

devon

Rec: 4-29-05

Sosp: 5-19-05

MEMO-513247931

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

FAX

To: MIKE STOENNER

From: KEN GRAY

Fax: 505-476-3462

Date: 4/29/05

Phone:

Pages: 8 (including cover page)

Re: LOVELACE #2

CC:

Urgent For Review Please Comment Please Reply Please Recycle

• Comments:

devon

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

April 28, 2005

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

Re: Lovelace #2
S/2 Section 27-T22S-R27E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. (Devon), as Operator, intends to drill the referenced Morrow well to a depth of approximately 12,250'. Devon initially attempted to stake and permit this well at an orthodox location of 1980' FSL & 1170' FEL. However, this location was located on cultivated/irrigated farm land. In order to accommodate the surface owner's farming operations Devon has elected to move the location to pasture land to a location 2410' FSL & 1165' FEL which is an unorthodox location as it is closer than 660' to the outer boundary of the designated spacing unit pursuant to the South Carlsbad Morrow Pool Rules.

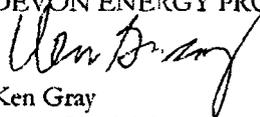
Inasmuch as this well will be producing from an unorthodox location from that permitted by the South Carlsbad Morrow Pool Rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). Devon's records reflect that Nadel & Gussman Permian, LLC, a working interest owner in Devon's proposed well and Thomas Earl Forni and Pamela A. Forni, interest owners in the N/2 of Section 27, have been given notice of this application.

Attached you will find a land plat reflecting Nadel & Gussman, LLC and Mr. and Mrs. Thomas Earl Forni as noticed owners. a net Middle Morrow Lotos A Sand Isopach map, a State of New Mexico form C-102, Basin Survey Plat and an aerial photo..

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

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor

Kg/
Enclosure

DISTRICT I
1625 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
		South Carlsbad Morrow
Property Code	Property Name	Well Number
	LOVELACE "27" FEE	2
OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION CO., L.P.	3106'

Surface Location

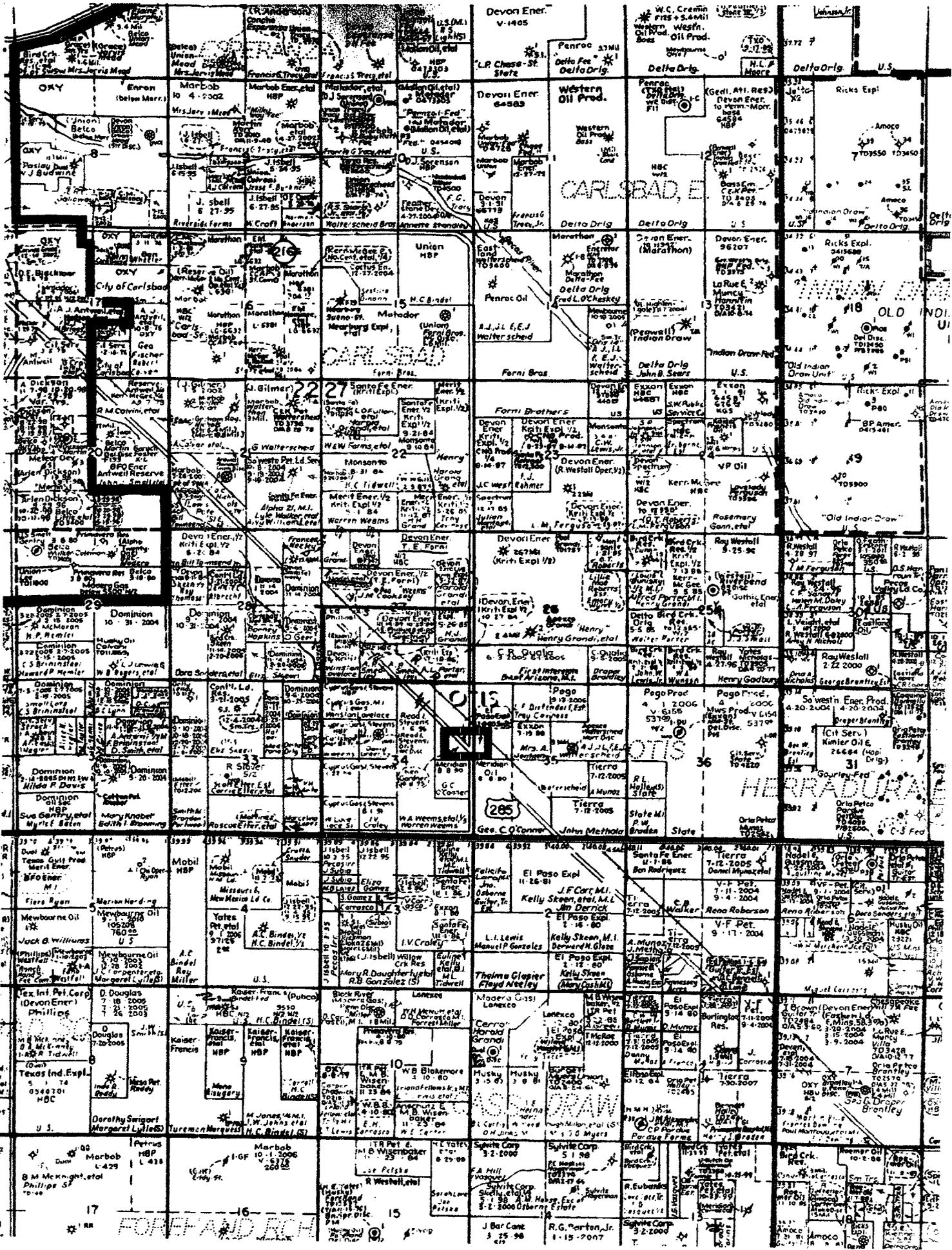
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	27	22 S	27 E		2410	SOUTH	1165	EAST	EDDY

Bottom Hole Location If Different From Surface

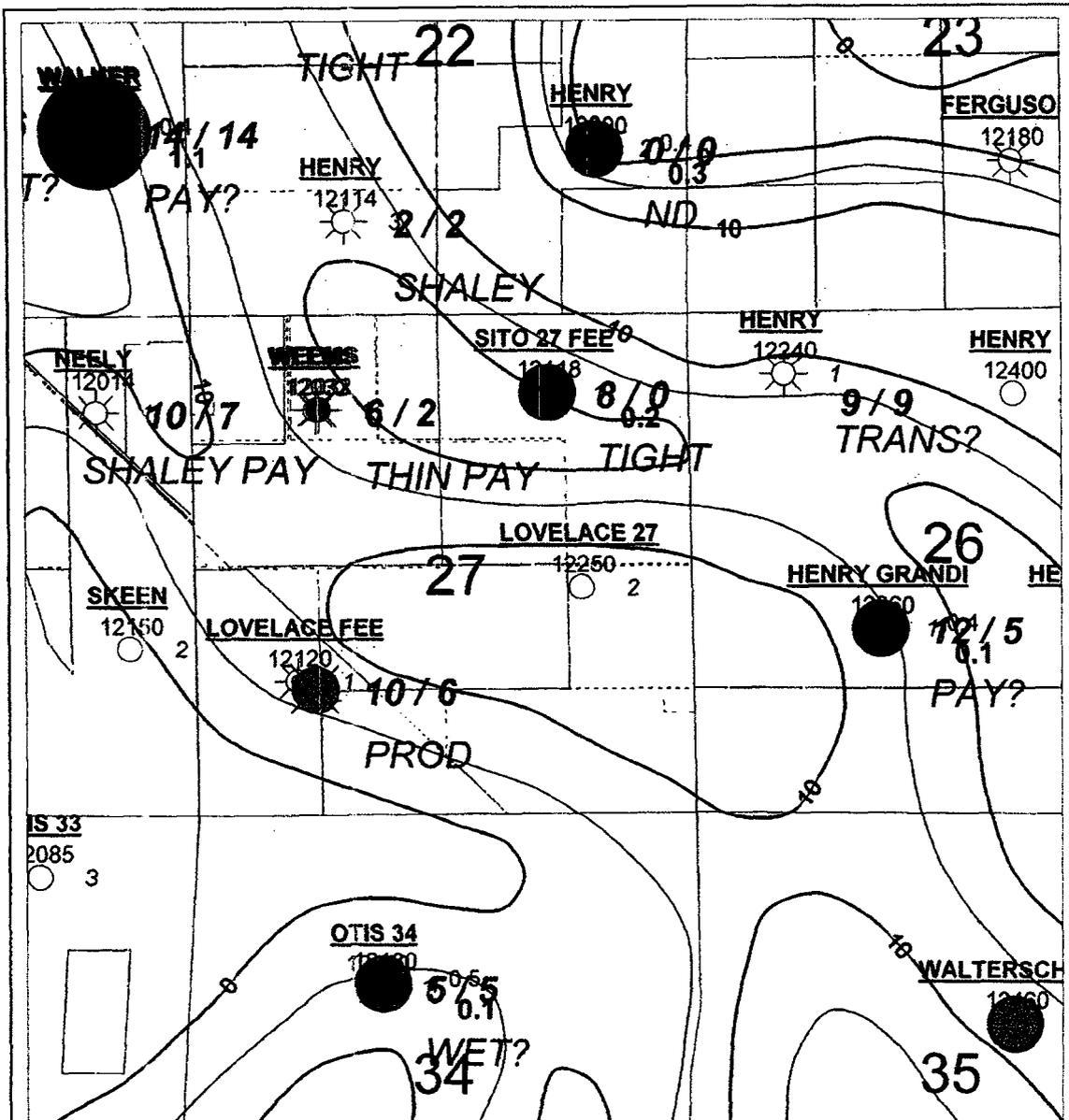
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320									

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>Norvella Adams</i></p> <p>Signature</p>	
	<p>Norvella Adams</p> <p>Printed Name</p>	
	<p>Sr. Staff Eng .Tech</p> <p>Title</p>	
<p>April 27 2005</p> <p>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>APRIL 21, 2005</p> <p>Date Surveyed</p>		<p><i>Gary C. Jones</i></p> <p>Signature</p>
<p>Professional Surveyor</p> <p>NEW MEXICO</p>		<p>W.O. No. 5335</p>
<p>Certificate No. Gary C. Jones 7977</p>		<p>PROFESSIONAL LAND SURVEYORS</p>



FORELAND RCH



Indian Draw well GT 8000 w lease name <Indian Draw>

T222S R27E

Straight hole well

Well Status

- ☀ 2GAS
- ☀ 2GASW/1
- GAS
- GAS-WC
- ◇ D&A
- D&A-G
- D&A-O
- D&A-OG
- D&AW
- D&AWG
- D&AWO
- J&A
- LOC
- OIL
- OIL-WO
- ◇ TA



Morrow producer

mbo 5/5 Net 8% phi/Net GR<60 api
BCF



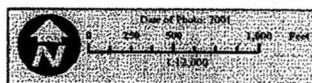
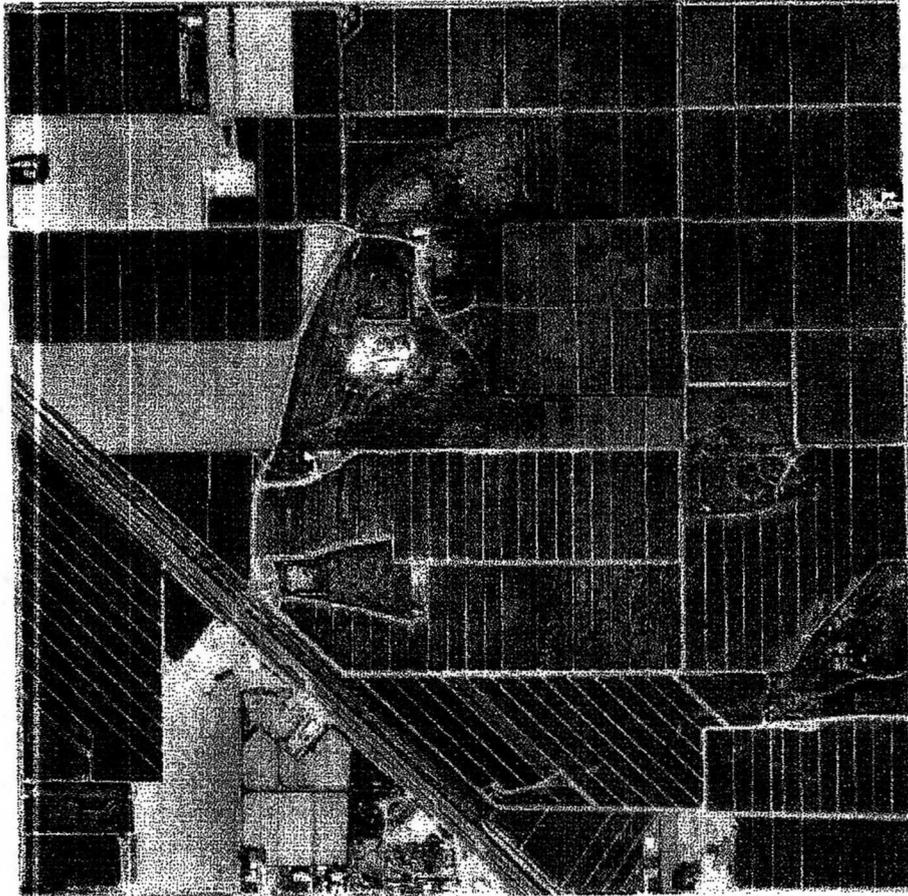
**Mid. Mrrw Lotos A 6th
sand producer**

devon

SENM Morrow/Strawn Project
Indian Draw Area, Eddy County, New Mexico
Operator: MMRW Lotos A Sand Resource S
Net GR w/8% FDC Parosity
Structure: Top Subsea LMRW (Base of MMRW Shale)

Author: JLH	Geopack: 03 GR Structure: C-1 2P-D	Date: 28 April 2005
Created: 21 Apr 2005 1:14 PM; Jpmsh.spc	Scale: 1" = 200'	Drawn By: Jpmsh

22S-27E Sec 27 Eddy County, New Mexico



devon

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

April 28, 2005

Thomas Earl Forni and Pamela A. Forni
103 South Country Club Circle
Carlsbad, New Mexico 88220

Re: Lovelace #2
S/2 Section 27-T22S-R27E
Eddy County, New Mexico

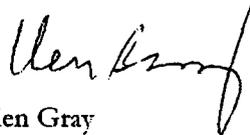
Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s administrative application for approval of an unorthodox well location covering the referenced Morrow test well. Devon's records indicate that you are a working interest owner in 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

Thomas Earl Forni and Pamela A. Forni have no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____

devon

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

April 28, 2005

Nadel & Gussman Permian, LLC
601 North Marienfeld, Suite 508
Midland, Texas 79701-508
Attn: Sam Jolliffe

Re: Lovelace #2
S/2 Section 27-T22S-R27E
Eddy County, New Mexico

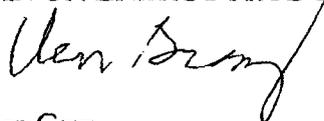
Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s administrative application for approval of an unorthodox well location covering the referenced Morrow test well. Our records indicate that your company is an interest in the 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.

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DEVON ENERGY PRODUCTION COMPANY, L.P.



Ken Gray
Senior Land Advisor

KG:
Enclosures

Nadel & Gussman Permian, LLC has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____

TRANSACTION REPORT

P.01

APR-29-2005 FRI 07:05 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
APR-29	07:02 AM		2' 37"	8	RECEIVE	OK		

devon

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

April 28, 2005

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

RECEIVED
MAY 2 - 2005
OIL CONSERVATION
DIVISION

Re: Lovelace #2
S/2 Section 27-T22S-R27E
Eddy County, New Mexico

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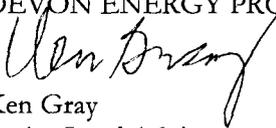
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Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor

Kg/
Enclosure

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1625 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 739160	Pool Name South Carlsbad Morrow
Property Code	Property Name LOVELACE "27" FEE	Well Number 2
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3106'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	27	22 S	27 E		2410	SOUTH	1165	EAST	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 320	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.

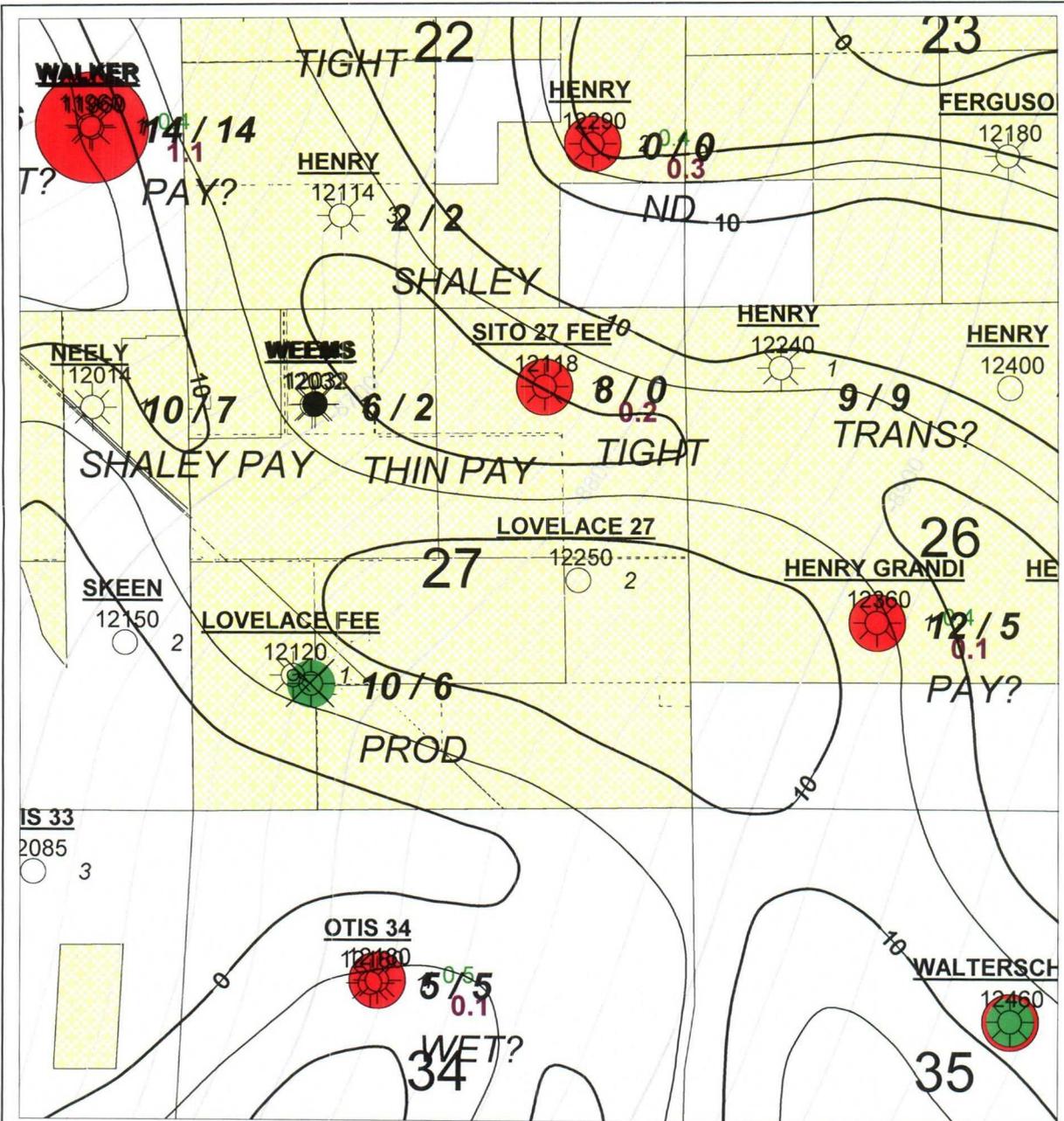
Norvella Adams
Signature
Norvella Adams
Printed Name
Sr. Staff Eng .Tech.
Title
April 27 2005
Date

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.

APRIL 21, 2005
Date Surveyed

Gary L. Jones
Signature
Professional Surveyor
NEW MEXICO
W.O. No. 5335
Certification No. Gary L. Jones 7977
PROFESSIONAL LAND SURVEYORS



Indian Draw well GT 8000 w lease name <Indian Draw>

T222S R27E

Straight hole well

- Well Status
- ☀ 2GAS
- ☀ 2GASWO
- GAS
- GAS-WO
- ⊕ D&A
- D&A-G
- D&A-O
- D&A-OG
- D&AW
- D&AWG
- D&AWO
- J&A
- LOC
- OIL
- OIL-WO
- ⊕ TA

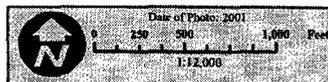
- Morrow producer
 - Mid. Mrrw Lotos A 6th sand producer
- mbo** 5/5 Net 8% phi/Net GR<60 api
BCF

devon

SENM Morrow/Strawn Project
 Indian Draw Area, Eddy County, New Mexico
 Isopach: MMRW Lotos A Sand Sequence 6
 Net GR w/8% FDC Porosity
 Structure: Top Subsea LMRW (Base of MMRW Shale)

Author: CDM	Isopach C.I. 5 ft Structure C.I. 20 ft	Date: 23 April, 2005
Lovelace 2 LA Seq 6 Net 8% FDC Isopach amp	Scale: 1" = 2000'	Indian Draw AD1

22S-27E Sec 27
Eddy County, New Mexico



**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

*Case No. 12306
Order No. R-11315*

**APPLICATION OF MEWBOURNE OIL COMPANY TO ABOLISH THE
SPECIAL RULES AND REGULATIONS FOR THE SOUTH CARLSBAD-
MORROW GAS POOL, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 16, 1999, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of January, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) By Order No. R-3731 dated April 18, 1969, the Division created the South Carlsbad-Morrow Gas Pool. This pool currently comprises portions of Township 22 South, Ranges 26 and 27 East, Township 23 South, Ranges 26 and 27 East, and Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) The South Carlsbad-Morrow Gas Pool is currently a prorated gas pool subject to the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool, as promulgated by Division Order No. R-8170, as amended. The Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool currently require standard 320-acre gas spacing and proration units with wells to be located no closer than 1980 feet to the end boundary nor closer than 660 feet to the side boundary of the proration unit, nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.

(4) The applicant, Mewbourne Oil Company (Mewbourne), seeks an order abolishing the Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool so that the well location and infill well requirements of Division Rule 104 apply to this pool.

(5) The notice published for this case stated: "In the Absence of Objection, This Case Will Be Taken Under Advisement."

(6) Mewbourne Oil Company appeared at the hearing through legal counsel.

(7) The applicant sent notice of its application to all operators in the South Carlsbad-Morrow Gas Pool and to all operators within one mile of the outer boundary of the pool. No operator and/or interest owner appeared at the hearing in opposition to the application.

(8) There is currently no provision within the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool prohibiting the drilling of an infill well on a standard 320-acre gas spacing and proration unit.

(9) Division records indicate that by Order No. R-10328, issued in Case No. 11211 on March 27, 1995, the Oil Conservation Commission suspended gas prorationing in the South Carlsbad-Morrow Gas Pool because there were no non-marginal gas wells in the pool. This situation apparently has not changed and gas prorationing remains suspended at this time.

(10) Mewbourne's application in this case does not seek to change the status of the South Carlsbad-Morrow Gas Pool as a prorated gas pool, nor is there evidence in the record to support such action.

(11) By Order No. R-11231 issued in Case No. 12119 on August 12, 1999, the Oil Conservation Commission amended the well setback requirements for wells located within pools spaced on 320-acres in Southeast New Mexico, and not currently subject to special pool rules, to provide that:

- a) the initial well on a 320-acre unit shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- b) only one infill well on a 320-acre unit shall be allowed provided that the well is located in the quarter section of the 320-acre unit not containing the initial well and is no closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and

- c) the Division-designated operator for the infill well is the same operator currently designated by the Division for the initial well.

(12) Approval of the application will provide greater flexibility to operators in the South Carlsbad-Morrow Gas Pool in locating wells so that additional gas reserves may be recovered, thereby preventing waste.

(13) The application of Mewbourne should be approved by abolishing the Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool as contained within Division Order No. R-8170, as amended; provided however, the South Carlsbad-Morrow Gas Pool should remain a prorated gas pool subject to the General Rules for the Prorated Gas Pools of New Mexico.

IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool contained within Division Order No. R-8170, as amended, are hereby abolished.

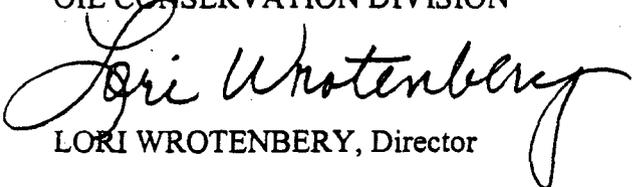
(2) The South Carlsbad-Morrow Gas Pool shall be governed by the spacing, well density and well setback requirements contained within Division Rule 104 as provided in Rule 2 (a) of the General Rules for the Prorated Gas Pools of New Mexico, contained within Division Order No. R-8170, as amended.

(3) The South Carlsbad-Morrow Gas Pool shall remain prorated and subject to the General Rules for the Prorated Gas Pools of New Mexico as contained within Division Order No. R-8170, as amended; provided however, pursuant to Division Order No. R-10328, gas prorationing within the South Carlsbad-Morrow Gas Pool shall remain suspended until further order of the Division.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY, Director

S E A L