



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

September 3, 2004

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

Director

Oil Conservation Division

**Devon Energy Production Company, L. P.**  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

Telefax No. (405) 552-8113

Attention: Ken Gray

*Administrative Order NSL-5105 (BHL)*

Dear Mr. Gray:

Reference is made to the following: (i) your application initially submitted to the New Mexico Oil Conservation Division ("Division") by telefax on August 24, 2004 (*administrative application reference No. pSEM0-423730485*); and (ii) the records of the Division in Artesia and Santa Fe: all concerning Devon Energy Production Company, L. P.'s ("Devon") request for an unorthodox subsurface Bone Spring oil well location for the existing Old Ranch Canyon "7" Federal Well No. 4 (API No. 30-015-31151), located on the surface 1599 feet from the North line and 1248 feet from the West line (Unit F) of Irregular Section 7, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico.

The SE/4 NW/4 of Irregular Section 7, being a standard 40-acre oil spacing and proration unit pursuant to Division Rule 104.B (1) for a wildcat Bone Spring oil test, is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rules 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and 111.C (2).

It is the Division's understanding that Devon is seeking to test the Bone Spring formation through perforation from 3,021 feet to 3,084 feet. From the directional survey, the actual subsurface location of this wellbore at these depths are approximately 1630 feet from the North line and 1250 feet from the West line of Irregular Section 7, and 1638 feet from the North line and 1254 feet from the West line of Irregular Section 7, respectively. Pursuant to Division Rules 104.B (1) and 111.A (13), the proposed perforated interval is considered to be "unorthodox" within a standard 40-acre wildcat Bone Spring oil spacing and proration unit comprising the SE/4 NW/4 (Unit F) of Irregular Section 7.

It is further understood all of Irregular Section 7 comprises a single federal lease (*U. S. Government lease No. NM-81219*) with common mineral interests (working, royalty, and overriding royalty) in which Devon is the leasehold operator; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within the Bone Spring interval.

Devon Energy Production Company, L. P.

Division Administrative Order NSL-5105 (BHL)

September 3, 2004

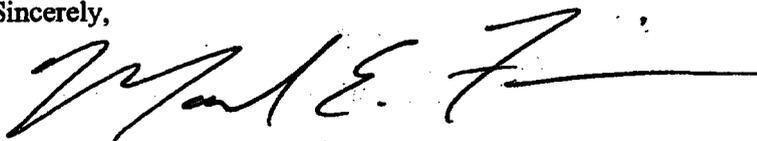
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By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox subsurface Bone Spring oil well location within the SE/4 NW/4 (Unit F) of Irregular Section 7 for Devon's Old Ranch "7" Federal Well No. 4, is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
Jim Bruce, Legal Counsel for Devon Energy Production Company, L. P. - Santa Fe

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. NMNM81219
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. OLD RANCH CANYON 7 FED 4	
2. Name of Operator DEVON ENERGY PRODUCTION CO L P	Contact: LINDA GUTHRIE E-Mail: LINDA.GUTHRIE@DVN.COM	9. API Well No. 30-015-31151-01-S1
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.228.8209	10. Field and Pool, or Exploratory INDIAN BASIN
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T22S R24E SWNW 1599FNL 1248FWL		11. County or Parish, and State EDDY COUNTY, NM

RECEIVED  
NOV 03 2004  
OCC-ARTESIA

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Co., LP respectfully requests approval to recomplete this well as follows:

- MIRU. NU BOP & test.
- Release packer & POOH w/ tbg.
- Set CIBP @ 3000'.
- Perf Yeso w/ 1 SPF @ 2343, 2347, 2356, 2367, 2372, 2383, 2392, 2399, 2403 and 2406 (10 shots).
- Set packer @ 2250'. Acidize Yeso w/ 1500 gals 15% NEFE HCl.
- Frac well if needed.
- RIH w 2 7/8 tbg, pump and rods. Hang well on.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #50592 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad  
Committed to AFMSS for processing by ARMANDO LOPEZ on 11/01/2004 (05AL0036SE)**

Name (Printed/Typed) LINDA GUTHRIE	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 11/01/2004

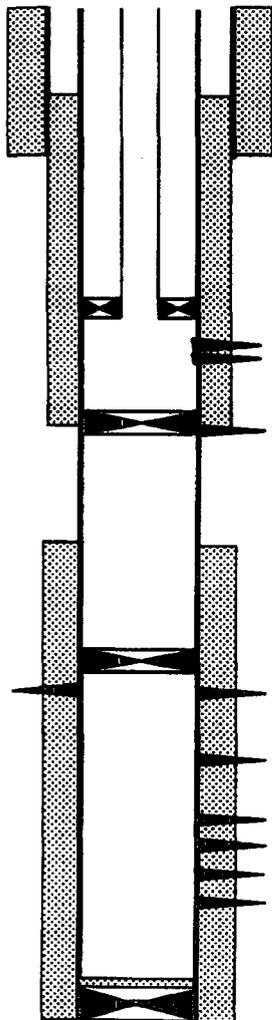
**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>ALEXIS C SWOBODA</u> <i>acs</i>	Title <u>PETROLEUM ENGINEER</u>	Date <u>11/02/2004</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		
Office Carlsbad		

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.

## DEVON ENERGY CORPORATION WELLBORE SCHEMATIC

WELL NAME: Old Ranch Canyon 7 Fed # 4 (sidetrack)			FIELD: Indian Basin (Upper Penn)			
LOCATION: 1599' FNL & 1248' FWL Section 7, T22S, R24E			COUNTY: Eddy		STATE: NM	
ELEVATION: GL=3996' - KB=4013'			SPUD DATE: 5/1/00		COMP DATE: 10/19/2003	
API #: 30-015-31151		PREPARED BY: Robert Elliott			DATE: 10/28/2004	
	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 1622'	9 5/8"	36#	K-55	LT&C	12 1/4"
CASING:	0' - 8488'	7"	23#	HCL-80 & J-55	LT&C	8 3/4"
CASING:						
TUBING:	0-2981'	2.875"	6.5	L-80	EUE 8rd	
TUBING:						



**■ CURRENT**

This is a sidetrack of the original wellbore.  
 Directional well heading southeast with an azimuth of 168 degrees. KOP is at +/-2700'. Maximum angle is 34.6°. Maximum DLS is 5.82°/100' at 7350'.  
 BHL - 2096' FSL & 2042' FWL Sec. 7, T22S, R24E  
 Well was drilled to Morrow which was not present. OH was plugged and casing was set at 8488' MD.  
 9 5/8" csg cmt'd w/1225 sxs cmt. Top job cmt to 30'.

Arrowset 1-X @ 2981'  
**Bone Spring Perfs:**  
 3021-32', 3064-84'  
 CIBP @ 3220'  
 Squeeze holes 3250-52' Sqz'd w/429 sx. TOC @ 900' from CBL.

TOC @ 5410' (CBL)  
 7", 23# HCL-80 LTC from surface to 941'  
 7", 23# J-55 LTC from 941' to 5785'  
 7" 23# HCL-80 LTC from 5785' to 8488'

CIBP @ 7,800'  
 DV Tool at 7874' with ECP at 7920'. Cemented first stage with 140 sx.  
 Circulated 32 sx cmt to pit off of first stage. Cemented second stage with 480 sx. Est. TOC is at 5410'.

**Upper Penn Perfs (2 spf):**  
 8061-71'      8141-44'      8236-68'  
 8077-91'      8156-61'      8289-304'  
 8094-112'      8170-87'      7823-67' (degrital recompletion 11/03)  
 8127-34'      8206-20'

PBDT @ 8444' MD (CIBP @ 8475' w/15' cmt on top per DIMS)  
 7" @ 8488' cmt'd w/600 sxs cmt  
 TD @ 8488' MD, 8084' TVD

Sec : 07 Twp : 22S Rng : 24E Section Type : NORMAL

<p>1 34.44 Federal owned A</p>	<p>C 40.00 Federal owned A</p>	<p>B 40.00 Federal owned A C</p>	<p>A 40.00 Federal owned</p>
<p>2 34.42 Federal owned A</p>	<p>F 40.00 Federal owned A A A A</p>	<p>G 40.00 Federal owned</p>	<p>H 40.00 Federal owned C A</p>
<p>3 34.42 Federal owned</p>	<p>K 40.00 Federal owned</p>	<p>J 40.00 Federal owned</p>	<p>I 40.00 Federal owned</p>
<p>4 34.40 Federal owned</p>	<p>N 40.00 Federal owned</p>	<p>O 40.00 Federal owned</p>	<p>P 40.00 Federal owned</p>