

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Deven SFS

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]

- [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 _____

OCT 16 2001

- [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

[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 for Applicant
Title

10/13/01
Date

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

jamesbruc@aol.com
e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

October 13, 2001

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

Dear Mr. Stogner:

Devon SFS Operating, Inc. ("Devon") applies for administrative approval of an unorthodox gas well location for the following well:

Well: Stock Tank "15" Fed. Well No. 1 (30-005-63371)
Location: 1980 feet FSL & 660 feet FWL
Unit: W½ of Section 15, Township 15 South, Range 28 East,
N.M.P.M., Chaves County, New Mexico

The well will be drilled to test the Morrow formation (Undesignated Buffalo Valley-Pennsylvanian Gas Pool). Under the special rules for said pool, spacing is 320 acres. However, wells must be located in the northwest quarter or southeast quarter of a section, and be no closer than 990 feet to the outer boundary of the quarter section. Thus, the location is unorthodox because it is in the "wrong" quarter section, and it is too close to the quarter section line. A Form C-102 for the well is being prepared, and will be submitted shortly.

The application is based on geologic reasons. Attached as Exhibit A is a net sand isopach of the Atoka and Morrow formations, the primary producing zones in the area. The thickest sands are in the southwest quarter of the section. Although there is a potential location in the southeast quarter with equivalent sand thickness, the sand begins thinning as you move to the east, and lack of well control to the east indicates that it is a better to remain in the southwest quarter.

A land plat of the area is attached as Exhibit B. The offset operators/lessees are as follows:

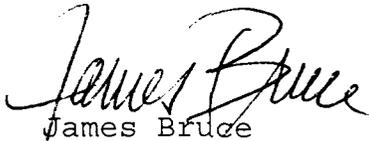
1. Section 9: Yates Petroleum Corporation

2. Section 10: Santa Fe Snyder Corporation (now Devon)
Yates Petroleum Corporation
3. Section 11: Chi Energy, Inc.
Yates Petroleum Corporation
4. Section 14: Concho Resources, Inc. (now Devon)
5. Section 23: Santa Fe Snyder Corporation (now Devon)
Yates Petroleum Corporation
6. Section 22: Santa Fe Snyder Corporation (now Devon)
7. Section 21: Branex Resources, Inc.
Harvey E. Yates Company
8. Section 16: Yates Petroleum Corporation

A copy of the notice letter sent to the offsets is attached hereto as Exhibit C.

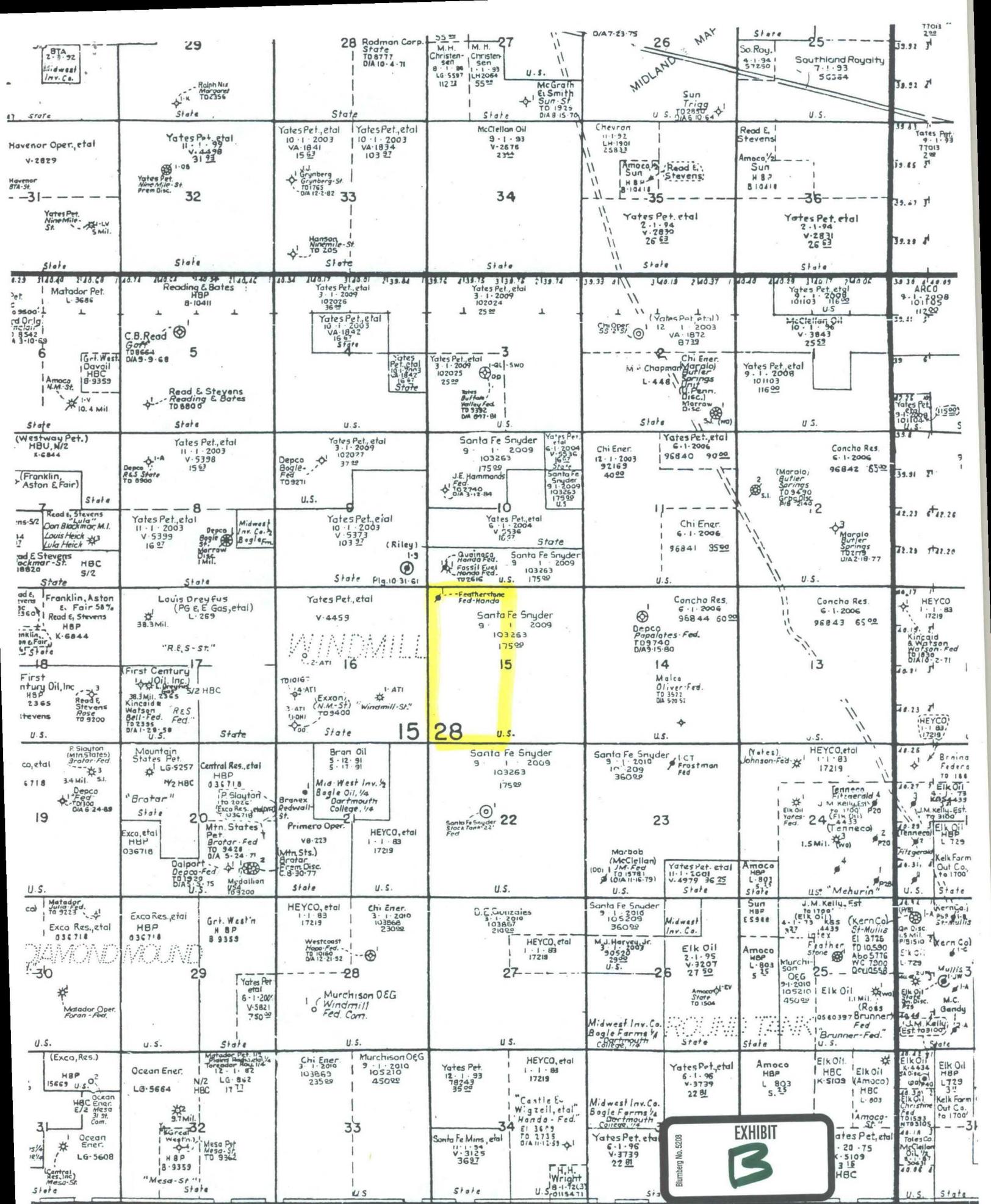
Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Devon SFS Operating, Inc.



JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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(505) 982-2043
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October 13, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Branex Resources, Inc.
403 North Pennsylvania
Roswell, New Mexico 88201

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Chi Energy, Inc.
P.O. Box 1799
Midland, Texas 79702

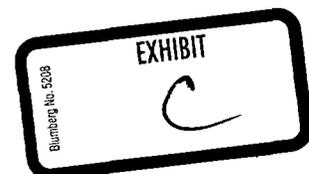
Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the Oil Conservation Division by Devon SFS Operating, Inc., requesting administrative approval of an unorthodox oil well location in the Pennsylvanian formation in the W $\frac{1}{2}$ of Section 15, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico. If you object to the well's location, you must notify the Division in writing no later than Friday, November 2, 2001 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney Devon SFS Operating, Inc.



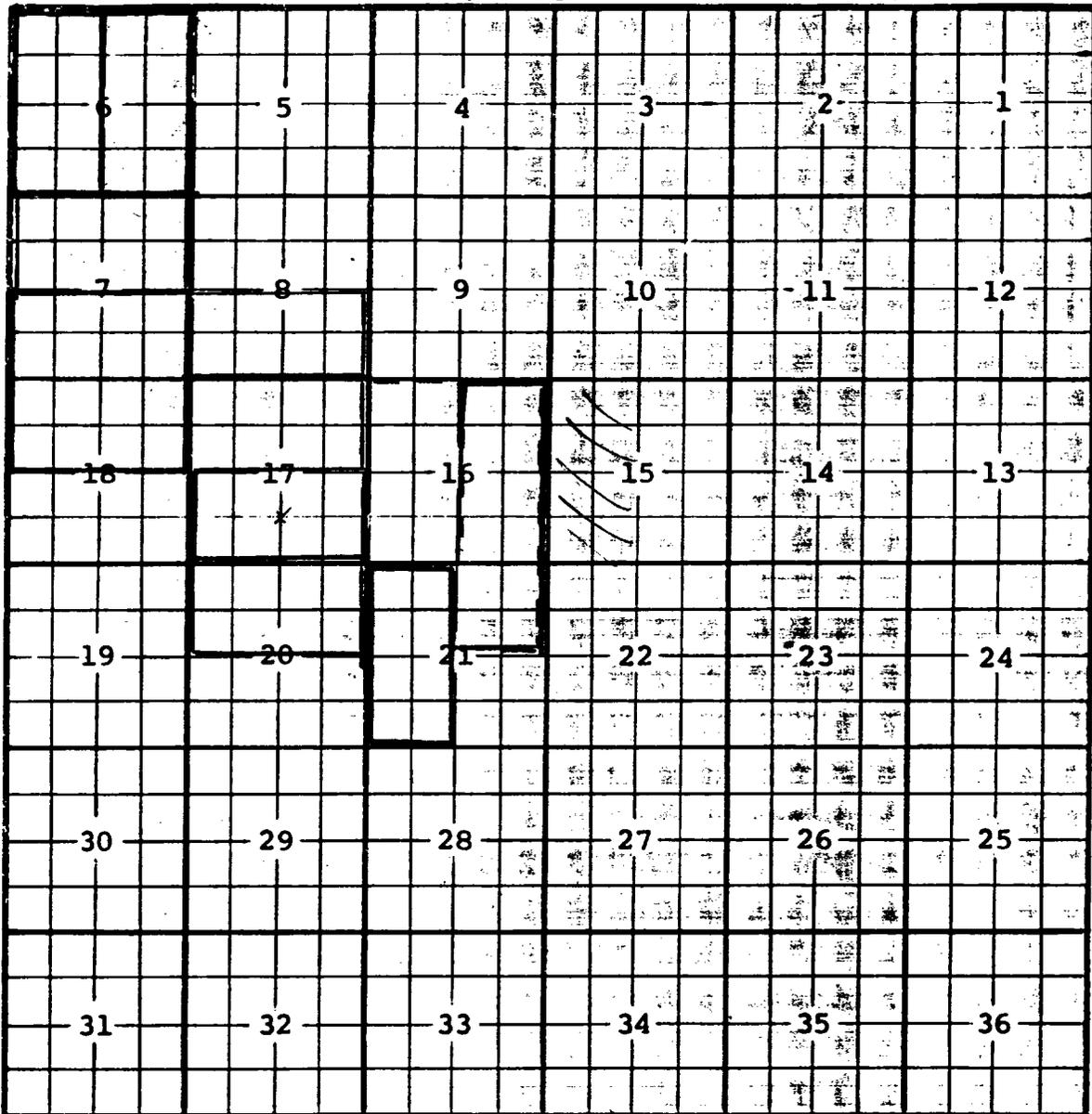
COUNTY *Chaves*

POOL *Buffalo Valley - Pennsylvanian Gas*

TOWNSHIP *15 South*

RANGE *28 East*

NMPM



Ext: $\frac{W}{2}$ Sec. 6 (R-4086, 2-1-71) - $\frac{E}{2}$ Sec. 6 (R-4146, 6-1-71) - $\frac{S}{2}$ Sec. 7, $\frac{W}{2}$ Sec. 18 (R-4437)

Ext: $\frac{S}{2}$ Sec. 8 (R-5361, 3-1-77) Ext: $\frac{N}{2}$ Sec. 7 (R-5511, 9-1-77)

Ext: $\frac{N}{2}$ Sec. 17 (R-5667, 4-1-78)

Ext: $\frac{S}{2}$ Sec. 17 (R-5987, 4-1-79) Ext: $\frac{N}{2}$ Sec. 20 (R-6274, 3-1-80)

Ext: $\frac{W}{2}$ Sec. 21 (R-9096, 1-1-90) Ext: $\frac{E}{2}$ Sec. 16, $\frac{NE}{4}$ Sec. 21 (R-11384, 5-25-00)

CMD : ONGARD 10/22/01 09:47:01
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPXW

OGRID Idn : 20305 API Well No: 30 5 63371 APD Status(A/C/P): A
Opr Name, Addr: DEVON SFS OPERATING INC Aprvl/Cncl Date : 04-05-2001
20 N. BROADWAY
STE 1500
OKLAHOMA CITY,OK 73102

Prop Idn: 27868 STOCK TANK 15 FEDERAL COM Well No: 1

| | U/L | Sec | Township | Range | Lot | Idn | North/South | East/West |
|----------------|-----|-----|--------------|-------|-------|-------|--------------|-------------|
| | --- | --- | ----- | ----- | ----- | ----- | ----- | ----- |
| Surface Locn : | L | 15 | 15S | 28E | | | FTG 1980 F S | FTG 660 F W |
| OCD U/L : | L | | API County : | 5 | | | | |

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3574

State Lease No: NM 103623 Multiple Comp (S/M/C) : S
Prpsd Depth : 9500 Prpsd Frmtn : WILDCAT MORROW

E0009: Enter data to modify record

| | | | | | |
|-----------|------|------------|-----------|--------------|--------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo | PF05 | PF06 CONFIRM |
| PF07 | PF08 | PF09 PRINT | PF10 C102 | PF11 HISTORY | PF12 |

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/22/01 09:46:35
OGOMES -TPXW
PAGE NO: 1

Sec : 15 Twp : 15S Rng : 28E Section Type : NORMAL

| | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| D 40.00 Federal owned | C 40.00 Federal owned | B 40.00 Federal owned | A 40.00 Federal owned |
| E 40.00 Federal owned | F 40.00 Federal owned | G 40.00 Federal owned | H 40.00 Federal owned |

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

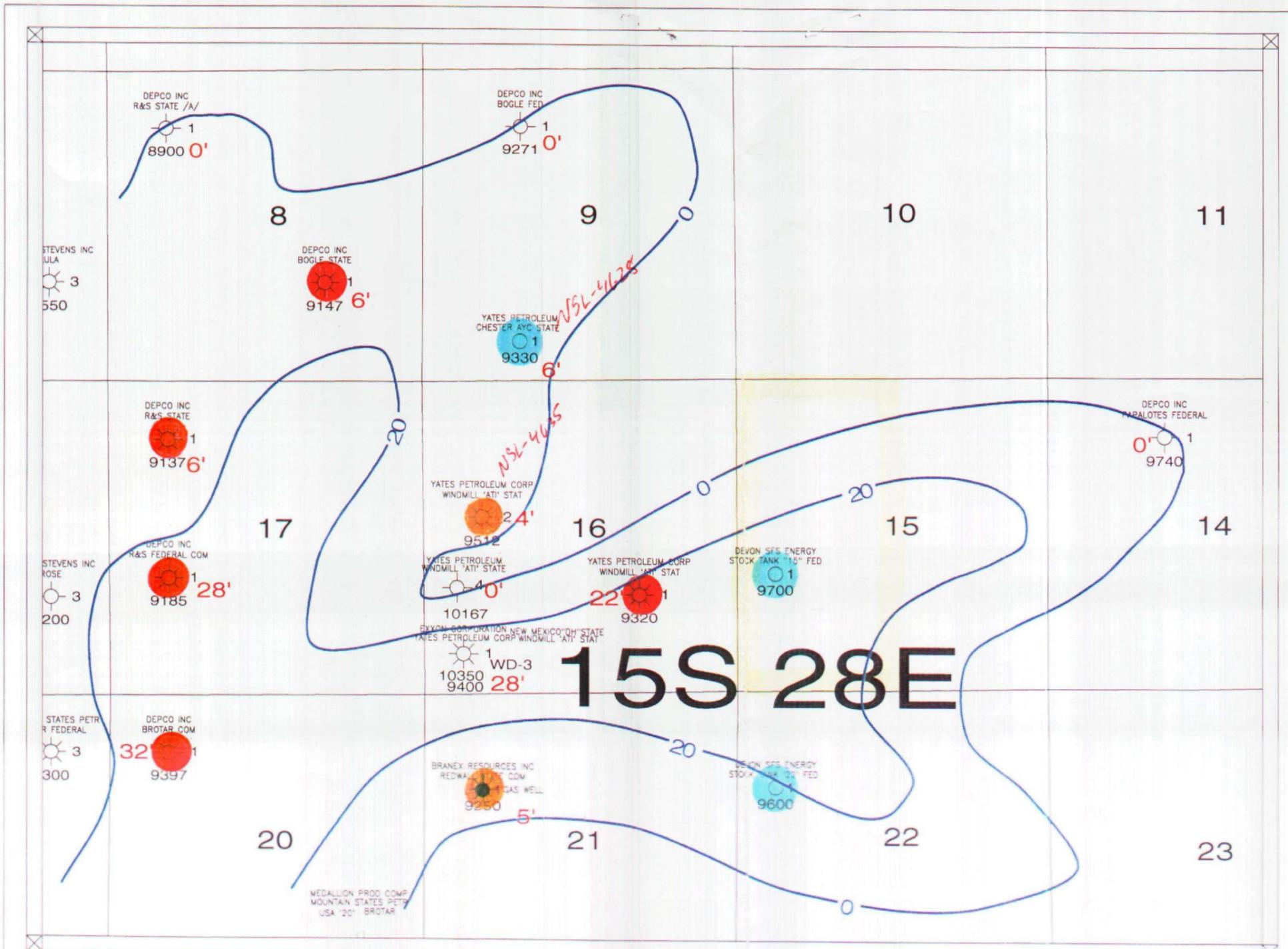
ONGARD
INQUIRE LAND BY SECTION

10/22/01 09:46:41
OGOMES -TPXW
PAGE NO: 2

Sec : 15 Twp : 15S Rng : 28E Section Type : NORMAL

| | | | |
|--|---------------------------------|---------------------------------|---------------------------------|
| L 40.00 Federal owned A | K 40.00 Federal owned | J 40.00 Federal owned | I 40.00 Federal owned |
| M 40.00 Federal owned A | N 40.00 Federal owned | O 40.00 Federal owned | P 40.00 Federal owned |

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



LEGEND

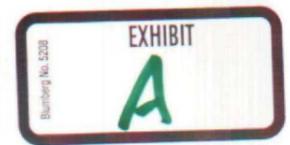
- DRILLING ACTIVITY 2001
- ATOKA SAND PRODUCER
- MORROW SAND PRODUCER

32 = ATOKA/MORROW TOTAL NET SAND > 8% POROSITY

Devon Energy

STOCK TANK 15 FED #1
SEC. 15-T15S-R28E, CHAVES CO., NM
TOTAL NET SAND ISCPACH: ATOKA & MORROW

| | | |
|----------------------|---------------|-------------|
| G.Y. RIGGS | D = 20" | 8/31/01 |
| PB-WO. EDDY REGIONAL | Scale 1:24000 | STOCK15.GPF |



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
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(505) 982-2043
(505) 982-2151 (FAX)

October 19, 2001

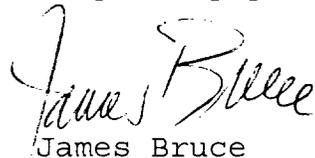
Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Well: Stock Tank "15" Fed. Well No. 1
Location: 1980 feet FSL & 660 feet FWL
Unit: W½ of Section 15, Township 15 South, Range 28
East, N.M.P.M., Chaves County, New Mexico

Dear Mr. Stogner:

Regarding the administrative application for an unorthodox location
filed on the above well, enclosed is a copy of the Form C-102.

Very truly yours,


James Bruce

Attorney for Devon SFS Operating, Inc.

DISTRICT I

1825 N. French St., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1800 N. Brazos Rd., Aztec, NM 87410

DISTRICT IV

8500 South Pacheco, Santa Fe, NM 87506

2

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

Form C-102

Revised March 17, 1990

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--------------------------|---|---------------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name STOCK TANK "15" FEDERAL | Well Number 1 |
| USMD No. 20305 | Operator Name DEVON SFS OPERATING, INC. | Elevation 3574' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|---------------|
| L | 15 | 15 S | 28 E | | 1980 | SOUTH | 660 | WEST | CHAVES |

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. | | | | | | |

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>E. L. Buttross, Jr.</i> Signature E. L. Buttross, Jr. Printed Name Oper. Engineering Advisor Title February 28, 2001 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>December 8, 2000 Date Surveyed</p> <p>Signature: <i>[Signature]</i> Professional Surveyor NEW MEXICO W.O. No. 0662 Certificate No. Gory 7977</p> |



NEW MEXICO ENERGY, MINERALS and ^{Devon. SFS 01}
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

October 22, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Devon SFS Operating, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Re: Administrative application for an exception to the well location provisions [Rule 2 (b)] of the "Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool," as promulgated by Division Order No. R-8170, as amended.

Dear Mr. Bruce:

This letter acknowledges the receipt of your administrative application dated October 13, 2001 on behalf on Devon SFS Operating, Inc. for an unorthodox Morrow gas well location for the proposed Stock Tank "15" Federal Well No. 1 (API No. 30-005-63371), to be drilled 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 15, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico. The Division received your application on October 16, 2001, and assigned it NMOCD application reference No. *pKRV0-129039620*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order. While your geological data supports locating this well in the SW/4 rather than the NW/4 of Section 15 it is insufficient to support the 660 offset requests.

Since the submitted information is insufficient to review, the application was ruled as incomplete on October 22, 2001. Please submit the above stated information by Monday, October 29, 2001.

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, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia

JAMES BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504
Telephone: (505) 982-2043
Fax: (505) 982-2151

FAX COVER SHEET

DELIVER TO: Michael E. Stogner
COMPANY: Oil Conservation Division
CITY: Santa Fe, New Mexico
FAX NUMBER: (505) 476-3471
NUMBER OF PAGES: 2 (Including Cover Sheet)
DATE SENT: 10/29/01
MEMO:

CONFIDENTIALITY NOTICE

This transmission contains information which may be confidential and/or legally privileged. The information is intended only for the above-named recipient. If you are not the intended recipient, copying or distribution of the information is prohibited. If you have received this transmission in error, please call us at the above number and return the document by United States mail. Thank you.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
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October 29, 2001

Via Fax

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

Re: Well: Stock Tank "15" Fed. Well No. 1
Location: 1980 feet FSL & 660 feet FWL
Unit: W¼ of Section 15, Township 15 South, Range 28
East, N.M.P.M., Chaves County, New Mexico

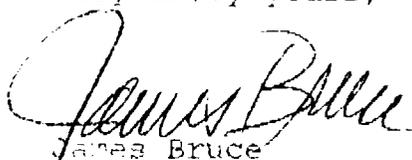
Division Reference No. pKRV0-129039620

Dear Mr. Stogner:

Your letter of October 22, 2001, on the above administrative application, requests information to support a location 660 feet FWL. While Devon SFS Operating, Inc. ("Devon") believes that, based on well control, the well must be located in the SW¼ of Section 15, it cannot provide you with information mandating a 660 foot location as opposed to a 990 foot location. Therefore, Devon requests that the application be amended to request a location 990 feet FWL and 1980 feet FSL. While the well would still be in the "wrong" quarter section, it would otherwise comply with the footage requirements of the pool rules for the Buffalo Valley-Pennsylvanian Gas Pool.

Please let me know if this is acceptable. Thank you for your attention to this matter.

Very truly yours,



James Bruce

Attorney for Devon SFS Operating, Inc.

***New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation***

Date Application Received: 10-16-2001

Date of Preliminary Review: 10-22-2001
(Note: Must be within 10-days of received date)

Results: Application Complete Application Incomplete

Date Incomplete Letter Sent: 10-22-2001

Deadline to Submit Requested Information: 10-29-2001

Phone Call Date: NR
(Note: Only applies is requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: 11-5-01

Date Application Returned: _____
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)

Information submitted 10-29-2001