

devon

p MESO-608953707

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

FAX

To: MIKE STOGNER

From: KEN GRAY

Fax: 505-476-3462

Date: 3/22/06

Phone:

Pages: 9 (including cover page)

Re: NRG 4 FBD #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

March 22, 2006

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

RE: North Pure Gold 4 Federal #2  
Section 4-T23S-R31E  
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, intends to drill the referenced horizontal Delaware well to a total vertical depth of 7,458' with a total measured depth of 12,556'. Devon is electing to drill this horizontal well due to the inability to obtain a vertical APD due to Potash restrictions. As reflected on the attached C-102, the well has been permitted at a surface location of 840' FWL and 1,140' FNL of Section 9 with a permitted bottom hole location of 600' FWL and 1650' FNL of Section 4, all in Township 23 South, Range 31 East. The initial portion of the open hole (and potentially productive) horizontal section of the well will be located 480' FWL and 330' FSL of said Section 4. The NMOCAD Artesia office has requested that Devon file this application for the reason that Devon will penetrate the top of the Delaware Mountain group with the vertical portion of the wellbore, notwithstanding the fact that the vertical portion of this well is being drilled within approximately 200' of an existing producing Delaware well and Devon does not intend to produce the well from the vertical portion of the well.

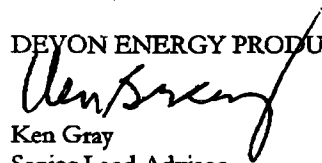
Even though the initial portion of the open hole horizontal section of the referenced well appears to be located at a standard location in accordance with Division rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F) (3) with regard to the vertical unorthodox portion of the well as requested by Artesia NMOCAD. This unorthodox location affects the leasehold owner in Unit letters C, E & F. Devon is the owner of 100% Record Title of Federal Lease NM 77046 which covers Unit letters C, E & F, among other lands. Therefore, no additional notification of this application should be required as this unorthodox location will affect Devon leasehold only.

Attached for your review you will find a land plat reflecting Devon as the only affected party, a structure map covering the Lower Brushy Canyon, a State of New Mexico form C-102, and a Well Profile Report prepared by Baker Hughes.

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  
KG\NPG 4 #2 UL  
Enclosure

9:30 am

3-24-06

(Stephine  
Wsasaga)

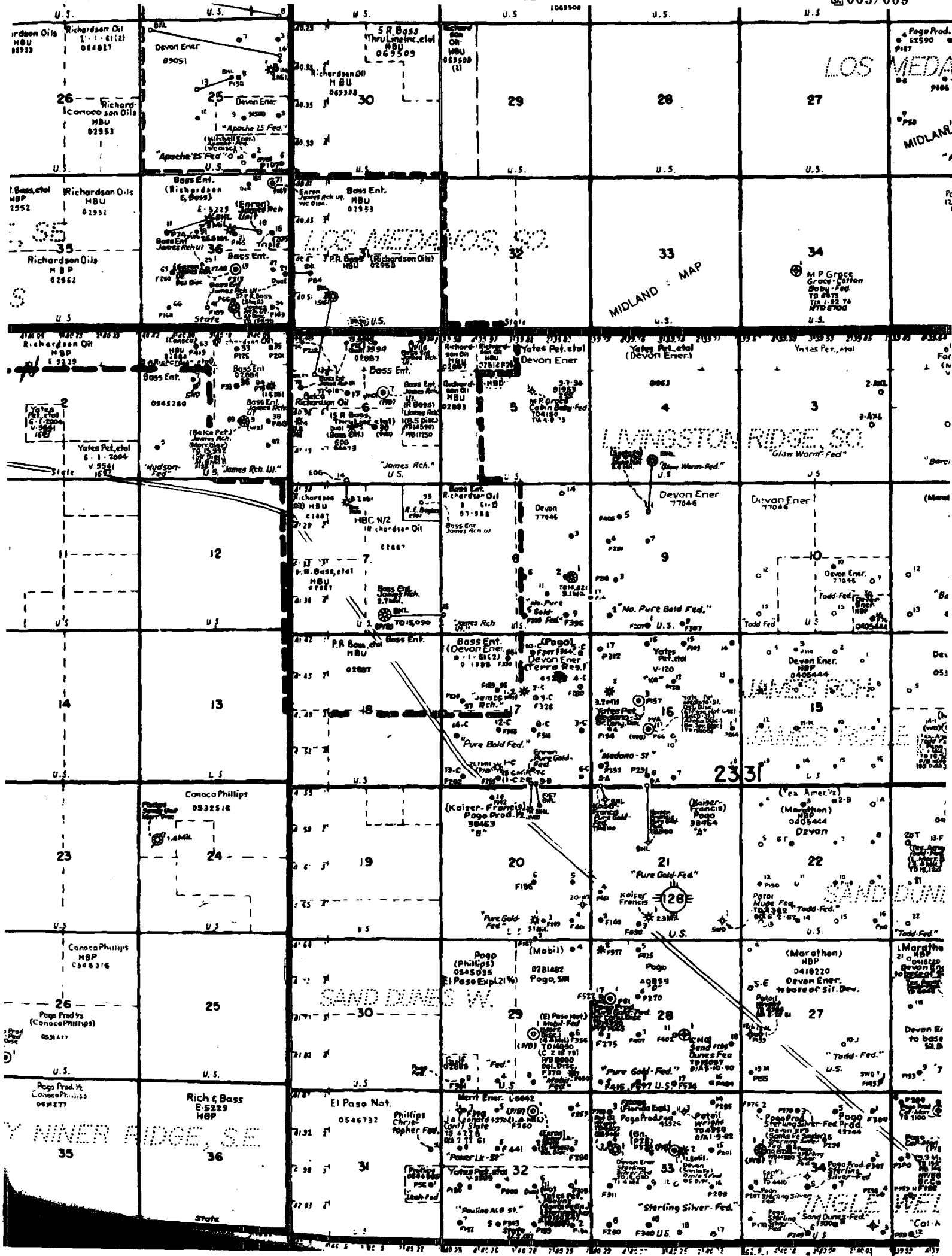
Will get back at me.

afternoon

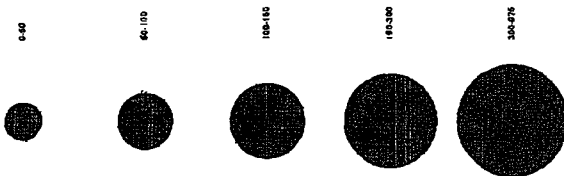
3-24

Talked w/ Jim Brame about  
Deveran address

3-29-06 received a voice mail message  
from Mr. Gray



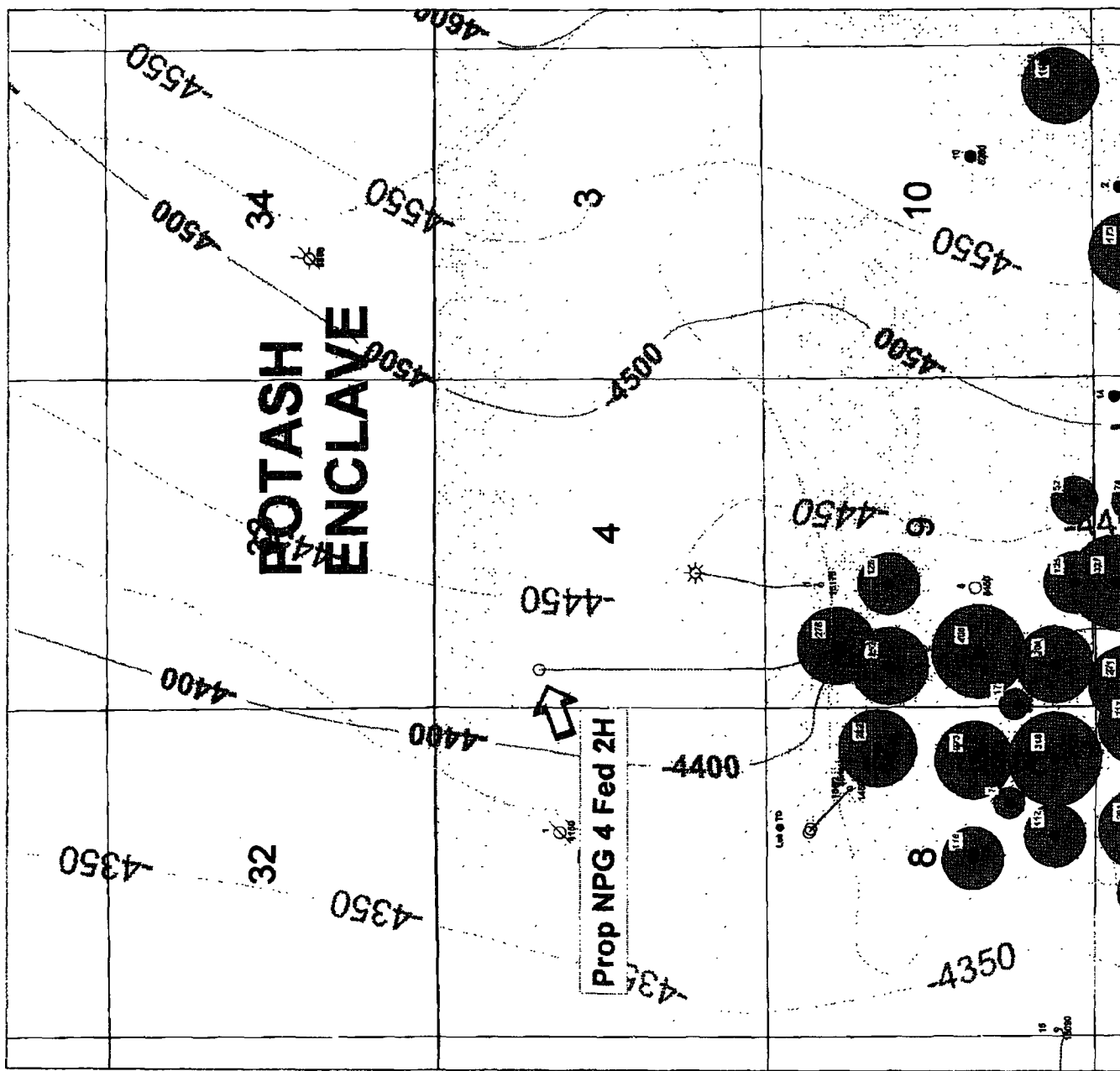
Delaware EWRs <DEQ\_EWR study>  
Addition Year Cut EWR VMI



devon

Top Lower Brushy Canyon D Sand

|         |                |
|---------|----------------|
| Author: | Date:          |
|         | 22 March, 2006 |
| Scale:  | <scale>        |



2040 South Pueblo, Santa Fe, NM 87505

**Energy, Minerals and Natural Resources Department**

Revised March 17, 1993

Fee Learn - 3 Copies

**2040 South Pacheco**

**Santa Fe, New Mexico 87504-2088**

☐ AMENDED REPORT

|                    |                                                    |           |                                      |
|--------------------|----------------------------------------------------|-----------|--------------------------------------|
| API Number         |                                                    | Pool Code | Pool Name<br>Quahada Ridge; Delaware |
| Property Code      | Property Name<br>NORTH PURE GOLD "4" FEDERAL       |           | Well Number<br>2                     |
| OGRIID No.<br>6137 | Operator Name<br>DEVON ENERGY PRODUCTION CO., L.P. |           | Elevation<br>3348'                   |

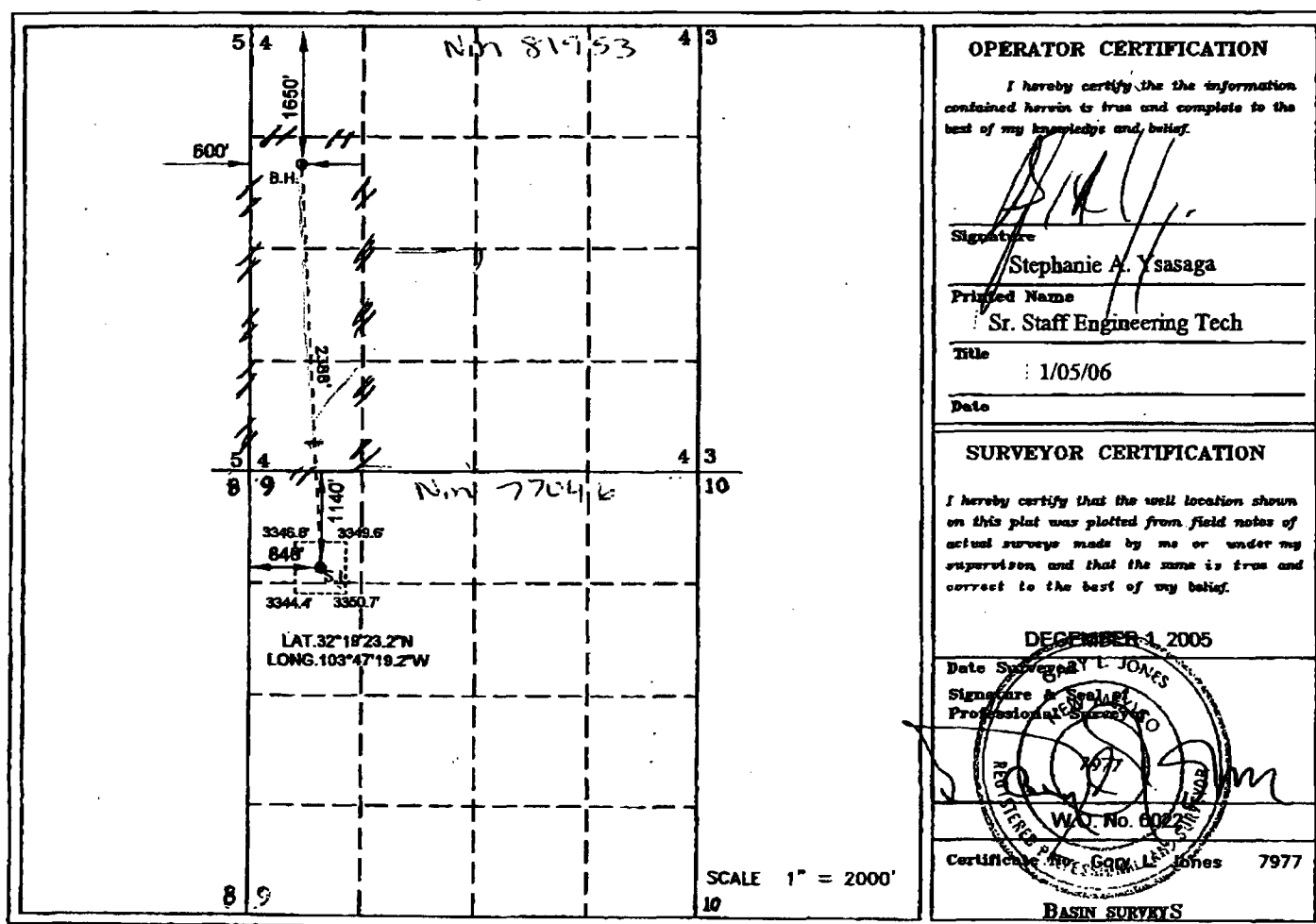
|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| D             | 9       | 23-S     | 31-E  |         | 1140          | NORTH            | 840           | WEST           | EDDY   |

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| E             | 4       | 23-S     | 31-E  |         | 1650          | NORTH            | 600           | WEST           | EDDY   |

Order No

120

**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**



330' FSL 7 450' FWC

$$\begin{array}{r} 1140 \\ 330 \\ \hline 1470 \end{array}$$

DEVON ENERGY  
North Pure Gold 4 Fed 2H

slot #1

Eddy County New Mexico

PROPOSAL LISTING

by  
Baker Hughes INTEQ

Your ref : Plan 4  
Our ref : prop4849  
License :

Date printed : 2-Nov-2005  
Date created : 27-Oct-2005  
Last revised : 27-Oct-2005

Field is centred on n32 40 29.200,w103 55 30.8  
Structure is centred on 668566.000,481656.000,999.00000,N

Slot location is n32 19 22.831,w103 47 15.521  
Slot Grid coordinates are N 481656.000, E 668566.000  
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - New Mexico East (3001), Spheroid: Clarke - 1866

Reference North is Grid North

DEVON ENERGY  
North Pure Gold 4 Fed 2H, slot #1  
, Eddy County New Mexico

PROPOSAL LISTING Page 1  
Your ref : Plan 4  
Last revised : 27-Oct-2005

| Measured<br>Depth | Inclin<br>Degrees | Aziwuth<br>Degrees | True Vert<br>Depth | R E C T A N G U L A R<br>C O O R D I N A T E S |         | Dogleg<br>Deg/100ft | Vert<br>Sect | G R I D<br>Easting | C O O R D S<br>Northing |
|-------------------|-------------------|--------------------|--------------------|------------------------------------------------|---------|---------------------|--------------|--------------------|-------------------------|
| 0.00              | 0.00              | 336.00             | 0.00               | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 500.00            | 0.00              | 336.00             | 500.00             | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 1000.00           | 0.00              | 336.00             | 1000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 1500.00           | 0.00              | 336.00             | 1500.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 2000.00           | 0.00              | 336.00             | 2000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 2500.00           | 0.00              | 336.00             | 2500.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 3000.00           | 0.00              | 336.00             | 3000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 3500.00           | 0.00              | 336.00             | 3500.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 4000.00           | 0.00              | 336.00             | 4000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 4500.00           | 0.00              | 336.00             | 4500.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 5000.00           | 0.00              | 336.00             | 5000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 5500.00           | 0.00              | 336.00             | 5500.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 6000.00           | 0.00              | 336.00             | 6000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 6500.00           | 0.00              | 336.00             | 6500.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 7000.00           | 0.00              | 336.00             | 7000.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 7458.00           | 0.00              | 336.00             | 7458.00            | 0.00N                                          | 0.00E   | 0.00                | 0.00         | 668566.00          | 481656.00               |
| 7558.00           | 12.01             | 336.00             | 7557.27            | 9.54N                                          | 4.25W   | 12.01               | 9.83         | 668561.75          | 481665.54               |
| 7658.00           | 24.02             | 336.00             | 7652.19            | 37.75N                                         | 16.81W  | 12.01               | 38.91        | 668549.19          | 481693.75               |
| 7758.00           | 36.04             | 336.00             | 7738.61            | 83.38N                                         | 17.12W  | 12.01               | 85.94        | 668528.88          | 481739.38               |
| 7858.00           | 48.05             | 336.00             | 7812.74            | 144.44N                                        | 64.31W  | 12.01               | 148.89       | 668501.69          | 481800.44               |
| 7958.00           | 60.06             | 336.00             | 7871.34            | 218.27N                                        | 97.18W  | 12.01               | 224.98       | 668468.82          | 481874.27               |
| 8058.00           | 72.07             | 336.00             | 7911.83            | 301.61N                                        | 134.28W | 12.01               | 310.89       | 668431.72          | 481957.61               |
| 8158.00           | 84.08             | 336.00             | 7932.46            | 390.83N                                        | 174.01W | 12.01               | 402.85       | 668391.99          | 482046.83               |
| 8207.27           | 90.00             | 336.00             | 7935.00            | 435.76N                                        | 194.01W | 12.01               | 449.16       | 668371.99          | 482091.76               |
| 8284.00           | 90.00             | 336.00             | 7935.00            | 505.86N                                        | 225.22W | 0.00                | 521.42       | 668340.78          | 482161.86               |
| 8300.00           | 90.00             | 336.59             | 7935.00            | 520.51N                                        | 231.65W | 3.68                | 536.51       | 668334.35          | 482176.51               |
| 8400.00           | 90.00             | 340.26             | 7935.00            | 613.49N                                        | 268.42W | 3.68                | 632.00       | 668297.58          | 482269.49               |
| 8500.00           | 90.00             | 343.94             | 7935.00            | 708.63N                                        | 299.15W | 3.68                | 729.19       | 668266.85          | 482364.63               |
| 8600.00           | 90.00             | 347.61             | 7935.00            | 805.55N                                        | 323.71W | 3.68                | 827.69       | 668242.29          | 482461.55               |
| 8700.00           | 90.00             | 351.29             | 7935.00            | 903.84N                                        | 342.02W | 3.68                | 927.08       | 668223.98          | 482559.84               |
| 8800.00           | 90.00             | 354.96             | 7935.00            | 1003.11N                                       | 353.98W | 3.68                | 1026.97      | 668212.02          | 482659.11               |
| 8900.00           | 90.00             | 358.64             | 7935.00            | 1102.93N                                       | 359.56W | 3.68                | 1126.93      | 668206.44          | 482758.93               |
| 8937.07           | 90.00             | 0.00               | 7935.00            | 1140.00N                                       | 360.00W | 3.68                | 1163.93      | 668206.00          | 482796.00               |
| 9000.00           | 90.00             | 0.00               | 7935.00            | 1202.93N                                       | 360.00W | 0.00                | 1226.68      | 668206.00          | 482858.93               |
| 9100.00           | 90.00             | 0.00               | 7935.00            | 1302.93N                                       | 360.00W | 0.00                | 1326.39      | 668206.00          | 482958.93               |
| 9200.00           | 90.00             | 0.00               | 7935.00            | 1402.93N                                       | 359.99W | 0.00                | 1426.10      | 668206.01          | 483058.93               |
| 9300.00           | 90.00             | 0.00               | 7935.00            | 1502.93N                                       | 359.99W | 0.00                | 1525.82      | 668206.01          | 483158.93               |
| 9400.00           | 90.00             | 0.00               | 7935.00            | 1602.93N                                       | 359.99W | 0.00                | 1625.53      | 668206.01          | 483258.93               |
| 9500.00           | 90.00             | 0.00               | 7935.00            | 1702.93N                                       | 359.98W | 0.00                | 1725.25      | 668206.02          | 483358.93               |
| 9600.00           | 90.00             | 0.00               | 7935.00            | 1802.93N                                       | 359.98W | 0.00                | 1824.96      | 668206.02          | 483458.93               |
| 9700.00           | 90.00             | 0.00               | 7935.00            | 1902.93N                                       | 359.98W | 0.00                | 1924.68      | 668206.02          | 483558.93               |
| 9800.00           | 90.00             | 0.00               | 7935.00            | 2002.93N                                       | 359.98W | 0.00                | 2024.39      | 668206.02          | 483658.93               |
| 9900.00           | 90.00             | 0.00               | 7935.00            | 2102.93N                                       | 359.98W | 0.00                | 2124.11      | 668206.02          | 483758.93               |
| 10000.00          | 90.00             | 0.00               | 7935.00            | 2202.93N                                       | 359.98W | 0.00                | 2223.82      | 668206.02          | 483858.93               |
| 10100.00          | 90.00             | 0.00               | 7935.00            | 2302.93N                                       | 359.97W | 0.00                | 2323.53      | 668206.03          | 483958.93               |
| 10200.00          | 90.00             | 0.00               | 7935.00            | 2402.93N                                       | 359.97W | 0.00                | 2423.25      | 668206.03          | 484058.93               |
| 10300.00          | 90.00             | 0.00               | 7935.00            | 2502.93N                                       | 359.97W | 0.00                | 2522.96      | 668206.03          | 484158.93               |
| 10400.00          | 90.00             | 0.00               | 7935.00            | 2602.93N                                       | 359.97W | 0.00                | 2622.68      | 668206.03          | 484258.93               |
| 10500.00          | 90.00             | 0.00               | 7935.00            | 2702.93N                                       | 359.97W | 0.00                | 2722.39      | 668206.03          | 484358.93               |
| 10600.00          | 90.00             | 0.00               | 7935.00            | 2802.93N                                       | 359.97W | 0.00                | 2822.11      | 668206.03          | 484458.93               |

All data in feet unless otherwise stated. Calculation uses minimum curvature method.

Coordinates from structure and TVD from rotary table.

Bottom hole distance is 4772.60 on azimuth 355.67 degrees from wellhead.

Vertical section is from N 0.00 E 0.00 on azimuth 355.67 degrees.

Grid is mercator New Mexico East (3001).

Grid coordinates in FEET and computed using the Clarke - 1866 spheroid  
Presented by Baker Hughes INTEQ

1470'

480' FNL

730' FSL

601  
1480  
1402  
68

DEVON ENERGY  
North Pure Gold 4 Fed 2H, slot #1  
Eddy County New Mexico

PROPOSAL LISTING Page 2  
Your ref : Plan 4  
Last revised : 27-Oct-2005

| Measured<br>Depth | Inclin<br>Degrees | Azimuth<br>Degrees | True Vert<br>Depth | R E C T A N G U L A R<br>C O O R D I N A T E S |         | Dogleg<br>Deg/100ft | Vert<br>Sect | G R I D   C O O R D S<br>Easting   Northing |           |
|-------------------|-------------------|--------------------|--------------------|------------------------------------------------|---------|---------------------|--------------|---------------------------------------------|-----------|
| 10700.00          | 90.00             | 0.00               | 7935.00            | 2902.93N                                       | 359.97W | 0.00                | 2921.82      | 668206.03                                   | 484558.93 |
| 10800.00          | 90.00             | 360.00             | 7935.00            | 3002.93N                                       | 359.97W | 0.00                | 3021.54      | 668206.03                                   | 484658.93 |
| 10900.00          | 90.00             | 360.00             | 7935.00            | 3102.93N                                       | 359.97W | 0.00                | 3121.25      | 668206.03                                   | 484758.93 |
| 11000.00          | 90.00             | 360.00             | 7935.00            | 3202.93N                                       | 359.97W | 0.00                | 3220.97      | 668206.03                                   | 484858.93 |
| 11100.00          | 90.00             | 360.00             | 7935.00            | 3302.93N                                       | 359.97W | 0.00                | 3320.68      | 668206.03                                   | 484958.93 |
| 11200.00          | 90.00             | 360.00             | 7935.00            | 3402.93N                                       | 359.97W | 0.00                | 3420.39      | 668206.03                                   | 485058.93 |
| 11300.00          | 90.00             | 360.00             | 7935.00            | 3502.93N                                       | 359.97W | 0.00                | 3520.11      | 668206.03                                   | 485158.93 |
| 11400.00          | 90.00             | 360.00             | 7935.00            | 3602.93N                                       | 359.97W | 0.00                | 3619.82      | 668206.03                                   | 485258.93 |
| 11500.00          | 90.00             | 360.00             | 7935.00            | 3702.93N                                       | 359.98W | 0.00                | 3719.54      | 668206.02                                   | 485358.93 |
| 11600.00          | 90.00             | 360.00             | 7935.00            | 3802.93N                                       | 359.98W | 0.00                | 3819.25      | 668206.02                                   | 485458.93 |
| 11700.00          | 90.00             | 360.00             | 7935.00            | 3902.93N                                       | 359.98W | 0.00                | 3918.97      | 668206.02                                   | 485558.93 |
| 11800.00          | 90.00             | 360.00             | 7935.00            | 4002.93N                                       | 359.98W | 0.00                | 4018.68      | 668206.02                                   | 485658.93 |
| 11900.00          | 90.00             | 360.00             | 7935.00            | 4102.93N                                       | 359.98W | 0.00                | 4118.40      | 668206.02                                   | 485758.93 |
| 12000.00          | 90.00             | 360.00             | 7935.00            | 4202.93N                                       | 359.98W | 0.00                | 4218.11      | 668206.02                                   | 485858.93 |
| 12100.00          | 90.00             | 360.00             | 7935.00            | 4302.93N                                       | 359.99W | 0.00                | 4317.83      | 668206.01                                   | 485958.93 |
| 12200.00          | 90.00             | 360.00             | 7935.00            | 4402.93N                                       | 359.99W | 0.00                | 4417.54      | 668206.01                                   | 486058.93 |
| 12300.00          | 90.00             | 360.00             | 7935.00            | 4502.93N                                       | 359.99W | 0.00                | 4517.26      | 668206.01                                   | 486158.93 |
| 12400.00          | 90.00             | 360.00             | 7935.00            | 4602.93N                                       | 360.00W | 0.00                | 4616.97      | 668206.00                                   | 486258.93 |
| 12500.00          | 90.00             | 360.00             | 7935.00            | 4702.93N                                       | 360.00W | 0.00                | 4716.69      | 668206.00                                   | 486358.93 |
| 12556.07          | 90.00             | 360.00             | 7935.00            | 4759.00N                                       | 360.00W | 0.00                | 4772.60      | 668206.00                                   | 486415.00 |

All data in feet unless otherwise stated. Calculation uses minimum curvature method.  
Coordinates from structure and TVD from rotary table.  
Bottom hole distance is 4772.60 on azimuth 355.67 degrees from wellhead.  
Vertical section is from N 0.00 E 0.00 on azimuth 355.67 degrees.  
Grid is mercator - New Mexico East (3001).  
Grid coordinates in FEET and computed using the Clarke - 1866 spheroid  
Presented by Baker Hughes INTEQ

| DEVON ENERGY                         |          |       |                                   |         | Created by adbyem<br>Date plotted : 27-Oct-2005<br>Plot Reference is Plan 4.<br>Coordinates are in feet reference structure.<br>True Vertical Depths are reference structure.<br>--- Baker Hughes INTEQ --- |         |         |         |  |
|--------------------------------------|----------|-------|-----------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|--|
| Structure : North Pure Gold 4 Fed 2H |          |       | Slot : slot #1                    |         |                                                                                                                                                                                                             |         |         |         |  |
| Field :                              |          |       | Location : Eddy County New Mexico |         |                                                                                                                                                                                                             |         |         |         |  |
| ----- WELL PROFILE DATA -----        |          |       |                                   |         |                                                                                                                                                                                                             |         |         |         |  |
| ----- Point -----                    | MD       | Inc   | Dir                               | TVD     | North                                                                                                                                                                                                       | East    | V. Sect | Deg/100 |  |
| Tie on                               | 0.00     | 0.00  | 336.00                            | 0.00    | 0.00                                                                                                                                                                                                        | 0.00    | 0.00    | 0.00    |  |
| KOP                                  | 7458.00  | 0.00  | 336.00                            | 7458.00 | 0.00                                                                                                                                                                                                        | 0.00    | 0.00    | 0.00    |  |
| Target End of Curve                  | 8207.27  | 90.00 | 336.00                            | 7935.00 | 435.76                                                                                                                                                                                                      | -194.01 | 449.16  | 12.01   |  |
| KOP                                  | 8284.00  | 90.00 | 336.00                            | 7935.00 | 505.86                                                                                                                                                                                                      | -225.22 | 521.42  | 0.00    |  |
| Target End of Turn                   | 8937.07  | 90.00 | 0.00                              | 7935.00 | 1140.00                                                                                                                                                                                                     | -360.00 | 1163.93 | 3.68    |  |
| T.D. & Target TD                     | 12556.07 | 90.00 | 360.00                            | 7935.00 | 4759.00                                                                                                                                                                                                     | -360.00 | 4772.60 | 0.00    |  |

