

DATE IN 6/1/06	SUSPENSE 6-20-06	ENGINEER MIKESTOGNER	LOGGED IN 6/2/06	TYPE NSL	APP NO. PTDSOL15331703
-------------------	---------------------	-------------------------	---------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Person

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 STOGNER

From: KEN GRAY

Fax: 505-476-3462

Date: 6/1/06

Phone:

Pages: 17 (including cover page)

Re: LAGUNA SALADO 22
PED #3

CC:

Urgent

For Review

Please Comment

Please Reply

Please Recycle

• Comments:

6-1-2006
8:06 AM - voice mail message from Mr. Wilhain @ 505-631-1854

10:15 AM - talked w/ Mr. Wilhain about Devon's NSU filing - will email Mr. Wilhain copy of financial draft order when received @ flakeby@hotmail.com

2006 JUN 1 PM 2 08

devon

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

June 1, 2006

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

RE: Laguna Salado 22 Federal #3
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, intends to drill the referenced horizontal Delaware well to a total vertical depth of 6,700' with a total measured depth of 11,350' and dedicate unit letters D,E,L & M (W/2 W/2 section 22) as the project area. Devon has attempted to place this well at a legal surface location but the BLM has required Devon to move the location due to a 200 meter set back requirement relative to Laguna Salado. As reflected on the attached C-102, the well has been permitted at a surface location of 760' FWL and 130' FSL of section 22 with a permitted bottom hole location of 660' FWL and 330' FNL of section 22, all in Township 23 South, Range 29 East. The initial portion of the cased (and potentially productive) horizontal section of the well will be located 752' FWL and 510' FSL of said section 22.

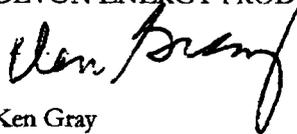
Even though the initial portion of the horizontal section of the referenced well appears to be located at a standard location in accordance with Division rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox surface location in accordance with Division Rule 104(F) (3) with regard to the vertical unorthodox portion of the well. This unorthodox location affects the leasehold owner in unit letter D of Section 27 to the South. Devon's records reflect that Chesapeake Exploration Ltd., Saga Petroleum, Kukui, Inc., Allar Company, Twin Montana, Inc., Talas, Inc., Jatigo Petroleum, Inc., and Pogo Producing Company are the affected owners requiring notification.

Attached for your review you will find a land plat reflecting the above mentioned owners as the affected parties, a structure map covering the Lower Brushy Canyon, a State of New Mexico form C-102, and a Well Profile Report prepared by Baker Hughes.

Feel free to contact the undersigned at (405) 552-4633 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Ken Gray
Senior Land Advisor
KG\LagSal 22 #3 UL
Enclosure

DISTRICT I
1635 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., 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
Property Code	Property Name LAGUNA SALADO "22" FEDERAL	Well Number 3
OGRID No.	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 2968'

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	22	23 S	29 E		130	SOUTH	760	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
D	22	23 S	29 E		330	NORTH	660	WEST	

Dedicated Acres 160	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

Lat.: N32°17'00.0"
Long.: W103°58'43.5"
(NAD-83)

START HORIZ →

760'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Title _____

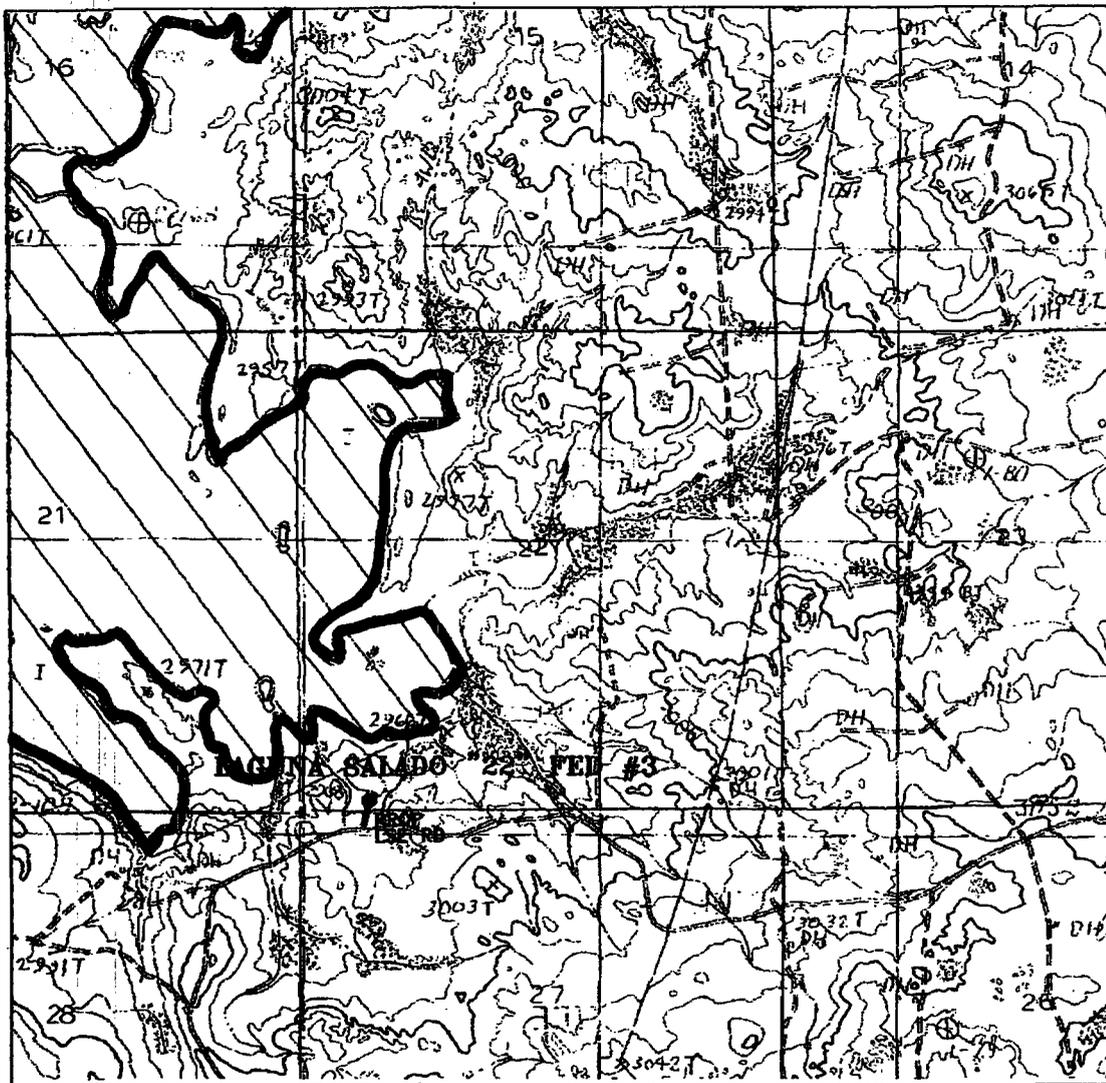
Date _____

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 supervision, and that the same is true and correct to the best of my belief.

MAY 11, 2006

Date Surveyed _____
Signature of Surveyor *ROY L. JONES*
Professional Surveyor
NEW MEXICO
W.O. No. 6559
Certificate No. 7972
Professional Law Surveyor 7977



LAGUNA SALADO "22" FEDERAL #3
 Located at 130' FSL AND 760' 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
 basin-surveys.com

W.O. Number: 6559T - JMS
Survey Date: 05-10-2006
Scale: 1" = 2000'
Date: 05-11-2006

**DEVON ENERGY
 PROD. CO., L.P.**



INTEQ

2105 market Street Midland, TX 79703 Ph. (432)694-9517 Fax. (432)694-5648

Directional/Horizontal Plan Report

Devon Energy

Laguna Salado 22-3

Eddy County, NM

Plan #1

**Prepared By Oscar Gomez
Thursday, May 18, 2006**

DEVON ENERGY
Laguna Salado 22-3, slot #1
, Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : Plan1
Last revised : 18-May-2006

Measured Depth	Inclin. Degrees	Asimuth Degrees	True Vert Depth	RECTANGULAR COORDINATES	Dogleg Deg/100ft	Vert Sect
0.00	0.00	358.80	0.00	0.00 N	0.00 E	0.00
500.00	0.00	358.80	500.00	0.00 N	0.00 W	0.00
1000.00	0.00	358.80	1000.00	0.00 N	0.00 W	0.00
1500.00	0.00	358.80	1500.00	0.00 N	0.00 W	0.00
2000.00	0.00	358.80	2000.00	0.00 N	0.00 W	0.00
2500.00	0.00	358.80	2500.00	0.00 N	0.00 W	0.00
3000.00	0.00	358.80	3000.00	0.00 N	0.00 W	0.00
3500.00	0.00	358.80	3500.00	0.00 N	0.00 W	0.00
4000.00	0.00	358.80	4000.00	0.00 N	0.00 W	0.00
4500.00	0.00	358.80	4500.00	0.00 N	0.00 W	0.00
5000.00	0.00	358.80	5000.00	0.00 N	0.00 W	0.00
5500.00	0.00	358.80	5500.00	0.00 N	0.00 W	0.00
6000.00	0.00	358.80	6000.00	0.00 N	0.00 W	0.00
6320.00	0.00	358.80	6320.00	0.00 N	0.00 W	0.00 KOP
6400.00	12.06	358.81	6399.41	8.39 N	0.17 W	15.07
6500.00	27.13	358.81	6493.35	41.81 N	0.87 W	15.07
6600.00	42.20	358.81	6575.37	98.51 N	2.04 W	15.07
6700.00	57.27	358.81	6639.82	174.58 N	3.62 W	15.07
6800.00	72.34	358.81	6682.27	264.78 N	5.49 W	15.07
6900.00	87.41	358.81	6699.81	362.92 N	7.53 W	15.07
6917.23	90.00	358.81	6700.20	380.14 N	7.89 W	15.07
7000.00	90.00	358.81	6700.19	462.89 N	9.60 W	0.00
7500.00	90.00	358.81	6700.17	962.78 N	19.97 W	0.00
8000.00	90.00	358.81	6700.15	1462.67 N	30.35 W	0.00
8500.00	90.00	358.81	6700.13	1962.57 N	40.72 W	0.00
9000.00	90.00	358.81	6700.10	2462.46 N	51.09 W	0.00
9500.00	90.00	358.81	6700.08	2962.35 N	61.46 W	0.00
10000.00	90.00	358.81	6700.06	3462.24 N	71.83 W	0.00
10500.00	90.00	358.81	6700.04	3962.14 N	82.20 W	0.00
11000.00	90.00	358.81	6700.02	4462.03 N	92.57 W	0.00
11358.05	90.00	358.81	6700.00	4820.00 N	100.00 W	0.00
						4821.04 TD

All data is in feet unless otherwise stated.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 4821.04 on azimuth 358.81 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 358.81 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes INTEQ

DEVON ENERGY
Laguna Salado 22-3, slot #1
, Eddy County New Mexico

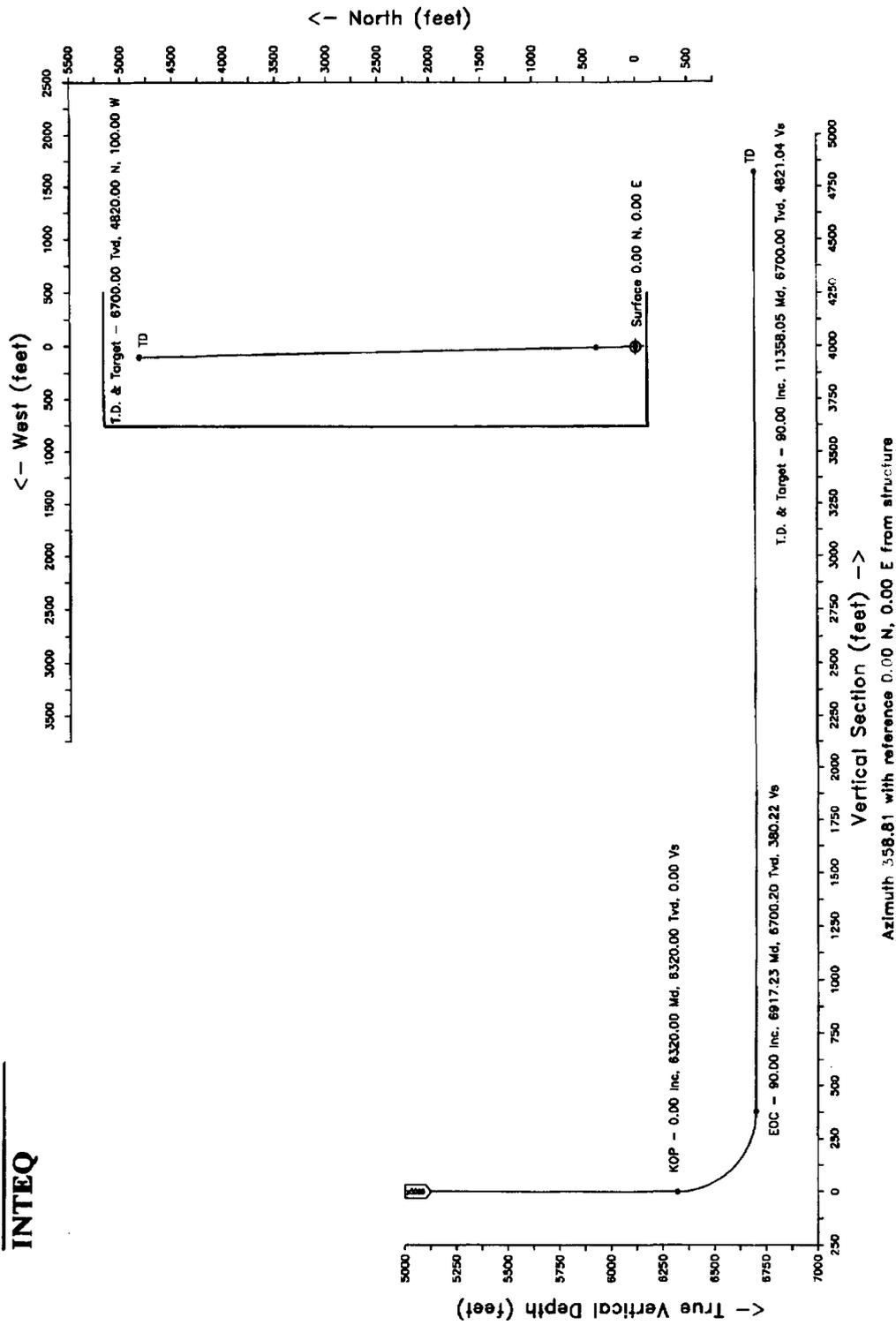
PROPOSAL LISTING Page 2
Your ref : Plan1
Last revised : 18-May-2006

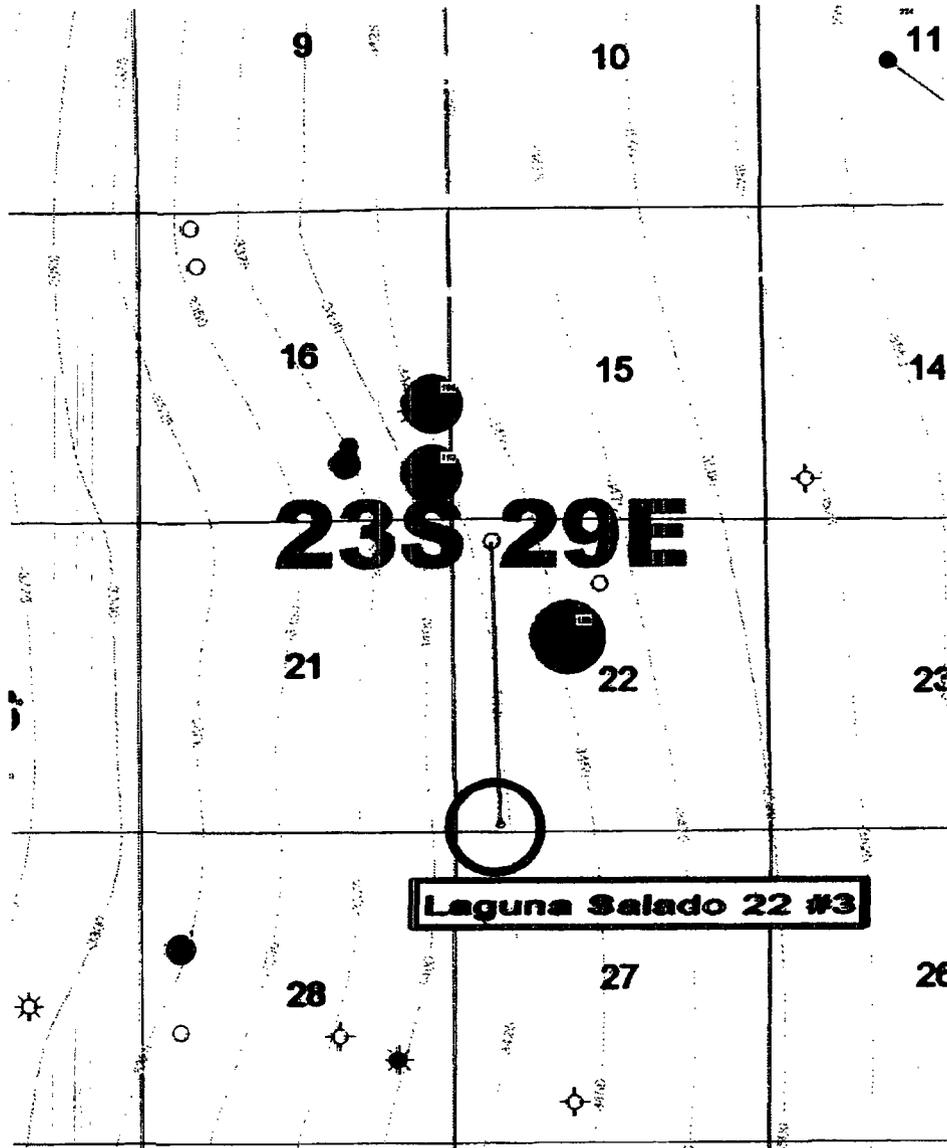
<u>Comments in wellpath</u>				
MD	TVD	Rectangular Coords.		Comment
6320.00	6320.00	0.00 N	0.00 W	KOP
6917.23	6700.20	380.14 N	7.89 W	EOC
11358.05	6700.00	4820.00 N	100.00 W	TD

<u>Targets associated with this wellpath</u>				
Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised
TD		6700.00	4820.00N 100.00W	18-May-2006

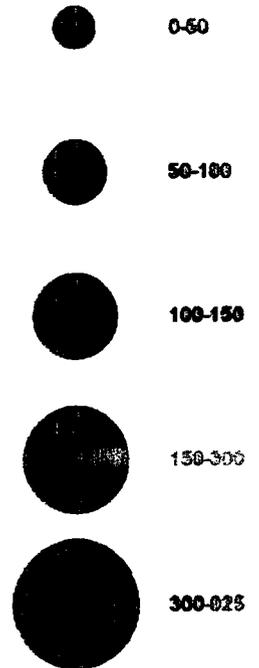
DEVON ENERGY

Structure : Laguna Salado 22-3 Slot : slot #1
 Location : Eddy County New Mexico





Delaware EURs



devon

Eddy County NM
T13S R29E
Lower Brushy Canyon F structure map with
EUR bubbles

Author:		Date: 20 January, 2005
Scale:		
Contour:		

devon

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

June 1, 2006

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

Re: Laguna Salado 22 Federal #3
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 surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Pogo Producing Company has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

Latigo Petroleum, Inc.
15 West 6th Street, Suite 1100
Tulsa, Oklahoma 74119-5405

Re: Laguna Salado 22 Federal #3
Section 22-T23S-R29E
Eddy County, New Mexico

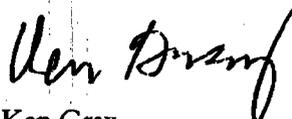
Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Latigo Petroleum, Inc. has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

Talas, Inc.
P.O. Box 1210
Graham, Texas 76450

Re: Laguna Salado 22 Federal #3
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 surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Talas, Inc. has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

Twin Montana, Inc.
P.O. Box 1210
Graham, Texas 76450

Re: Laguna Salado 22 Federal #3
Section 22-T23S-R29E
Eddy County, New Mexico

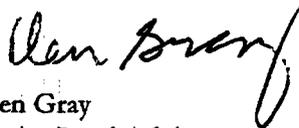
Gentlemen:

Attached you will find Devon Energy Production Company, L.P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Twin Montana, Inc. has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

Allar Company.
P.O. Box 1567
Graham, Texas 76450

Re: Laguna Salado 22 Federal #3
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 surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Allar Company has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

Kukui, Inc.
6600 Kalaniana'ole Highway, Suite 224
Honolulu, HI 96825-1281

Re: Laguna Salado 22 Federal #3
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 surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Kukui, Inc. has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

Saga Petroleum
415 West Wall, Suite 1900
Midland, Texas 79701

Re: Laguna Salado 22 Federal #3
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 surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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

Saga Petroleum has no objection to this administrative application for unorthodox surface location.

By: _____

Title: _____

Date: _____

devon

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

June 1, 2006

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

Re: Laguna Salado 22 Federal #3
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 surface location covering the referenced horizontal Delaware test well. Devon's records indicate that your company may be 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 surface location.

By: _____

Title: _____

Date: _____

TRANSACTION REPORT

P. 01

JUN-01-2006 THU 02:17 PM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
JUN-01	02:11	PM	5'52"	18	RECEIVE	OK		
