

DATE IN <u>11.2.11</u>	SUSPENSE	ENGINEER <u>DILB</u>	LOGGED IN <u>11.2.11</u>	TYPE <u>NSL</u>	APP NO <u>1130656015</u>
------------------------	----------	----------------------	--------------------------	-----------------	--------------------------

PTGW
1130656015

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon 6137

Beetle Juice 19 Feb 11/4H
30-015-39732

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]

6511

[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 _____

C-79-195-31E
Eddy

[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

2011 NOV -1 P. 1:37
RECEIVED OOD

[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
Title

10/29/11
Date

jamesbruc@aol.com
c-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

October 29, 2011

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to Division Rule NMAC 19.15.15.13, Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Beetle Juice 19 Federal Well No. 4H
<u>Surface location:</u>	220 feet FNL & 1450 feet FWL
<u>Penetration point:</u>	Same as surface location
<u>Bottom hole location:</u>	330 feet FSL & 890 feet FWL
<u>Well unit (project area):</u>	Lots 1-4 (W $\frac{1}{2}$ W $\frac{1}{2}$) of Section 19, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Applicant proposes to drill the well to test the Bone Spring formation (Northwest Hackberry Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. An APD with a Form C-102 is attached as Exhibit A.

The well was moved to an orthodox location because applicant is attempting to minimize surface use and reduce costs by using the same drilling pad for this well and the Beetle Juice 19 Federal Well No. 3H (with an E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19 well unit). The well will not be perforated until the wellbore is at least 330 feet from the north line and 990 feet from the west line of Section 19.

The well encroaches on NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 19. However, all of Section 19 is covered by a single federal lease, with common ownership, so those owner were not notified. Exhibit B. The location also encroaches on the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 18, which is covered by a federal lease owned by several working interest owners, identified in the notice letter attached as Exhibit C.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Devon Energy Production Company, L.P.

OCD-ARTESIA

Form 3160-3
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007 **EAG79**

1a. Type of work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. USA NMNM 90534
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 6137		7. If Unit or CA Agreement, Name and No
3a. Address 20 North Broadway OKC, OK 73102		8. Lease Name and Well No. Beetle Juice 19 Federal 4H 38505
3b. Phone No (include area code) (405)-552-7802		9. API Well No. 30-015-39232
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NENW 220' FNL & 1450' FWL Lot C At proposed prod zone SWSW 330' FSL & 890' FWL Lot M		10. Field and Pool, or Exploratory Hackberry; Bone Spring, NW 47020
14. Distance in miles and direction from nearest town or post office* Approximately 10 miles south of Loco Hills, NM.		11. Sec, T R M or Blk and Survey or Area Sec 19-T19S-R31E
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 220'	16. No. of acres in lease 632.68	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 160	13. State NM	
18. Distance from proposed location* to nearest well, drilling completed, applied for, on this lease, ft SL: '50 BHL: 1220'	19. Proposed Depth TVD 8820' MD 13483'	20. BLM/BIA Bond No. on file PH: 9160' MD CO-1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3398.0' GL	22. Approximate date work will start* 03/15/2011	23. Estimated duration 45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM |

25. Signature	Name (Printed/Typed) Stephanie A. Ysasaga	Date 02/15/2011
---------------	---	-----------------

Title Sr. Staff Engineering Technician		
--	--	--

Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)	Date JUL 19 2011
---	----------------------	-------------------------

Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
----------------------------	-------------------------------------

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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

*(Instructions on page 2)

Capitan Controlled Water Basin

RECEIVED
JUL 20 2011
NMOCD ARTESIA

Approval Subject to General Requirements & Special Stipulations Attached

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

EXHIBIT **A**

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-39232		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name BEETLE JUICE "19" FEDERAL		⁶ Well Number 4H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3398.0

¹⁰ Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	19 S	31 E		220	NORTH	1450	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

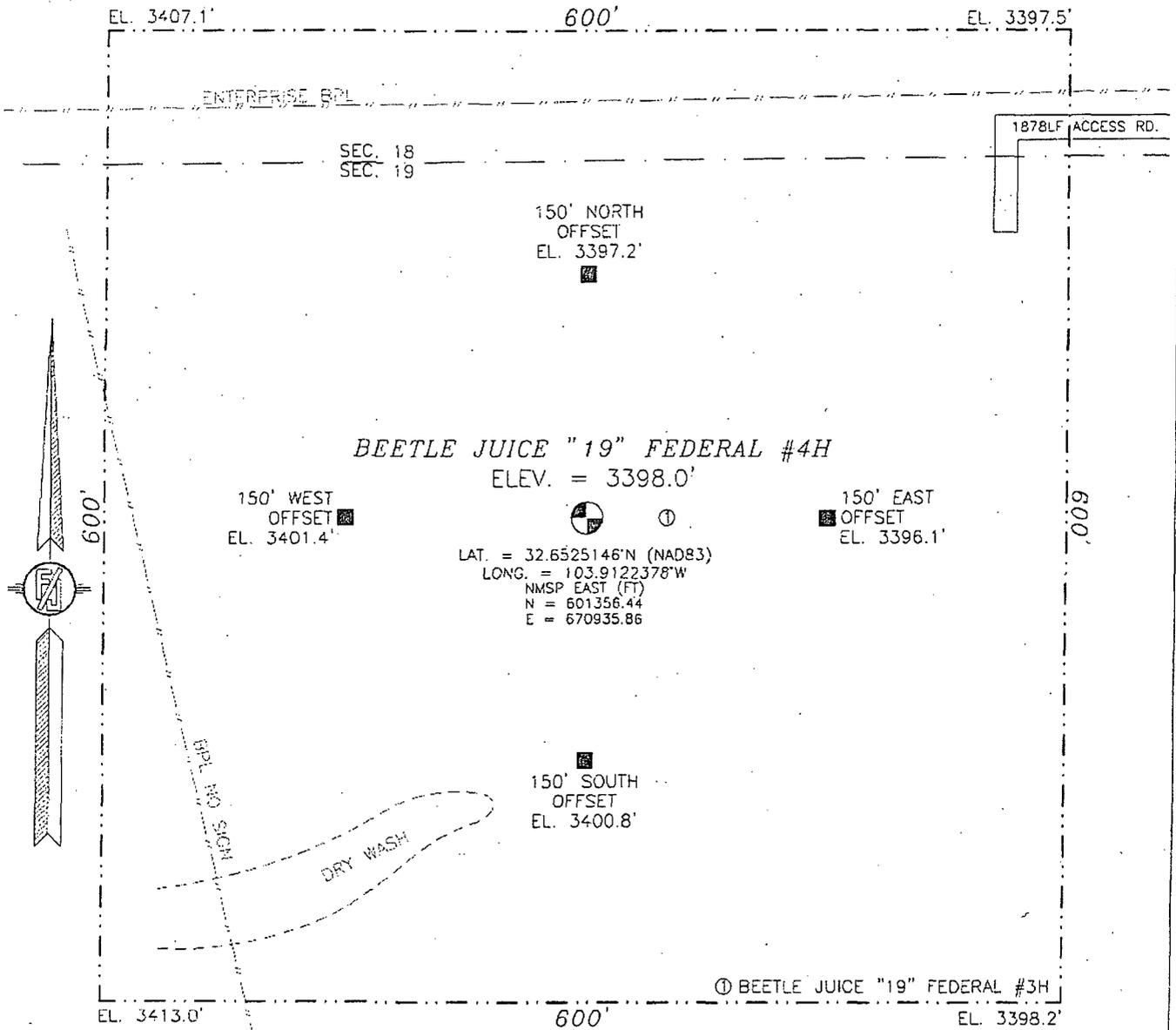
U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	19	19 S	31 E		330	SOUTH	890	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

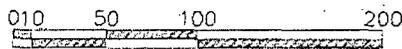
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>1450'</p> <p>NW CORNER SEC. 19 LAT. = 32.6531030°N LONG. = 103.9169475°W</p> <p>NMSP EAST (FT) N = 601564.85 E = 669485.12</p> <p>220'</p> <p>SURFACE LOCATION</p> <p>BEETLE JUICE "19" FEDERAL #4H</p> <p>ELEV. = 3398.0' LAT. = 32.6525146°N (NAD83) LONG. = 103.9122378°W</p> <p>NMSP EAST (FT) N = 601356.44 E = 670935.86</p>	<p>NE CORNER SEC. 19 LAT. = 32.6531625°N LONG. = 103.9000245°W</p> <p>NMSP EAST (FT) N = 601607.32 E = 674694.79</p>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>SW CORNER SEC. 19 LAT. = 32.6385944°N LONG. = 103.9169644°W</p> <p>NMSP EAST (FT) N = 596284.86 E = 669500.63</p> <p>330'</p> <p>BOTTOM OF HOLE</p> <p>BOTTOM OF HOLE</p> <p>LAT. = 32.6394615°N LONG. = 103.9140854°W</p> <p>NMSP EAST (FT) N = 595521.66 E = 670389.77</p> <p>890'</p> <p>BOTTOM OF HOLE</p> <p>SE CORNER SEC. 19 LAT. = 32.6386459°N LONG. = 103.8999714°W</p> <p>NMSP EAST (FT) N = 596324.81 E = 674732.70</p>	

SECTION 19, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO



LAT. = 32.6525146°N (NAD83)
 LONG. = 103.9122378°W
 NMSP EAST (FT)
 N = 601356.44
 E = 670935.86



SCALE 1" = 100'
 DIRECTIONS TO LOCATION
 FROM CR. #222 (SHUGART RD.) AND CR. #248 (LUSK PLANT RD.)
 GO SW. ON 222 4.3 MILES TURN RIGHT ON CALICHE RD. GO NORTH
 2.0 MILES BEND LEFT AND GO NORTHWEST 0.12 MILES BEND LEFT
 AND GO WEST 0.25 MILES WHERE ROAD BENDS TO THE NORTH,
 CONTINUE WEST ON TWO TRACK PIPELINE ROAD FOLLOWING A
 PROPOSED ROAD SURVEY 1800' TO A PI LEFT, GO SOUTH 64' ON
 ROAD SURVEY TO THE NORTHEAST CORNER OF THE PROPOSED PAD
 FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.
BEETLE JUICE "19" FEDERAL #4H
 LOCATED 220 FT. FROM THE NORTH LINE
 AND 1450 FT. FROM THE WEST LINE OF
 SECTION 19, TOWNSHIP 19 SOUTH,
 RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 10, 2011

SURVEY NO. 283 - R2

MADRON SURVEYING, INC. 201 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 687-5830



Weatherford®

Drilling Services

Proposal



devon

BEETLE JUICE 19 FED #4H

EDDY COUNTY, NM

WELL FILE: PLAN 3

FEBRUARY 4, 2011

Weatherford International, Ltd.

P.O. Box 61028
Midland, TX 79711 USA
+1.432.561.8892 Main
+1.432.561.8895 Fax
www.weatherford.com

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION**

Run Time: 12:07 PM

Page 1 of 2

Run Date: 10/28/2011

(MASS) Serial Register Page

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 632.680
Serial Number NMNM-- - 090534

Serial Number: NMNM-- - 090534

Name & Address			Int Rel	% Interest
CANNON EXPL CO	3608 S COUNTY ROAD 1184	MIDLAND TX 797066468	OPERATING RIGHTS	0.0000000
DEVON ENERGY PROD CO LP	20 N BROADWAY #1500	OKLAHOMA CITY OK 73102	OPERATING RIGHTS	0.0000000
DOMINION OK TX EXPL & PROD INC	14000 QUAIL SPGS PKY #600	OKLAHOMA CITY OK 73134	OPERATING RIGHTS	0.0000000
ELLIOTT ROGER T	4105 BAYBROOK DR	MIDLAND TX 79707	OPERATING RIGHTS	0.0000000
HOLLYHOCK CORP	3907 CRESTGATE	MIDLAND TX 79707	OPERATING RIGHTS	0.0000000
KHODY LAND & MINERALS CO	3817 NW EXPRESSWAY STE 950	OKLAHOMA CITY OK 731121488	LESSEE	100.0000000
KHODY LAND & MINERALS CO	3817 NW EXPRESSWAY STE 950	OKLAHOMA CITY OK 731121488	OPERATING RIGHTS	39.0000000

Serial Number: NMNM-- - 090534

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0190S 0310E 019	ALIQ		E2,E2W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S 0310E 019	LOTS		1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 090534

Act Date	Code	Action	Action Remark	Pending Office
01/19/1993	387	CASE ESTABLISHED	9301162	
01/20/1993	191	SALE HELD		
01/20/1993	267	BID RECEIVED	\$167745.00;	
01/20/1993	392	MONIES RECEIVED	\$1266.00;	
01/28/1993	392	MONIES RECEIVED	\$166479.00;	
02/11/1993	237	LEASE ISSUED		
02/11/1993	974	AUTOMATED RECORD VERIF		LO/MV
03/01/1993	496	FUND CODE	05,145003	
03/01/1993	530	RLTY RATE - 12 1/2%		
03/01/1993	868	EFFECTIVE DATE		
03/11/1993	111	RENTAL RECEIVED	\$949.50;11/MULTIPLE	
03/24/1993	600	RECORDS NOTED		
04/08/1993	963	CASE MICROFILMED	CNUM 569,714 RGO	
01/10/1994	111	RENTAL RECEIVED	\$949.50;21/42288	
01/09/1995	084	RENTAL RECEIVED BY MMS	\$949.50;21/0000000448	
01/26/1996	084	RENTAL RECEIVED BY MMS	\$949.50;21/0000000466	
04/15/1996	140	ASGN FILED	MITCHELL/DREYFUS	
05/21/1996	932	TRF OPER RGTS FILED	L DREYFUS/CANNON ETAL	
07/02/1996	139	ASGN APPROVED	EFF 05/01/96;	
07/02/1996	932	TRF OPER RGTS FILED	L DREYFUS/SANTA FE	
07/02/1996	974	AUTOMATED RECORD VERIF	ANN	
09/03/1996	933	TRF OPER RGTS APPROVED	EFF 06/01/96;	
09/03/1996	974	AUTOMATED RECORD VERIF	LR	
10/17/1996	933	TRF OPER RGTS APPROVED	EFF 08/01/96;	
10/17/1996	974	AUTOMATED RECORD VERIF	MV/MV	
11/06/1996	932	TRF OPER RGTS FILED	CANNON EXPL/SF ENERGY	
12/20/1996	933	TRF OPER RGTS APPROVED	EFF 12/01/96;	
12/20/1996	974	AUTOMATED RECORD VERIF	MV/MV	
01/28/1997	084	RENTAL RECEIVED BY MMS	\$949.50;21/0000000015	
06/26/1997	932	TRF OPER RGTS FILED	SF ENE/L DREYFUS NG	

EXHIBIT B

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

October 29, 2011

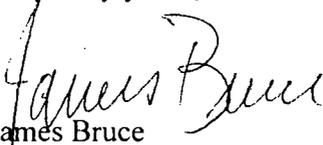
Certified Mail – Return Receipt Requested

To: Persons on Exhibit 1

Ladies and gentlemen:

Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division requesting approval of an unorthodox oil well location in the Bone Spring formation in the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the affected offsetting acreage. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). 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

C

Exhibit 1

Khody Land & Minerals Company
Suite 950
3817 NW Expressway
Oklahoma City, OK 73112

Durango Production Corporation
P.O. Box 4848
Wichita Falls, TX 76308

W/K Land Company
911 Kimbark Street
Longmont, CO 80501

Cannon Exploration Company
3608 So. County Road 1184
Midland, Texas 79706

Constance B. Cartwright, Trustee
U/W/O George F. Bauerdorf
River House
Apartment 5-B
435 East 52nd Street
New York, NY 10022

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, TX 79701