Rec: 4-29-05 Sogp: 5-19-05 pME30-513247931

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

**FAX** 

TO: MIKE STOGNER

Fax: 505- 476-3462-

Phone:

Re: LOVELGE H2

From: KEN GRAY

Date: 4/29/05

Pages: 8 (including cover page)

CC:

☐ Utgent ☐ For Review

☐ Please Comment

☐ Please Reply

☐ Please Recycle

• Comments:

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 Paricla 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. Prouch Dr., Hobbs, NM 88240 DISTRICT II

DISTRICT II B11 South First, Artesia, NM 68510 State of New Mexico

Form C-102 Revised March 17, 1989

Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

#### OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

C AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Code Pool Name			
	South Carlsbad Morrow				
Property Code	Pro	operty Name	Well Number		
	LOVELA	LOVELACE "27" FEE			
OGRID No.	Ор	Operator Name			
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

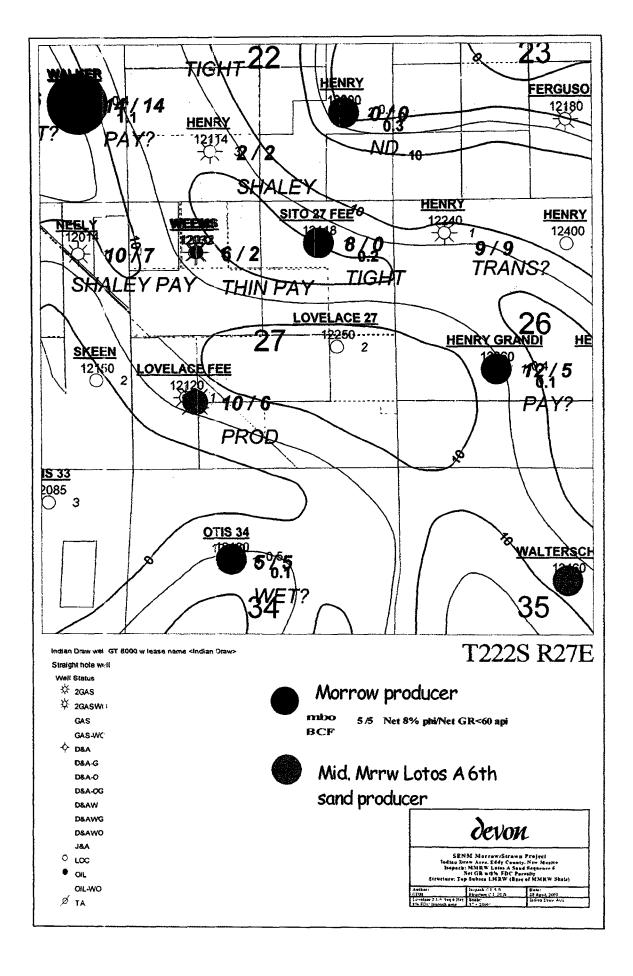
#### Bottom Hole Location If Different From Surface

	UL or lot No.	Section T	ownship.	Range	),ot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Ì	Dedicated Acres	Joint or I	Infill Cor	nsolidation (	ode 0	rder No.		<u> </u>		L
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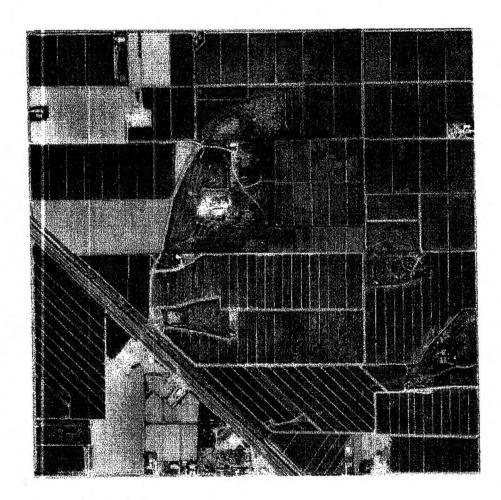
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	,	OPERATOR CERTIFICATION
}		I hereby certify the the information
}		contained herein is true and complete to the
		best of my knowledge and belief.
		Signature
		Norvella Adams
1		Printed Name
		Sr. Staff Eng Tech
		Tible
	ı	April 27 2005
	1	Date
		SURVEYOR CERTIFICATION
	Lat - N32'21'46.5"  Keng - W104'10'21.3"	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 supervison and that the same is true and correct to the best of my belief.
		APRIL 21, 2005
	1/	Date Surveyed
	7 1 2 2 4 6 7	Signature & Sell Str.
		Certification Gary Notes 7977
		ROFESSIONALLES

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





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 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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Ken Gray

Senior Land Advisor

KG:

**Enclosures** 

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FOR:					
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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

# RECEIVED

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

MAY 2 - 2005
OIL CONSERVATION
DIVISION

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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

DISTRICT IV

State of New Mexico

Form C-102 Revised March 17, 1999

Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

811 South First, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Packeco, Santa Pe, NM 87505

#### 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	
	73960 South Carlsbad Morrow	
Property Code	Property Name	Well Number
	LOVELACE "27" FEE	2
OGRID No.	Operator Name	<b>Elevation</b>
6137	DEVON ENERGY PRODUCTION CO., L.P.	3106'

### Surface Location

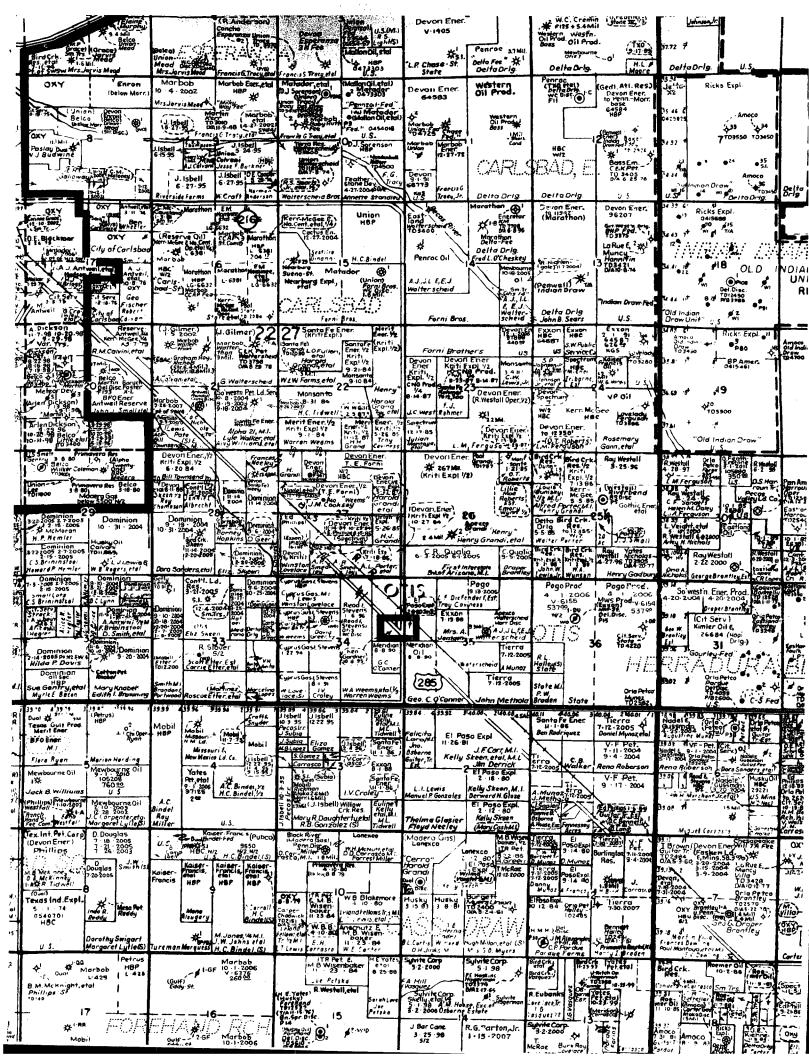
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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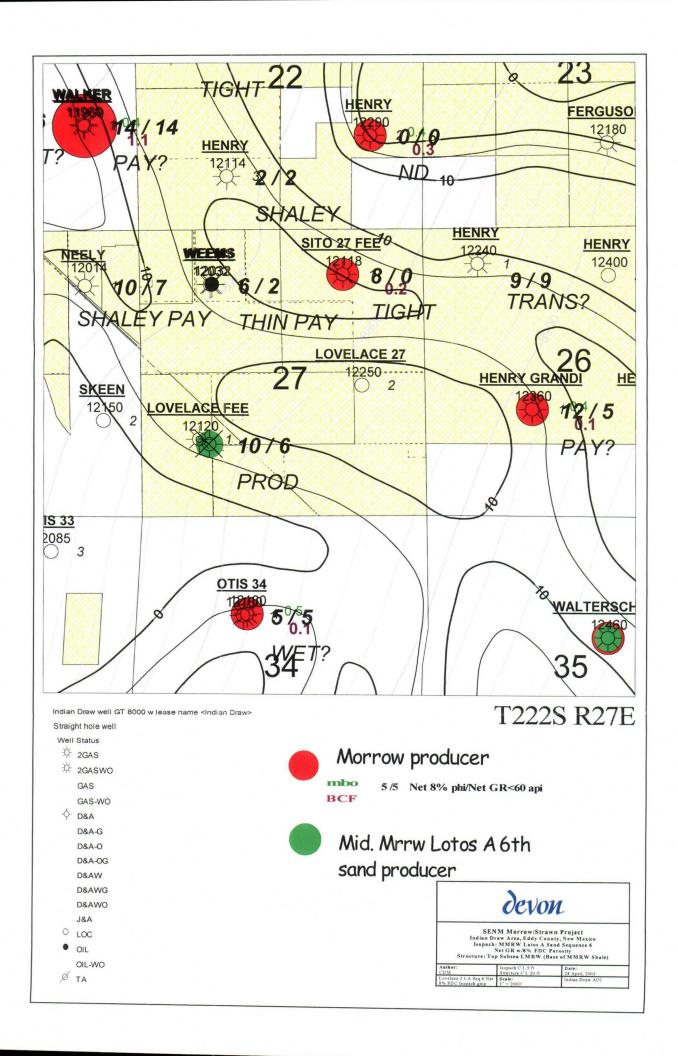
#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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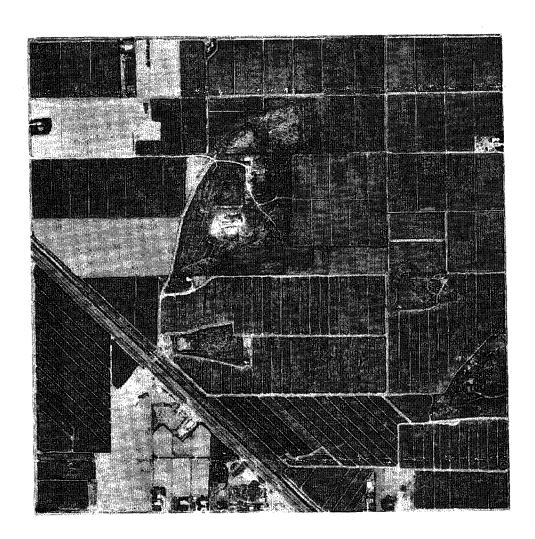
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

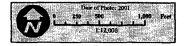
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	}	OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
Strala	A 640-acre Seation	Signature Norvella Adams
		Printed Name Sr. Staff Eng .Tech.
		April 27 2005  Date
Derrois de 125031  10130-10140 Morrord  10130-10140	Lat - N32*21'46.5" Long - W104*10'21.3"	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 supervison, and that the same is true and correct to the best of my belief.  APRIL 21, 2005
Droduced Droduced	245	Date Surveyed Signature & Seki Gr Professional Surveyor  W No 5335
		Certificate No. Gary L. Roses 797





# 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 31<sup>st</sup> 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

Dri Wrotenberg

LOKI WROTENBERY, Director