.62	168.51	7905.5	-1577.9	-1577.9	791.8	0.35	1765.5	153.35
8400.0	2.88	162.97	8005.4	-1582.6	-1582.6	793.0	0.37	1770.1	153.38
8450.0	2.44	176.39	8055.3	-1584.8	-1584.8	793.5	1.52	1772.4	153.41

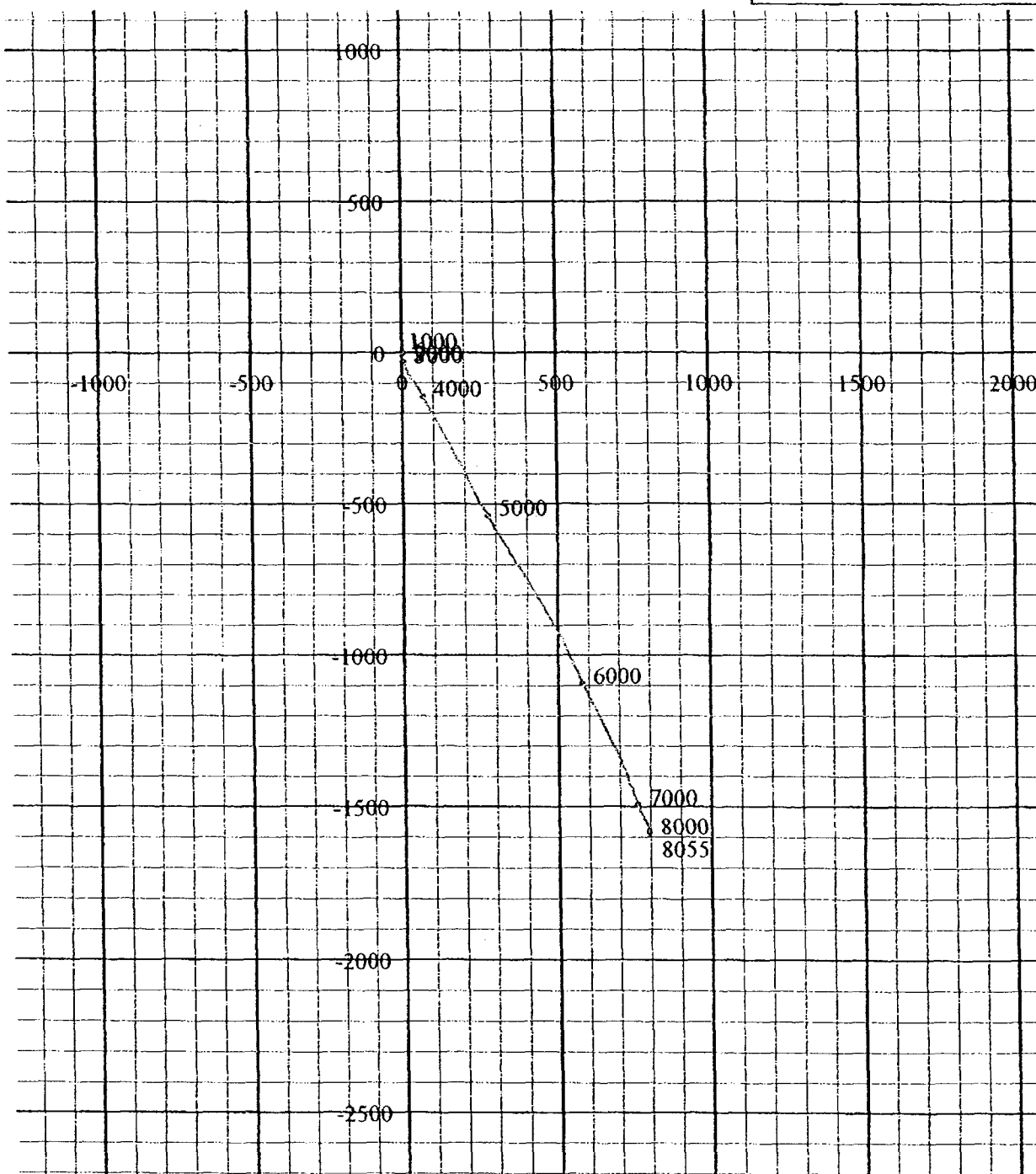


Scientific
Drilling

Field: Indian Basin
Site: Eddy County, NM
Well: Old Ranch Canyon 7 #4
Wellpath: VH - Job #32K1003533
Survey: 10/14/03



South(-)/North(+) [200ft/in]



West(-)/East(+) [200ft/in]

OPERATOR:
WELL/LEASE:
COUNTY:

DEVON ENERGY PRODUCTION
OLD RANCH CANYON 7 FED. 4
EDDY

005-0024

STATE OF NEW MEXICO
DEVIATION REPORT

2,729	3.20	6,306	27.70
2,855	5.60	6,370	27.40
3,010	5.20	6,433	27.20
3,104	5.40	6,496	25.40
3,196	5.10	6,559	25.70
3,250	4.90	6,621	25.50
3,354	6.70	6,684	24.50
3,447	6.70	6,778	23.90
3,508	6.60	6,842	23.10
3,602	8.10	6,904	23.80
3,686	9.20	6,974	24.15
3,780	10.80	7,099	23.00
3,882	11.80	7,163	21.60
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4,727	27.50	7,884	2.90
4,789	27.90	7,945	2.70
4,852	30.40	8,011	2.80
4,915	31.00	8,074	2.50
4,978	31.70	8,135	2.80
5,105	34.20	8,199	2.60
5,167	33.40	8,262	2.60
5,230	33.10	8,325	2.70
5,294	34.00	8,387	2.40
5,357	34.00	8,488	2.70
5,421	34.60	8,565	2.00
5,584	34.40	8,762	1.00
5,611	33.70	8,981	0.00
5,674	34.60	9,161	1.00
5,737	33.50	9,333	1.50
5,863	33.20	9,524	2.00
5,927	32.40	9,681	2.00
5,990	31.50	9,800	1.50
6,053	30.30	9,970	1.50
6,117	30.20	10,290	2.00
6,180	29.20	10,400	2.00
6,243	28.40		

By

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 10th day of October, 2003, by Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

Joni D. Hodges
Notary Public for Midland County, Texas

My Commission Expires: 4/08/2007

