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July 31, 2003

RECEIVED
JUL 31 2003
Oil Conservation Division

Hand Delivered

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

Re: **Supplement** to amended application of Devon Energy Production Company, L.P. ("Devon") for administrative approval of an unorthodox oil well location:

<u>Well:</u>	Eagle 35E Fed. Well No. 10
<u>Location:</u>	2310 feet FNL & 215 feet FWL
<u>Well Unit:</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico

Administrative application reference No. pMES0-318937881

Dear Mr. Stogner:

Last week you requested additional information as to why the proposed well could not be located at an orthodox location in the northern part of the well unit. I hope this letter answers your questions.

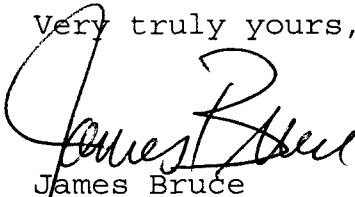
The target of the well is the Northeast Red Lake Glorieta-Yeso Pool, which is spaced on statewide rules. Wells completed in this pool tend to start producing at rates near the allowable (which I believe is 80 BOPD), and then drop off rapidly to a fairly stable rate below the allowable. It is Devon's plan, and practice, to complete two wells in the Glorieta-Yeso on each well unit. These wells are being planned in the southwest and northeast parts of each well unit in order to minimize possible drainage or interference between wells. Attached as Exhibit A is a plat of Sections 34 and 35, showing Devon's currently existing and planned Glorieta-Yeso wells. As you can see, the proposed well fits into the northeast-southwest pattern.

Devon has received an APD from the Bureau of Land Management for the second well in the SW¹/₄NW¹/₄ of Section 35. A copy is attached hereto as Exhibit B. That well, the Eagle 35E Fed. Well No. 11, is also at an unorthodox location. (I am preparing an unorthodox location application for that well.)

With respect to the proposed No. 10 well, it needs to be in the southwest corner of the well unit to conform to the well spacing pattern. Once the well is placed in that portion of the well unit, then the topographic factors discussed in the application come into play, causing its location to be unorthodox.

Please let me know if you need additional information to process this application. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce", written over the typed name.

James Bruce

Attorney for Devon Energy Production Company, L.P.

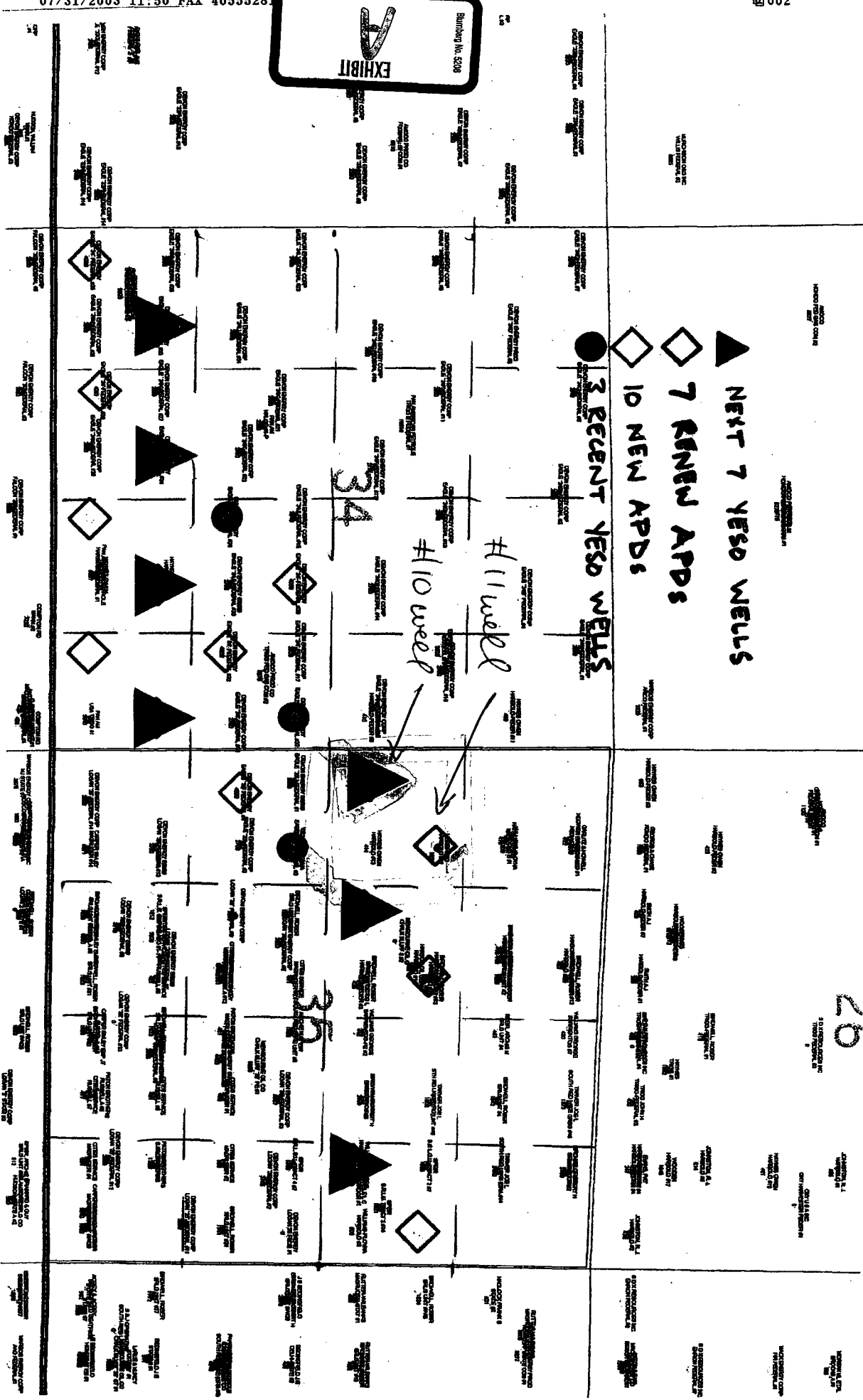


EXHIBIT
Bumby No. 5208

▲ NEXT 7 YESO WELLS
◇ 7 RENEW APDS
◇ 10 NEW APDS
● 3 RECENT YESO WELLS

34

#11 well
#10 well

20

35

Form 3160-3
(August 1999)**OPERATOR'S COPY**FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000**EC**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

H-13

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM0557370
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator DEVON ENERGY PRODUCTION CO L P		7. If Unit or CA Agreement, Name and No.
Contact: KAREN COTTOM E-Mail: karen.cottom@dvn.com		8. Lease Name and Well No. EAGLE 35 FEDERAL 11
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.228.7512 Fx: 405.552.4621	9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW 1800FNL 1100FWL At proposed prod. zone SWNW 1800FNL 1100FWL		10. Field and Pool, or Exploratory RED LAKE; GLORIETA-YESO
14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES SOUTHEAST OF ARTESIA NM		11. Sec., T., R., M., or BLM and Survey or Area Sec 35 T17S R27E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1100	16. No. of Acres in Lease 720.00	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 4000 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3575 GL	22. Approximate date work will start 05/30/2003	17. Spacing Unit dedicated to this well 40.00
		20. BLM/BIA Bond No. on file
		23. Estimated duration 45 DAYS

24. Attachments

ROSWELL CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) KAREN COTTOM	Date 05/12/2003
Title ENGINEERING TECHNICIAN		
Approved by (Signature) <i>Leslie A. Theiss</i>	Name (Printed/Typed) /s/ Leslie A. Theiss	Date 11 JUN 2003
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #21656 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 05/12/2003 (03AL0275AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **



Additional Operator Remarks:

Devon Energy proposes to drill a San Andres, Glorieta-Yeso well to TD 4,000' for commercial quantities of oil and gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Devon Energy Production Company, LP will drill the well per the Master Drilling and Surface Use Program submitted for the Red Lake Field.

Directions: From the junction of Co. Rd. 204 and Co. Rd. 258, go south on Co. Rd. 204 from approx 0.25 mile to Co. Rd. 225; thence southwesterly on Co. Rd. 225 for approx 1.25 mile to a lease road; thence northwesterly on lease road for approx 0.4 mile; thence north for approx 0.1 mile to a point on the proposed well pad.

WITNESS 8 5/8" CMT JOB

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

511 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Grande 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 51120	Pool Name RED LAKE GLORIETA YESO
Property Code	Property Name EAGLE 35E FEDERAL	Well Number 11
OCRD No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3575'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	17 S	27 E		1800	NORTH	1100	WEST	EDDY

Bottom Hole Location If Different From Surface

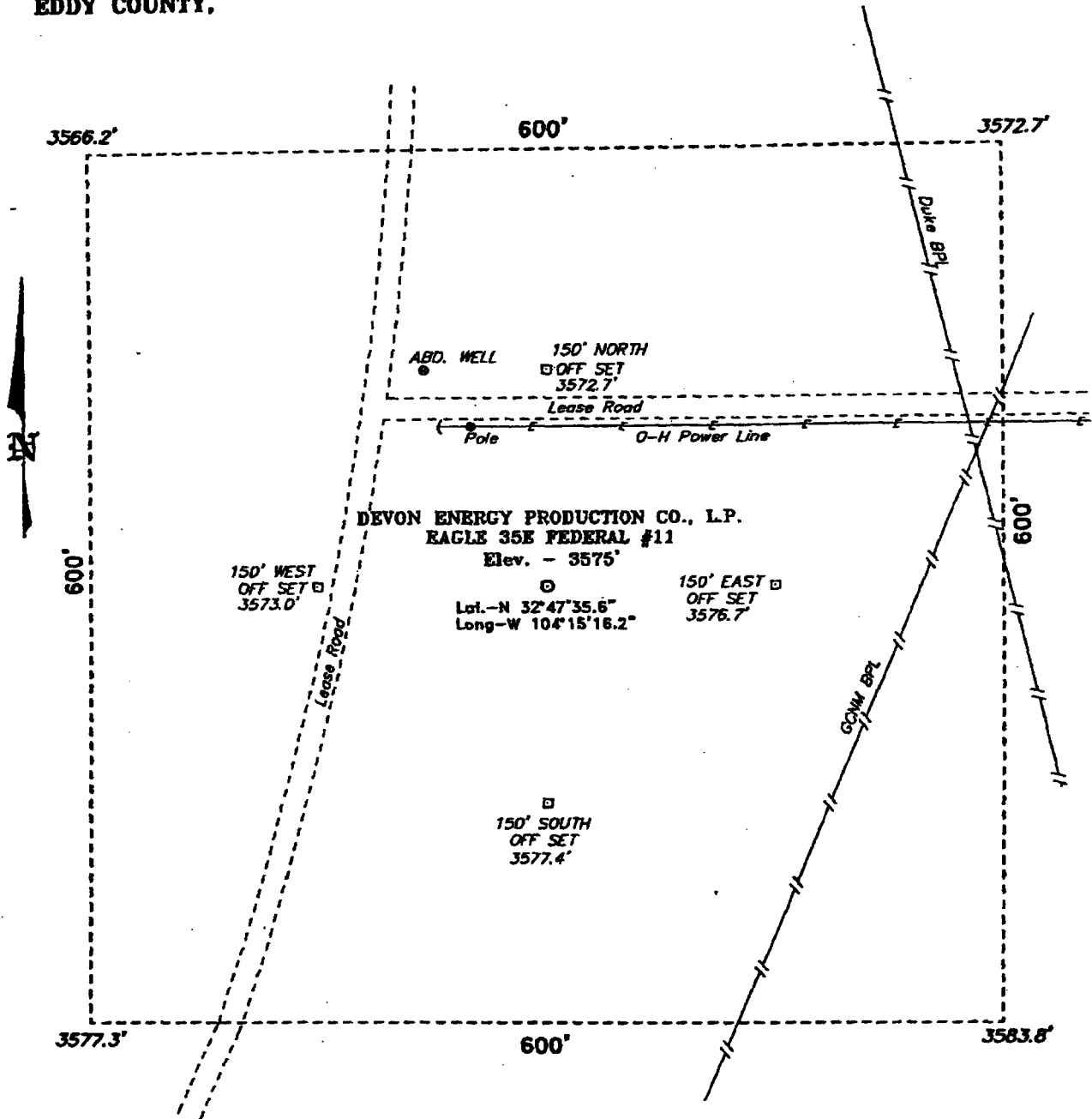
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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>3566.2'</p> <p>3572.7'</p> <p>3577.3'</p> <p>3583.8'</p> <p>Lot - N32°47'35.6"</p> <p>Long - W104°15'16.2"</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gerald T. Pepper</i></p> <p>Signature</p> <p>Gerald T. (Tom) Pepper</p> <p>Printed Name</p> <p>Operations Engineering Ad</p> <p>Title</p> <p>May 6, 2003</p> <p>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>APRIL 21, 2003</p> <p>Date Surveyed</p> <p><i>GARY L. JONES</i></p> <p>Signature</p> <p>Professional Surveyor</p> <p>NEW MEXICO</p> <p>7977</p> <p>W.D. No. 322</p> <p>Certificate No. Gary L. Jones 7977</p> <p>PROFESSIONAL SURVEYOR</p> <p>BASIN SURVEYS</p>	

**SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF CO. RD. 204 AND CO. RD. 258, GO SOUTH ON CO. RD. 204 FOR APPROX. 0.25 MILE TO CO. RD. 225; THENCE SOUTHWESTERLY ON CO. RD. 225 FOR APPROX. 1.25 MILE TO A LEASE ROAD; THENCE NORTHWESTERLY ON LEASE ROAD FOR APPROX. 0.4 MILE; THENCE NORTH FOR APPROX. 0.1 MILE TO A POINT ON THE PROPOSED WELL PAD.

100 0 100 200 FEET

SCALE: 1" = 100'

DEVON ENERGY PROD. CO., L.P.

REF: EAGLE 35E FED. No. 11 / Well Pad Topo

THE EAGLE 35E FED. No. 11 LOCATED 1800' FROM
THE NORTH LINE AND 1100' FROM THE WEST LINE OF
SECTION 35, 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: 3226

Drawn By: K. GOAD

Date: 04-22-2003 Disk: KJG CD#4 - 3226A.DWG

Survey Date: 04-21-2003

Sheet 1 of 1 Sheets