



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 25, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Devon Energy Production Company, L.P.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Re: *Administrative application on behalf of Devon Energy Production Company, L. P. (administrative application reference No. pSEM0-501329690) to amend for a second time Division Administrative Order NSL-5089 (BHL) to include the Bone Spring and Delaware formations for the recently drilled Red Bull "31" State Well No. 1 (API No. 30-025-36798) located on the surface 1300 feet from the South line and 2610 feet from the West line (Unit N) of Section 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico.*

Dear Mr. Kellahin:

I have reviewed your application dated January 12, 2005 and determined it to be incomplete. So that the Division can properly proceed with reviewing and issuing an order for this directionally drilled well, please proceed accordingly:

- (1) Coordinate with the geologist in the Hobbs district office of the Division in determining both the tops and bases of the: (i) wildcat Bone Spring formation; and (ii) Delaware formation in either the Undesignated Cinta Roja-Delaware Pool (96341) or Undesignated Antelope Draw-Delaware Pool (96230) within the wellbore of Devon Energy Production Company, L. P.'s Red Bull "31" State Well No. 1;
- (2) Determine the subsurface location of this wellbore at all four points [see Division Rule 111.A (8)]; and
- (3) Submit a copy of the directional survey.

In accordance with Division policy enacted about four ago, the Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted within 30 days, your application will be returned to you. Thank you for your assistance in this matter.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 16, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**Devon Energy Production Company, L.P.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504**

AMENDED Administrative Order NSL-5089 (BHL)

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), that was submitted to the New Mexico Oil Conservation Division ("Division") on Tuesday, September 14, 2004 (*administrative application reference No. pSEM0-425936529*); (ii) our meeting on Thursday morning, September 16, 2004; and (iii) the Division's records in Santa Fe, including the files on Division Administrative Order NSL-5089 (BHL) and Division Case No. 13300: all concerning your application to amend Division Administrative Order NSL-5089 (BHL), dated August 2, 2004, by changing the subsurface configuration of Devon's proposed Red Bull "31: State Well No. 1 (API No. 30-025-36798) within the Atoka and Morrow formations underlying Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, being a standard 319.32-acre lay-down gas spacing unit, pursuant to Division Rule 104.C (2), for the Undesignated Antelope Ridge-Atoka Gas Pool (70360), Undesignated Antelope Ridge-Morrow Gas Pool (70440), and Undesignated West Cinta Roja-Morrow Gas Pool (96602).

The first paragraph on the first page of Division Administrative Order NSL-5089 (BHL) is hereby amended to read in its entirety as follows:

"Reference is made to the following: (i) your initial application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), that was submitted to the New Mexico Oil Conservation Division ("Division") on June 29, 2004 (administrative application reference No. pSEM0-418231425); (ii) your subsequent application filed with the Division on September 14, 2004 (administrative application reference No. pSEM0-425936529) to amend Division Administrative Order NSL-5089 (BHL), dated August 2, 2004; and (iii) the Division's records in Santa Fe: all concerning Devon's proposed Red Bull "31" State Well No. 1 (API No. 30-025-36798) to be drilled vertically from an unorthodox gas well location 1300 feet from the South line and 2610 feet from the West line (Unit N) of Section 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, down to a measured depth of 11,987 feet, kicked-off to the west, and directionally drilled such that the:

Devon Energy Production Company, L.P.
AMENDED Administrative Order NSL-5089 (BHL)

September 16, 2004

Page 2

(a) top of the Atoka formation at an estimated measured depth of 12,677 feet (12,662 feet TVD) is penetrated at a subsurface location 1272 feet from the South line and 2550 feet from the East line (Unit O) of Section 31;

(b) top of the Morrow "C" interval of the Morrow formation at an estimated measured depth of 14,470 feet (13,942 feet TVD) is penetrated at a subsurface location 1000 feet from the South line and 1370 feet from the East line (Unit O) of Section 31; and

(c) targeted bottomhole location within the Morrow formation at a measured depth of 14,783 feet (14,130 TVD) feet 954 feet from the South line and 1126 feet from the East line (Unit P) of Section 31."

This order is further amended to include reference to Division Order No. R-3161-A, issued in Case No. 13300 dated September 7, 2004, which order amended the special pool rules governing the Cinta Roja-Morrow Gas Pool (75000), and was issued subsequent to the release of Division Administrative Order NSL-5089 (BHL).

All other provisions of Division Administrative Order NSL-5089 (BHL) shall remain in full force and effect until further notice.

Sincerely,



Michael E. Stogner
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
File: Division Case No. 13300
Division Administrative Order NSL-5089 (BHL)

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-101
Permit 1177

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 30-025-36798
Property Code 34087	Property Name RED BULL 31 STATE	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	31	23S	35E	N	1300	S	2610	W	Lea

Bottom Holes

Pool: MORROW									
UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	31	23S	35E	O	1300	S	2320	E	Lea

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3435
Multiple N	Proposed Depth 14400	Formation Morrow	Contractor	Spud Date 07/15/2004

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	54.5	870	660	0
Intl	12.25	9.625	40	5270	1464	0
Prod	8.75	7	26	12600	442	9500
Liner1	6.125	4.5	13.5	14400	280	12300

Casing/Cement Program: Additional Comments

13 3/8 csg- cmt lead w/360 sx Poz, tail w/300 sx Cl C. 9 5/8 csg- cmt lead w/1164 sx Poz, tail w/300 sx Poz 7 csg - cmt w/442 sx Super H 6 1/8 liner - cmt w/280 sx Class H Mud: 0-870 8.4-9.4 32-34 vis, N/C Fluid loss 870-5270 9.9-10.1 28-29 vis N/C fluid loss 5270-12600 8.5-10.0 28-29 vis, N/C fluid loss 12600-14400 12.0-13.5 34-40 vis 8-6cc fluid loss

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	5000	5000	
Double Ram	10000	10000	
Pipe	10000	10000	

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

Electronically Signed By: Linda Guthrie

Title: Regulatory Specialist

Date: 07/07/2004

Phone: 405-228-8209

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 08/02/2004 Expiration Date: 08/02/2005

Conditions of Approval:

There are conditions. See Attached.

Permit Conditions Of Approval

C-101, Permit 1177

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: RED BULL 31 STATE #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
PKAUTZ	Will require administrative order for non-standard location

DISTRICT I
1825 N. 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
		Wildcat; Morrow
Property Code 6137	Property Name RED BULL "31" STATE	Well Number 1
OGRID No.	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3435'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23 S	35 E		1300'	SOUTH	2610'	WEST	LEA

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
0	31	23 S	35 E		1300'	SOUTH	2320'	EAST	LEA

Dedicated Acres 319.32	Joint or Infill	Consolidation Code	Order No.
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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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Linda Guthrie</u> Signature <u>Linda Guthrie</u> Printed Name <u>Regulatory Specialist</u> Title <u>06/28/04</u> Date 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. <u>June 21, 2004</u> Date <u>GARY L. JONES</u> Signature & Seal of Professional Surveyor <u>7977</u> Professional Surveyor No. <u>W.O. No. 4378</u> Certificate No. <u>Gary Jones</u> Professional Surveyor <u>7977</u> Professional Surveyor No. <u>JLP</u> Professional Surveyor <u>BASIN SURVEYS</u> Professional Surveyor
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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 4, 2004

SUNDRY NOTICES AND REPORTS ON WELLS	
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other	Well API NO. 30-025-36798
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP	5. Indicate Type of Lease ☒ State ☐ Fee
3. Address and Telephone No. 20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-228-8209	6. State Oil & Gas Lease No.
4. Well Location Unit Letter N 1300 feet from the South line and 2610 feet from the West line Section 31 Township 23S Range 35E NMPM County Lea	7. Lease Name or Unit Agreement Name Red Bull 31 State
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3435	8. Well Number 1
	9. Ogrid Number 6137
	10. Pool Name or Wildcat Morrow

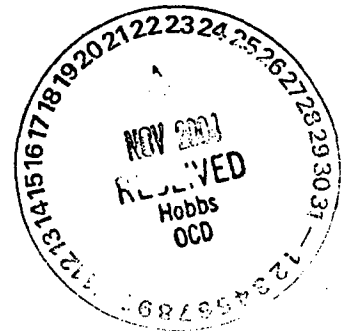
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: ☐ PERFORM REMEDIAL WORK ☐ TEMPORARILY ABANDON ☐ PULL OR ALTER CASING ☐ Other _____	SUBSEQUENT REPORT OF: ☐ REMEDIAL WORK ☐ COMMENCE DRILLING OPN ☐ CASING TEST AND CEMENT JOB ☐ OTHER _____
☐ PLUG AND ABANDON ☒ CHANGE PLANS ☐ MULTIPLE COMPLETION	☐ ALTERING CASING ☐ PLUG AND ABANDONMENT

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103.
For Multiple Completions: Attach wellbore diagram or proposed completion or recompletion. If a pit or below-grade tank is involved in the operation, complete the reverse side of this form.

Devon Energy Production Company, LP respectfully requests approval to change the bottomhole location of this well based upon further review of seismic data indicating a need to amend the target location as follows:

Old BHL: Morrow: 1300 FSL & 2320 FEL

New BHL: Atoka: 1272 FSL & 2550 FEL
Morrow: 1000 FSL & 1370 FEL



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

SIGNATURE Linda Guthrie TITLE Regulatory Specialist DATE 8/23/2004
Type or Print name Linda Guthrie E-mail Address: linda.guthrie@dvn.com Telephone No. 405-228-8209
(This space for State use)

APPROVED BY Paul J. Ray TITLE PETROLEUM ENGINEER DATE NOV 24 2004
Conditions of approval, if any:

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., 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 Wildcat; Morrow
Property Code	Property Name RED BULL "31" STATE	Well Number 1
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3435'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	23 S	35 E		1300'	SOUTH	2610'	WEST	LEA

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
O	31	23S	35E		1000	SOUTH	1370	EAST	LEA
Dedicated Acres 320	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Linda Guthrie</i> Signature Linda Guthrie Printed Name Regulatory Specialist Title 11/16/04 Date 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. June 21, 2004 Date Surveyed Signature of Gary L. Jones Professional Surveyor NEW MEXICO 7977 W.O. No. 4378 Certification No. Gary L. Jones 7977 JLP SASIN SURVEYS
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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

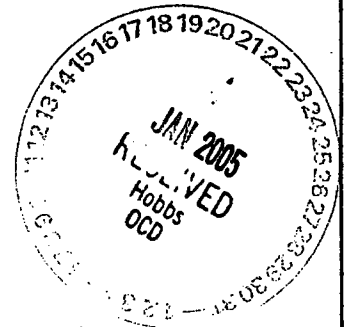
Form C-103
March 4, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		Well API NO. 30-025-36798
1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		5. Indicate Type of Lease ☒ State ☐ Fee
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP		6. State Oil & gas Lease No.
3. Address and Telephone No. 20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-552-8198		7. Lease Name or Unit Agreement Name Red Bull 31 State
4. Well Location Unit Letter N 1300 feet from the S line and 2610 feet from the West line Section 31 Township 23S Range 35E NMPM County Lea		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3435		9. Ogrid Number 6137
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool Name or Wildcat Morrow

NOTICE OF INTENTION TO: ☐ PERFORM REMEDIAL WORK ☐ TEMPORARILY ABANDON ☐ PULL OR ALTER CASING ☐ Other _____	☐ PLUG AND ABANDON ☐ CHANGE PLANS ☐ MULTIPLE COMPLETION	SUBSEQUENT REPORT OF: ☐ REMEDIAL WORK ☒ COMMENCE DRILLING OPN ☐ CASING TEST AND CEMENT JOB ☐ OTHER _____	☐ ALTERING CASING ☐ PLUG AND ABANDONMENT
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13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103.
For Multiple Completions: Attach wellbore diagram or proposed completion or recompletion. If a pit or below-grade tank is involved in the operation, complete the reverse side of this form.

10/22/04 Spud 17 1/2" hole.
10/23/04 TD 17 1/2" hole @ 760'.
10/24/04 Ran 17 jts 13 3/8" 48# H-40 ST&C csg @ 760'. Cmt lead w/ 680 sx 35/65 POZ, tail w/ 300 sx 35/65 POZ. WOC 18 hrs.
10/26/0 Test csg to 2100 psi -OK.
11/1/04 TD 12 1/4" hole @ 5226'.
11/2/04 Ran 119 jts 9 5/8" 40# P-110 LT&C csg @ 5226'. Cmt lead w/ 1400 sx 50/50 POZ, tail 375 sx 60/40 POZ. Circ 244 sx to pit. WOC 18+ hrs.
11/4/04 Test csg to 2000 psi.
11/19/04 TD 8 3/4" hole @ 12580' MD 12554' TVD. Ran 280 jts 7" 26# HCP-110 LT&C csg @ 12580'. Cmt lead w/ 1850 sx POZ. WOC 24+ hrs.
11/25/04 Test csg to 3500 psi.
12/30/04 Stuck pipe during connection, ran free point @ 14407'.
12/31/04 Perforate HWDP @ 14373'-14371'. Back off @ 14381'. Unable to fish. Left in hole bit, 9 jts of HWDP.
12/31/04-1/5/05 Fishing.
1/5/05 Rig up Fish Finder. Bottom of casing @ 12567' TOF @ 12568'.
1/8/05 Contacted NM OCD to plug back well. Received OK from Paul Kautz.
1/9/05 Set cement retainer @ 12470' squeezed 74 sx below retainer and 35 sx on top. PB TD @ 12420'. Released Rig.



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

SIGNATURE Norvella Adams TITLE Sr. Staff Engineering Technician DATE 8/13/2004
Type or Print name Norvella Adams E-mail Address: Norvella.Adams@dvn.com Telephone No. 405-552-8198
(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE JAN 25 2005
Conditions of approval, if any:

County Lea Pool Antelope Draw-Delaware

TOWNSHIP 24 South Range 34 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: $5\frac{1}{4}$ Sec. 1 (R-10177, 8-30-94)

County Lea

Pool Cinta Roja- Delaware

TOWNSHIP

24 South

Range

35 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: ¹⁰⁰/₄ Sec. 5 (R-10342, 4-24-95)

Sec : 34 Twp : 23S Rng : 35E Section Type : NORMAL

1 39.56 CS VA2478 0000 DEVON ENERGY PROD 06/01/06	C 40.00 CS VA2478 0000 DEVON ENERGY PROD 06/01/06	B 40.00 CS VA2478 0000 DEVON ENERGY PROD 06/01/06	A 40.00 CS VA2478 0000 DEVON ENERGY PROD 06/01/06
2 39.60 CS VA2478 0000 DEVON ENERGY PROD 06/01/06	F 40.00 CS VA2478 0000 DEVON ENERGY PROD 06/01/06	G 40.00 CS VA2478 0000 DEVON ENERGY PROD 06/01/06	H 40.00 CS VA2478 0000 DEVON ENERGY PROD 06/01/06
3 39.64 CS VA2488 0000 DEVON ENERGY PROD 06/01/06	K 40.00 CS VA2488 0000 DEVON ENERGY PROD 06/01/06	J 40.00 CS VA2488 0000 DEVON ENERGY PROD 06/01/06	I 40.00 CS VA2488 0000 DEVON ENERGY PROD 06/01/06
4 39.68 CS VA2488 0000 DEVON ENERGY PROD 06/01/06	N 40.00 CS VA2488 0000 DEVON ENERGY PROD 06/01/06 A	O 40.00 CS VA2488 0000 DEVON ENERGY PROD 06/01/06	P 40.00 CS VA2488 0000 DEVON ENERGY PROD 06/01/06

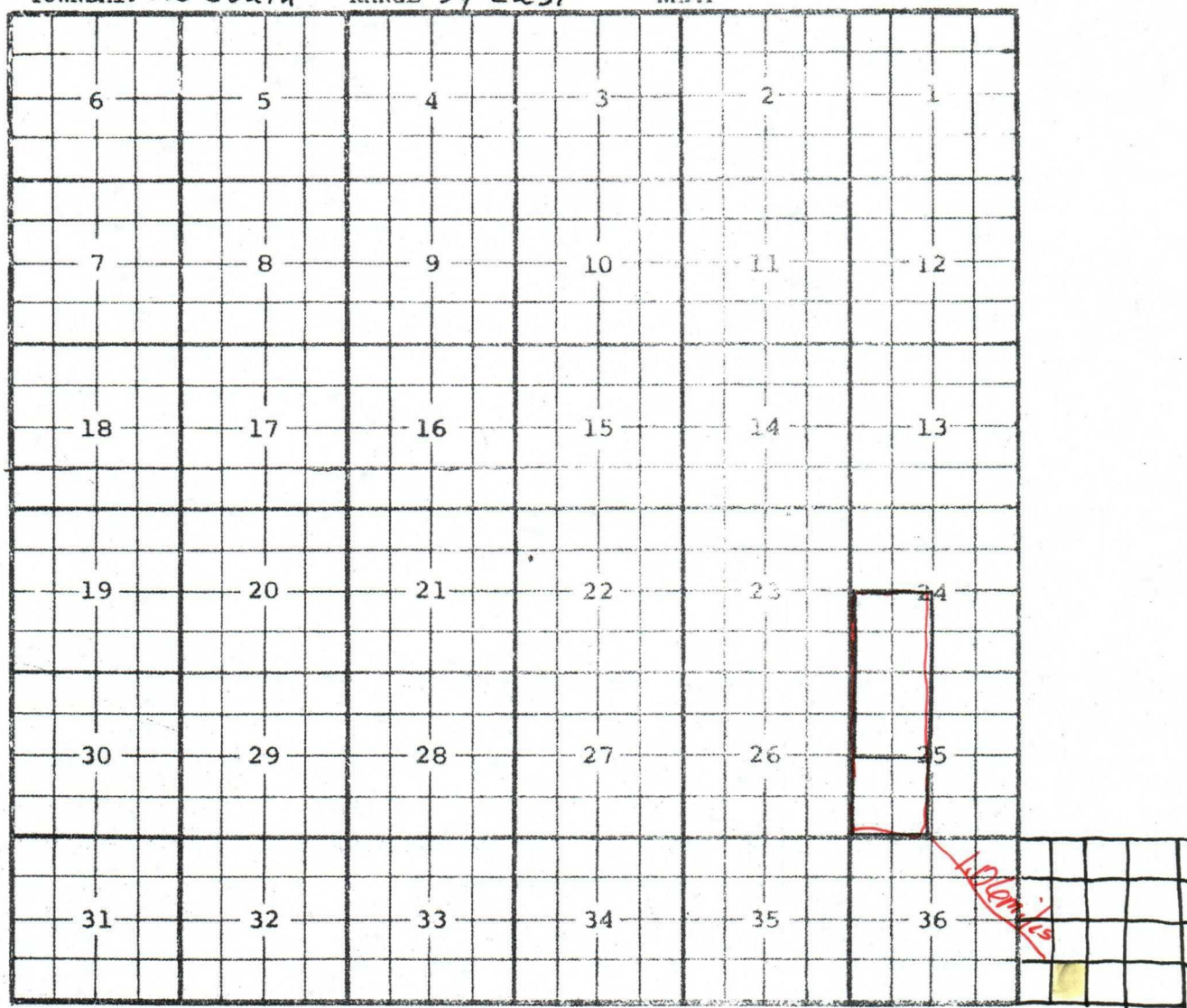
COUNTY *Lea*

POOL *Antelope Ridge - Bone Springs*

TOWNSHIP *23 South*

RANGE *34 East*

NMPM



Description: *SW/4 Sec 25 (R-5338, 1-1-77)*

Ext: *SW/4 Sec. 24, NW/4 Sec. 25 (R-6536, 12-1-80)*