



28705111
20 North Broadway, Ste 1500
Oklahoma City, Oklahoma 73102-8260

AMEND NSL 9/23/02
Telephone: (405) 228-4301
Fax: (405) 552-4621

August 20, 2002

Michael Stogner
Oil Conservation Division
2440 S. Pacheco
Santa Fe, NM 87505

SEP - 3

Dear Mr Stogner,

Devon Energy respectfully requests an approval of an unorthodox location for the Maljamar 10 Fed #1 well for the Wolfcamp formation. The well is located 660' FSL & 1530' FEL of Sec 10, T17S, R32E, in Lea County, NM. The well was originally permitted and drilled as a 320 acre E/2 stand up Morrow/Atoka location. After testing an unproductive Morrow zone, the well was recompleted to the Cisco-Canyon, an oil zone with a 40 acre spacing. The Cisco-Canyon zone was approved as an unorthodox location by Administrative Order NSL-4670. The well has since been recompleted to the Wolfcamp, which also has 40 acre spacing. The 40 acre spacing caused the location to encroach on an interior line of the section. The ownership of the E/2 of the section is consistent and the units affected (O & P) have the same ownership. There is no offsetting production from the Wolfcamp within 1 mile of the location.

Your prompt attention to this matter is appreciated. If you need additional information, please call Jim Blount at 405-228-4301.

Sincerely,

James Blount

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 87606

State of New Mexico
Energy, Minerals and Natural Resources Department

HIBIT # 2

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 30-025-35317-00	Pool Code 4500	Pool Name BAISH, WOLF CAMP, NORTH
Property Code 27049	Property Name MALJAMAR "10" FEDERAL	Well Number 1
OGRID No. 20305	Operator Name DEVON SFS OPERATING, INC.	Elevation 4108'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	17 S	32 E		660	SOUTH	1530	EAST	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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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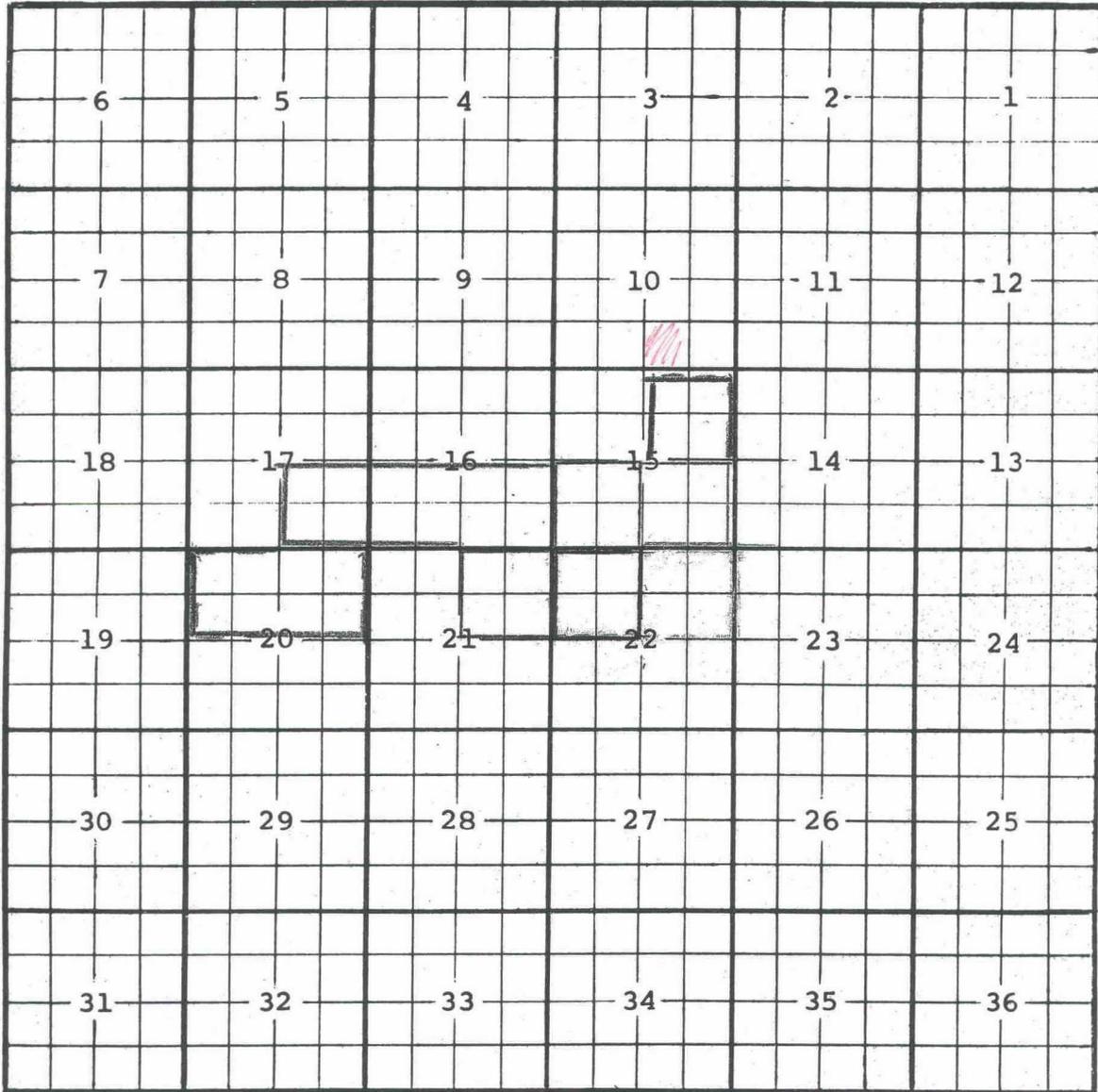
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<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>Candace R. Graham</i> Signature</p> <p>Candace R. Graham Printed Name</p> <p>Operations Engr. Tech. Title</p> <p>November 10, 2000 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>October 11, 2000 Date Surveyed</p> <p><i>G. Jones</i> Signature & Seal of Professional Surveyor</p> <p>W.O. No. 0579A Certificate No. Gary W. Jones 7977</p> <p>BASIN SURVEYS</p>
	<p>Lat - N32°50'57.2" Lon - W103°45'02.4"</p>
	<p>4111.2' 4113.6' 4103.5' 4104.0' 660' 1530'</p>

County Lea Pool Baish - Wolfcamp

(4480)

Township 17 South Range 32 East NMPM



Description: $\text{NW}\frac{1}{4}$ Sec. 22, (R-2292, 8-1-62).

Ext: $\text{NE}\frac{1}{4}$ Sec. 21 (R-2705, 6-1-64) - $\text{SW}\frac{1}{4}$ Sec. 15 (R-304, 1-1-66)

Ext: $\text{SE}\frac{1}{4}$ Sec. 15 (R-5511, 9-1-77) EXT: $\text{NE}\frac{1}{4}$ Sec. 15 (R-11243, 9-15-99)

Ext: $\text{S}\frac{1}{2}$ Sec. 16, $\text{SE}\frac{1}{4}$ Sec. 17 (R-11475, 10-24-00) EXT: $\text{NE}\frac{1}{4}$ Sec. 20 (R-11818, 8-26-02)

BAISH-WOLFCAMP POOL
Lea County, New Mexico

Order No. R-2765, Adopting Operating Rules for the Baish-Wolfcamp Pool, Lea County, New Mexico, September 8, 1964.

Application of Continental Oil Company for Special Pool Rules, Lea County, New Mexico.

CASE No. 3097
Order No. R-2765

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on August 26, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Baish-Wolfcamp Pool in Sections 21 and 22, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, including a provision for 80-acre proration units.

(3) That one well in the Baish-Wolfcamp Pool can efficiently and economically drain and develop 80 acres.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the Baish-Wolfcamp Pool.

(5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Baish-Wolfcamp Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
BAISH-WOLFCAMP POOL**

RULE 1. Each well completed or recompleted in the Baish-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another

designated Wolfcamp oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit shall be located in the NE/4 or SW/4 of a governmental quarter section. All wells shall be located within 150 feet of the center of a governmental quarter-quarter section.

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Baish-Wolfcamp Pool shall file a new Form C-128 with the Commission on or before September 15, 1964.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

CMD :
OG6IWCM INQUIRE WELL COMPLETIONS

ONGARD
OGOMES -TPRR

API Well No : 30 25 35317 Eff Date : 03-20-2001 WC Status : A
Pool Idn : 97160 MALJAMAR;CISCO-CANYON, WEST
OGRID Idn : 20305 DEVON SFS OPERATING INC
Prop Idn : 27049 MALJAMAR 10 FEDERAL

Well No : 001
GL Elevation: 4108

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn : O 10 17S 32E FTG 660 F S FTG 1530 F E A
Lot Identifier:
Dedicated Acre: 40.00
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OG6ACRE C102-DEDICATE ACREAGE

ONGARD
09/13/02 14:19:05
OGOMES -TPRR
Page No : 1

API Well No : 30 25 35317 Eff Date : 03-20-2001
Pool Idn : 97160 MALJAMAR;CISCO-CANYON, WEST
Prop Idn : 27049 MALJAMAR 10 FEDERAL
Spacing Unit : 55446 OCD Order :
Sect/Twp/Rng : 10 17S 32E Acreage : 40.00 Revised C102? (Y/N) :
Dedicated Land:

S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn

O 10 17S 32E 40.00 N FD

E00005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
 OGGARD
 INQUIRE PRODUCTION BY POOL/WELL

09/13/02 14:19:15
 OGOMES -TPRR
 Page No: 1

OGRID Identifier : 20305 DEVON SFS OPERATING INC
 Pool Identifier : 97160 MALJAMAR;CISCO-CANYON, WEST
 API Well No : 30 25 35317 Report Period - From : 01 2000 To : 08 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 35317	MALJAMAR 10 FEDERAL	12 01 31	825 559 247	F
30 25 35317	MALJAMAR 10 FEDERAL	01 02 31	615 259 165	F
30 25 35317	MALJAMAR 10 FEDERAL	02 02 28	378 157 60	F
30 25 35317	MALJAMAR 10 FEDERAL	03 02 31	412 177 73	F
30 25 35317	MALJAMAR 10 FEDERAL	04 02 30	343 166 78	F
30 25 35317	MALJAMAR 10 FEDERAL	05 02 31	336 103 84	F
30 25 35317	MALJAMAR 10 FEDERAL	06 02 30	256 102 52	F
Reporting Period Total (Gas, Oil) :			3165 1523 759	

M0025: Enter PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 30, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Devon Energy Corporation
20 North Broadway - Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: **James Blount**
James.Blount@dvn.com

Telefax No. (405) 552-4667

Administrative Order NSL-4670

Dear Mr. Blount:

Reference is made to the following: (i) your application (*application reference No. pMES0-133360215*) telefaxed to the New Mexico Oil Conservation Division ("Division") on November 29, 2001 on behalf of Devon SFS Operating, Inc. ("Devon-SFS"); (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer in Santa Fe on Thursday, November 29, 2001; and (iii) the Division's records in Santa Fe: all concerning Devon-SFS's request for an unorthodox wildcat Cisco-Canyon oil well location for its Maljamar "10" Federal Well No. 1 (**API No. 30-025-35317**), which was recently drilled to test the Morrow formation underlying a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 10, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, at a standard gas well location pursuant to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, 660 feet from the South line and 1530 feet from the East line (Unit O) of Section 10.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is our understanding from your application and the Division's records that this well was permitted by Devon-SFS as a Morrow test within the aforementioned 320-acre unit. This well was spud on March 20, 2001 and a TD ("total depth") of 12,800 was reached on April 27, 2001, subsequently the Morrow interval was determined to be non-commercial. However, the shallower Cisco-Canyon interval tested productive for oil and was therefore completed. Pursuant to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, this location is unorthodox for the standard 40-acre oil spacing and proration unit to be dedicated to the proposed West Maljamar-Cisco Canyon Pool (**97160**) comprising the SW/4 SE/4 (Unit O) of Section 10.

It is further understood that the E/2 of Section 10 is a single federal lease (U. S. Government Lease No. NM-LC059576) in which Devon-SFS is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract.

Administrative Order NSL-4670
Devon Energy Corporation
November 30, 2001
Page 2

By the authority granted me under the provision of Division Rule 104.F (2), the above-described unorthodox Cisco-Canyon oil well location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
Jim Bruce, Legal Counsel for Devon SFS Operating, Inc. - Santa Fe