

DATE IN 2-16-05	SUSPENSE 3-8-05	ENGINEER STONER	LOGGED IN 2-16-05	TYPE NSL	APP NO. PSM0504749672
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



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 _____

[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
 PO BOX 1056
 SANTA FE NM 87504

Print or Type Name

Signature

Title

Date

e-mail Address

2005 FEB 16 AM 11 46

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruc@aol.com

February 15, 2005

Hand Delivered

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Devon Energy Production Company, L.P. ("Devon") applies for administrative approval of an unorthodox oil well location for the following well, in both the San Andres formation (South Red Lake Queen-Grayburg-San Andres Pool) and Glorieta/Yeso formations (Northeast Red Lake Glorieta-Yeso Pool):

<u>Well:</u>	Eagle 26M Federal Well No. 1
<u>Location:</u>	230 feet FSL & 230 feet FWL
<u>Well Unit:</u>	SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Both the South Red Lake Queen-Grayburg-San Andres Pool and the Northeast Red Lake Glorieta-Yeso Pool are developed on statewide spacing rules. A Form C-102 is attached as Exhibit A.

The application is based on engineering and topographic reasons. Attached as Exhibit B is a well plat of Glorieta-Yeso wells drilled by Devon in the immediate area. Devon has an ongoing program to develop the Glorieta-Yeso by drilling two wells in each quarter-quarter section, in a northeast-southwest pattern. Wells are being placed in the northeast and southwest corners of each well unit to maximize the distance between the wells.

Devon planned to place the proposed well at an orthodox location approximately 330 feet FSL and FWL of Section 26, but due to a canyon at the preferred location, the BLM required the well to be moved south and west of an orthodox location.

Attached as Exhibit C is a land plat, highlighting the well unit, and attached as Exhibit D is a listing of leases and interest owners. The SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26, SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, and NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34 are all covered by United States Lease NM 0557370, although working interest ownership varies. The NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 35 is covered by United States Lease LC 067849. Based on this information:

(a) royalty ownership is common in the well unit and the offsetting units;

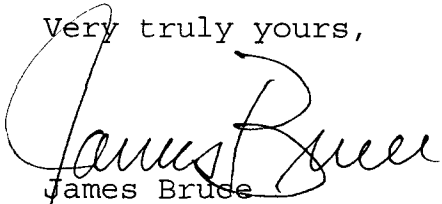
(b) the overriding royalty owners in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 35 may be affected; and

(c) working interest ownership varies.

Therefore, the offset owners identified in items (b) and (c) were notified of this application, as shown by Exhibit E.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Devon Energy
Production Company, L.P.

DISTRICT I
1825 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
Property Code	Property Name EAGLE 26M FEDERAL	Well Number 01
OGRID No.	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3520'

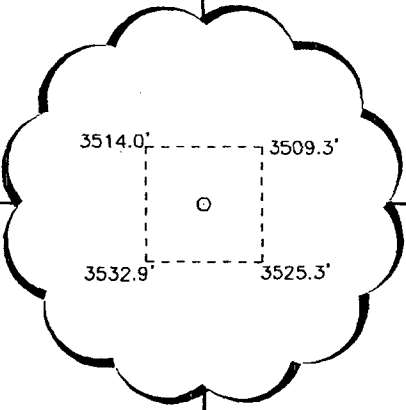
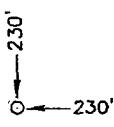
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	17 S	27 E		230	SOUTH	230	WEST	EDDY

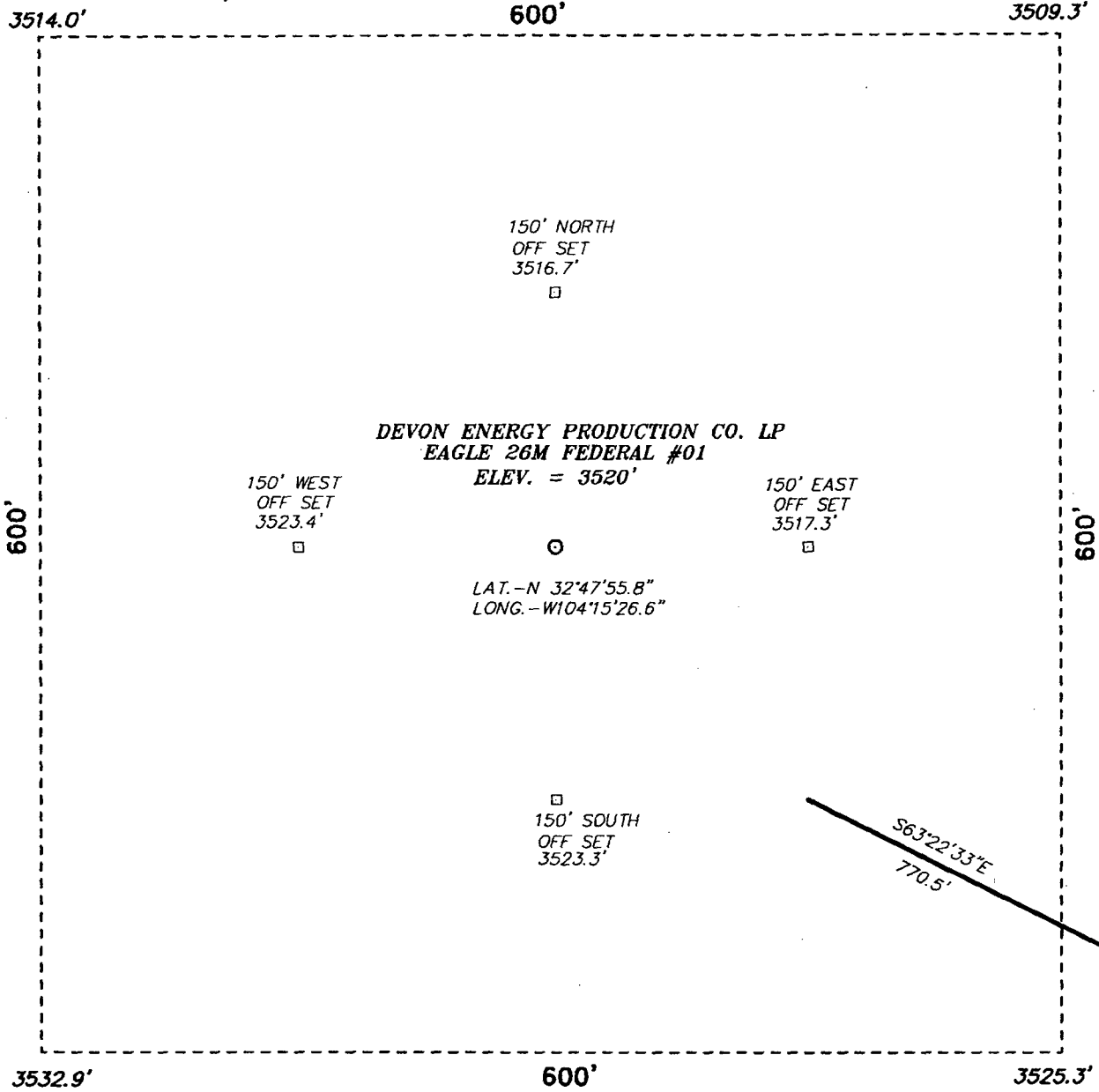
Bottom Hole Location If Different From Surface

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.						

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

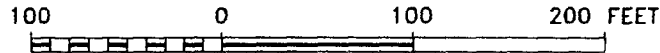
	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature _____ Printed Name _____ Title _____ Date _____
 Lat.: N32°47'55.8" Long.: W104°15'26.6"	SURVEYOR CERTIFICATION <i>I hereby certify that the well 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.</i> December 07, 2004 Date Surveyed Signature _____ Professional Surveyor Seal of JONES NEW MEXICO 7977 W.O. No. 4870 Certified by Gary L. Jones JLP BASIN SURVEYS

SECTION 26, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 & CO. RD. 225, GO SOUTHEAST FOR ONE MILE. THEN RIGHT ON LEASE ROAD WEST FOR 0.6 MILES. THEN SOUTH FOR 0.1 MILE TO LOCATION AND PROPOSED ROAD.



SCALE: 1" = 100'

DEVON ENERGY PRODUCTION CO. LP.

REF: EAGLE 26M FEDERAL #01 / Well Pad Topo

EAGLE 26M FEDERAL #01 LOCATED 230' FROM THE SOUTH LINE AND 230' FROM THE WEST LINE OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Basin Surveys P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 4870

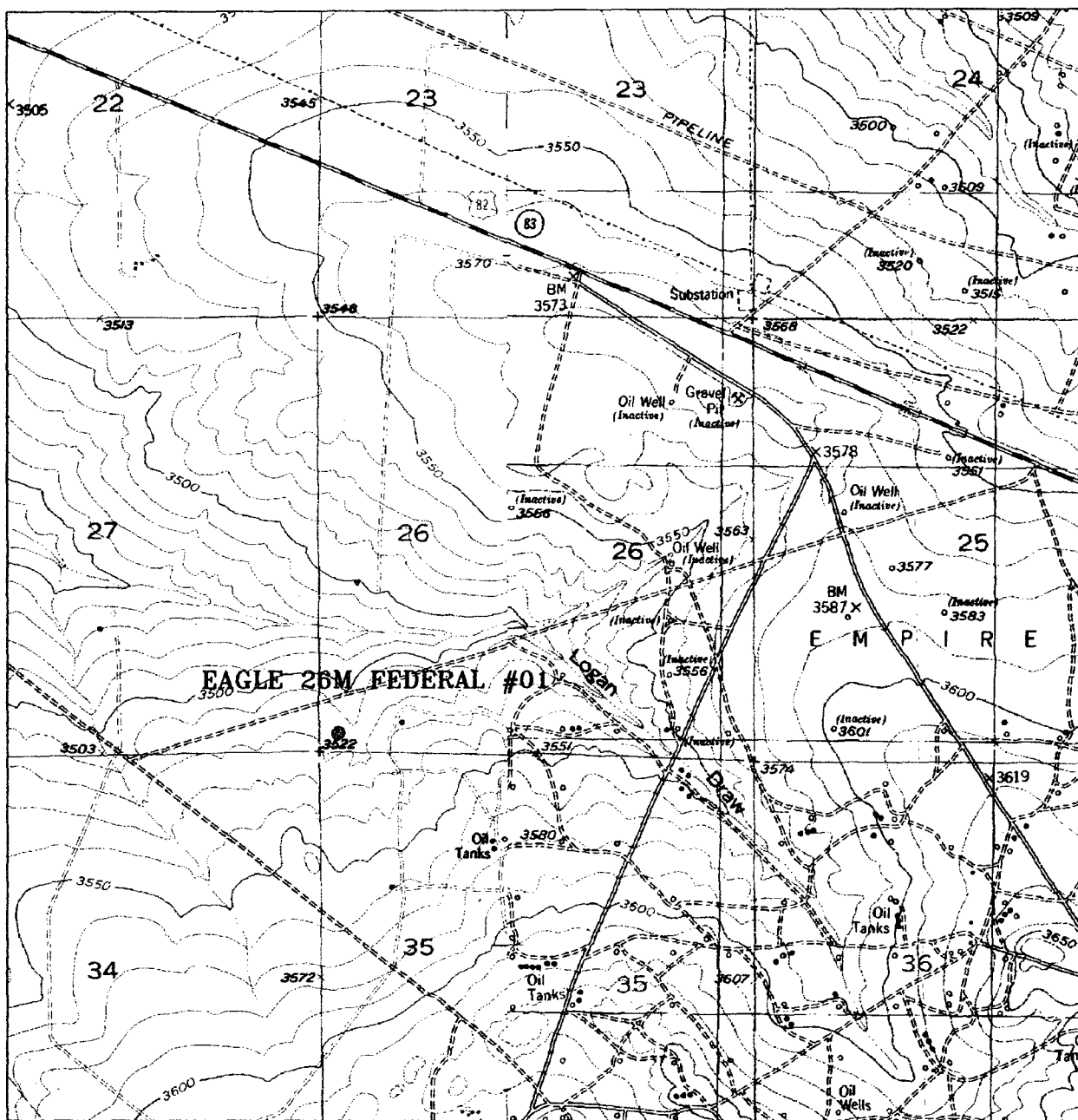
Drawn By: JAMES PRESLEY

Date: 12/09/04

Disk: JLP #1 - DEV4870A

Survey Date: 12/07/04

Sheet 1 of 1 Sheets



EAGLE 26M FEDERAL #01

Located at 230' FSL and 230' FWL
 Section 26, Township 17 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.

Basin
SURVEYS

focused on excellence
 in the oilfield

P.O. Box 1785
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 4370AA - JLP #1

Survey Date: 12/07/04

Scale: 1" = 2000'

Date: 12/09/04

DEVON ENERGY
PRODUCTION
COMPANY LP.

Ownership of Leases Involved in Unorthodox Location			
Township 17 South, Range 27 East			
Eagle 26M Federal #1			
Lease No. NMNM-0557370	Working Interest Owners	Overriding Royalty Interest Owners	
SE/4SE/4 Sec. 27 Below 800', less & except the Abo	Devon Energy - 50% Chesapeake - 50%	John J. Schaller Summit Overseas Exploration, Inc. First Interstate Bank of Arizona, Trustee u/w/o Howard B. Wright Joan Hudson Moore Jonel Susan Grasso Jane Ann Hudson Davis	
SW/4SW/4 Sec. 26 Below 2000' to the base of the Drinkard (This includes the Yeso Formation)	Devon Energy - 37.5% Chesapeake 25% Trigg Family Trust 37.5%	Same as above	
NE/4NE/4 OF Sec. 34 800' below surface down to base of San Andres From the base of the San Andres formation to the base of the Drinkard (This includes the Yeso Formation)	Devon Energy - 100% Devon Energy - 50% Occidental Permian - 50%	Same as above	
Lease No. NMLC-067849	Working Interest Owners	Overriding Royalty Interest Owners	
NW/4 NW/4 of Sec. 35 Below 2,000', less & except the Abo Formation	Devon Energy - 50% Occidental Permian - 50%	Joan Hudson Moore Jonel Susan Grasso Jane Ann Hudson	



(1)
(2)

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruc@aol.com

February 15, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit 1

Ladies and gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Devon Energy Production Company, L.P., requesting administrative approval of an unorthodox oil well location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. You are an offset interest owner. If you object to the well's location, you must notify the Division in writing no later than Monday, March 7, 2005 (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 for Devon Energy
Production Company, L.P.



Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73102

Jane Ann Hudson Davis
6770 Wolf Creek Ct.
Rio Rancho, NM 87124

Joan A. Hudson
c/o Sun Trust Banks, Inc.
801 Laurel Oak Drive
Naples, FL 34108

Jonel Susan Grasso
11 Ocean Ridge
Laguna Niguel, CA 92677

Trigg Family Trust
c/o Wells Fargo Bank West, NA
P.O. Box 5383
Denver, CO 80217-5383

Occidental Permian Limited Partnership
P.O. Box 50250
Midland, Texas 79710

