

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.

Print or Type Name

Signature

Title

Date

e-mail Address

devon

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

FAX

To: MIKE STOENOR
Fax: 505-476-3462

From: KEN GRAY
Date: 3/10/06

Phone:

Pages: 9 (including cover page)

Re: LABUNA SALADO 22
FED #12

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 10, 2006

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

Re: Laguna Salado 22 Federal #2
Section 22-T23S-R29E
Eddy County, New Mexico

30-015-34677

Gentlemen:

Devon Energy Production Company, L.P. (Devon), as Operator, intends to drill the referenced Delaware well to a depth of approximately 6,850'. Devon initially attempted to stake and permit this well at numerous orthodox locations. However, due to the proximity of the location to the Laguna Salado, the Bureau of Land Management (BLM) has required Devon to move the location. The closest drillable location as approved by the BLM is located 1090' FNL & 2510' FWL which is an unorthodox location as it is closer than 330' to the outer boundary of the designated spacing unit pursuant to the Statewide Pool Rules.

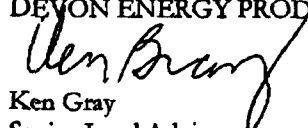
Inasmuch as this well will be producing from an unorthodox location from that permitted by the Statewide Pool Rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). Devon's records reflect that, in addition to Devon, Chesapeake Exploration Limited Partnership, Pogo Producing Company, and Liberty Energy Corporation are the owners of the operating rights under NMNM-66425 covering all of said Section 22 and are the only parties affected by this application.

Attached you will find a land plat of the area affected by this application, a Lower Brushy Canyon F structure map, a State of New Mexico form C-102 and a Basin Surveys map which reflects the proximity of Laguna Salado to this location.

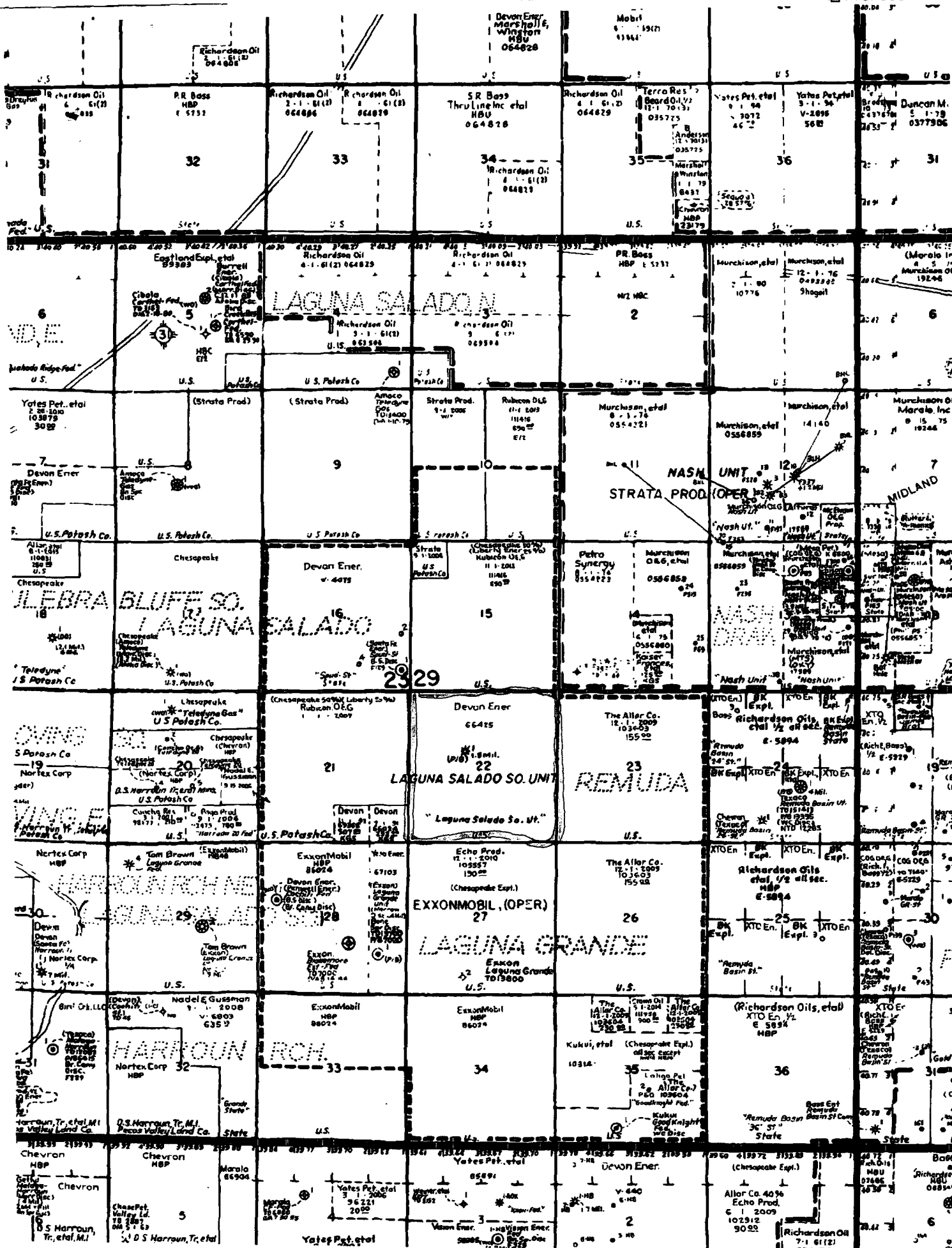
If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

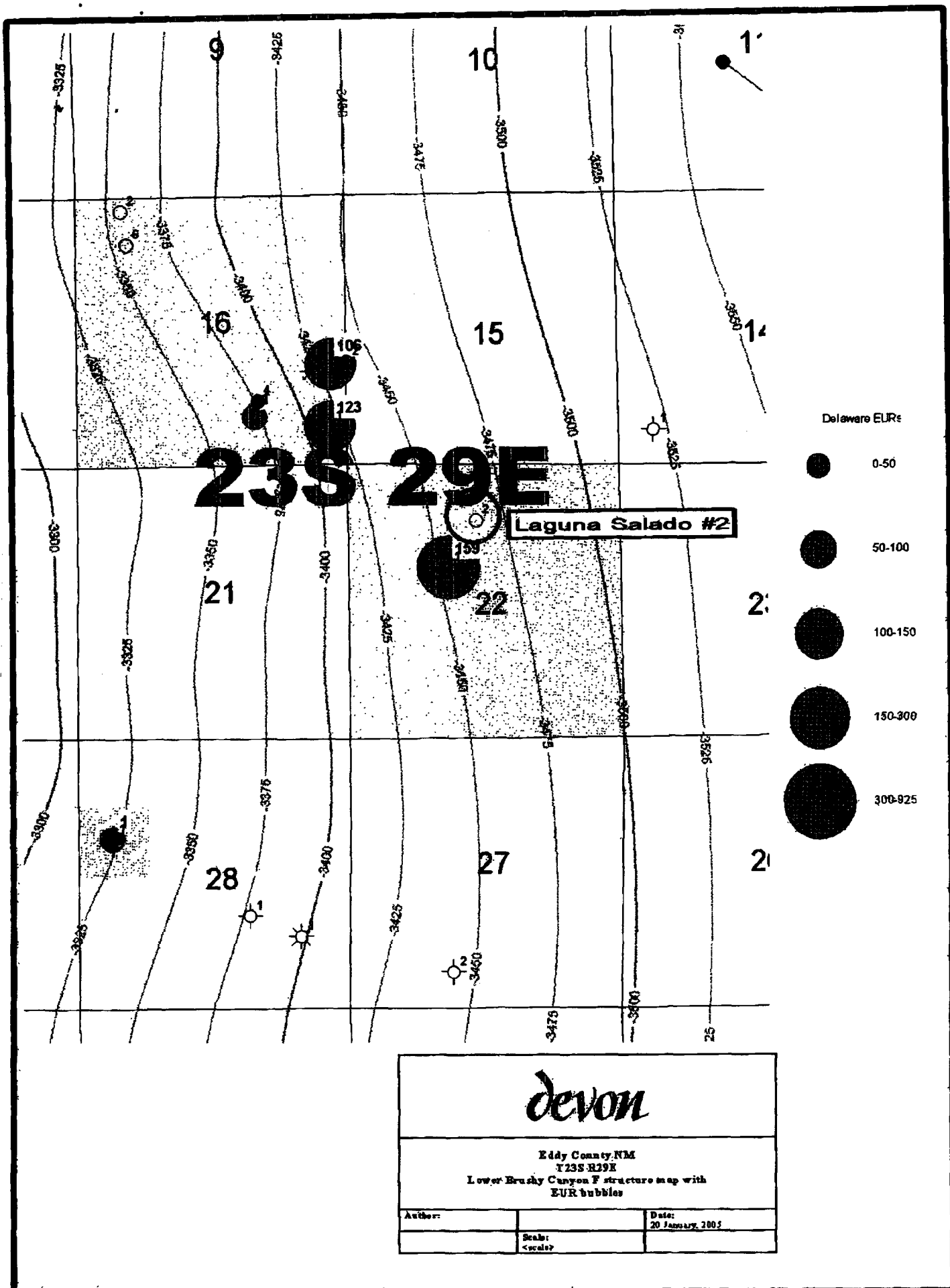
Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor

Kg/
Enclosure





DISTRICT I

1825 N. French St., Hobbs, NM 88240

DISTRICT II

511 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, 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 Laguna Salado Field
Property Code	Property Name LAGUNA SALADO "22" FEDERAL	Well Number 2
OGSD No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., LP.	Elevation 2978'

Surface Location

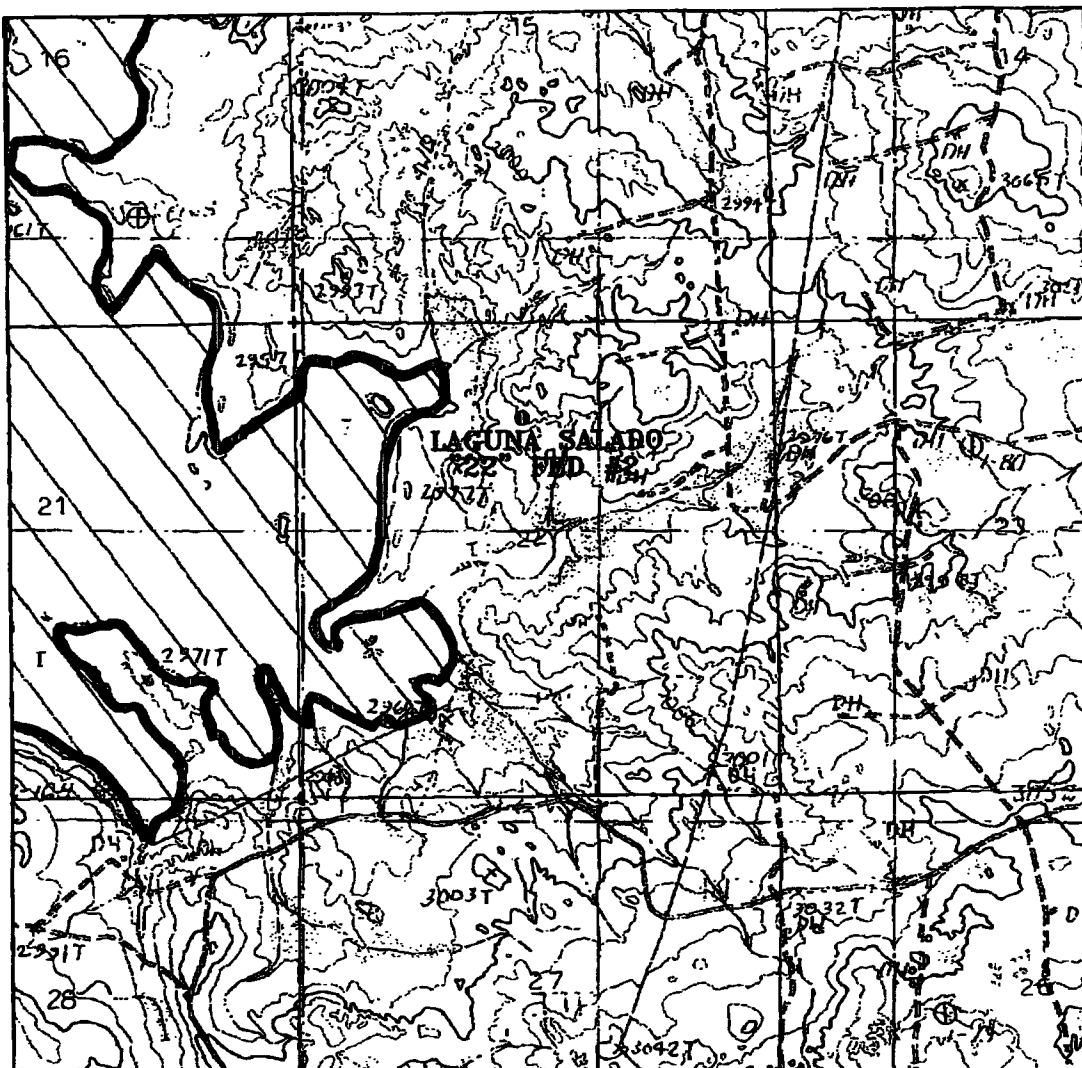
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	23 S	29 E		1090	NORTH	2510	WEST	EDDY

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 40	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: Stephanie A. Ysasaga Title: Senior Engineering Technician Date: 10/05/05
	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> Date Surveyed: AUGUST 23, 2005 Signature: Professional Surveyor: GARY L. JONES New Mexico W.O. No. 5724 Certification No. Gary L. Jones 7977



LAGUNA SALADO "22" FEDERAL #2
Located at 1090' FNL and 2510' FWL
Section 22, Township 23 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 5724AA - KJG #1

Survey Date: 08-23-2005

Scale: 1" = 2000'

Date: 08-24-2005

DEVON ENERGY
PROD. CO., L.P.

devon

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

March 10, 2006

Chesapeake Exploration Limited Partnership
6100 N. Western
Oklahoma City, OK 73118

Re: Laguna Salado 22 Federal #2
Section 22-T23S-R29E
Eddy County, New Mexico

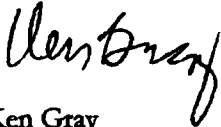
Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well location covering the referenced Delaware test well. As operator under the governing Joint Operating Agreement, Devon's records indicate that your company is the owner of operating rights 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

Chesapeake Exploration Limited Partnership has no objection to this administrative application for unorthodox location.

By: _____

Title: _____

Date: _____

devon

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

March 10, 2006

Pogo Producing Company
P. O. Box 10340
Midland, TX 79702-7340

Re: Laguna Salado 22 Federal #2
Section 22-T23S-R29E
Eddy County, New Mexico

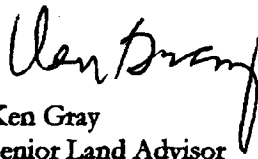
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If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor

KG:
Enclosures

Pogo Producing Company has 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

March 10, 2006

Liberty Energy Corporation
175 Berkeley Street, 8th Floor
Boston, MA 02116

Re: Laguna Salado 22 Federal #2
Section 22-T23S-R29E
Eddy County, New Mexico

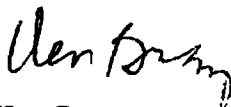
Gentlemen:

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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

Liberty Energy Corporation has no objection to this administrative application for unorthodox location.

By: _____

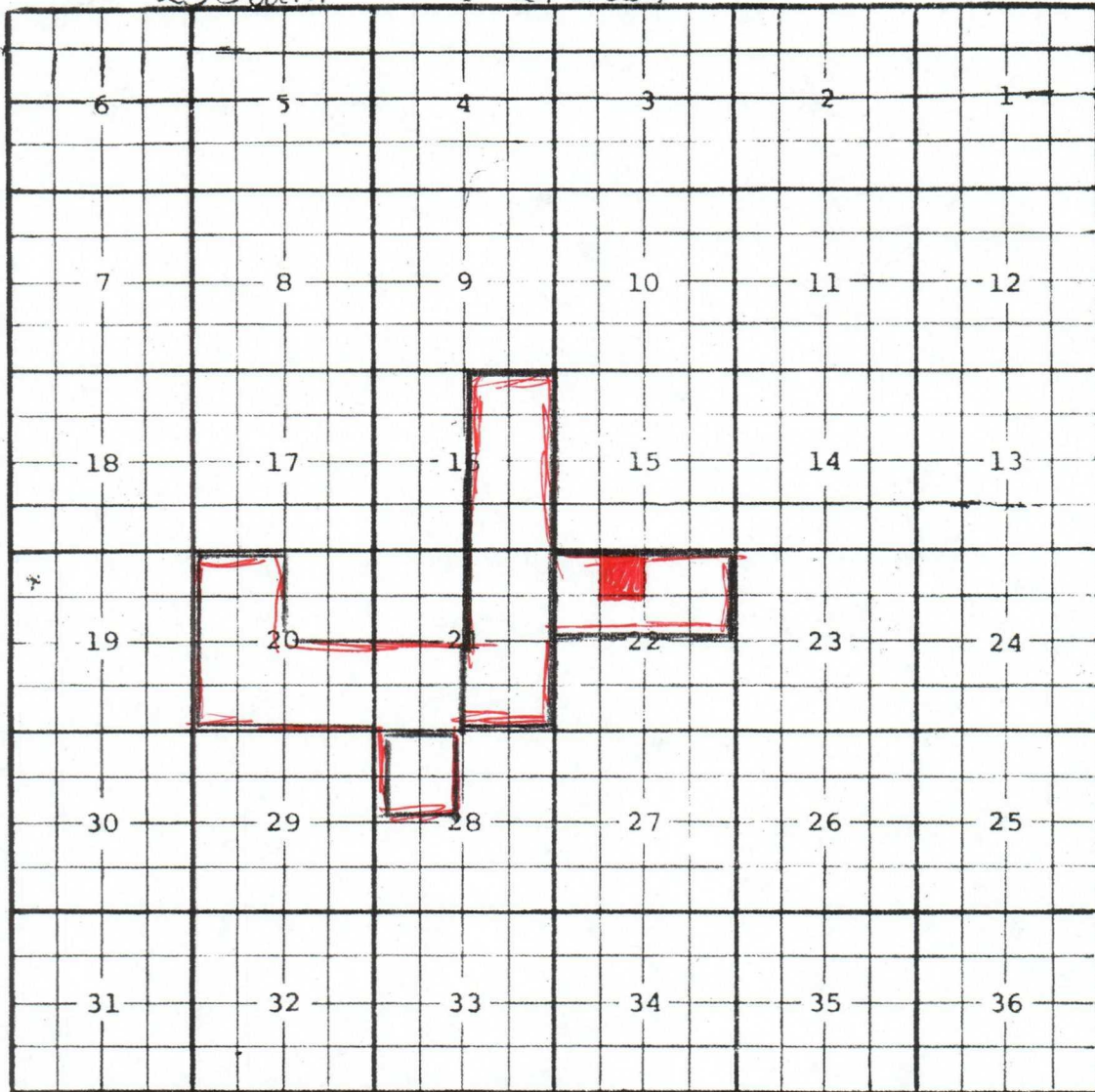
Title: _____

Date: _____

County Eddy Pool Northeast Harroan Ranch - Delaware

TOWNSHIP 23 South Range 29 East NMPM

96878



Ext: W/2 and SE/4 Sec. 20, SW/4 Sec. 21 (R-12042, 11-3-03)

Ext: E/2 Sec. 16, E/2 Sec. 21 (R-12420, 10-6-05) Ext: N/2 Sec. 22 (R-12421, 10-6-05)