

DATE IN 7/13/06	SUSPENSE	ENGINEER DAVID BROOKS	LOGGED IN 7/14/06	TYPE NSL	APP NO. PTDSOL-19530301
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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.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504
 Print or Type Name

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

2006 JUL 13 PM 4 07

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

July 13, 2006

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. applies for approval of an unorthodox location for the following well:

<u>Well:</u>	Red Bull 32 State Com. Well No. 1
<u>Location:</u>	1100 feet FNL & 2400 feet FWL
<u>Well unit:</u>	W½ of Section 32, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Undesignated San Simon Sink-Morrow Gas Pool or Undesignated Antelope Ridge-Morrow Gas Pool). The pools are spaced on 320 acres, with wells to be located no closer than 660 feet to a quarter section line or closer than 330 feet to a quarter-quarter section line. An APD, with a Form C-102, is attached as Exhibit A.

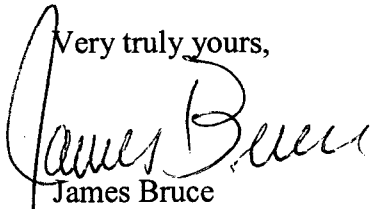
The location is based on geophysical reasons. Attached as Exhibit B is a copy of a seismic plat showing that the proposed location is at the optimal location on a seismic anomaly, which will maximize chances to drill an economic well.

Attached as Exhibit C is a land plat. The N½ of Section 32 is covered by State Lease VA-2509, while the S½ of Section 32 is covered by State Lease VA-2510. Attached as Exhibits D and E are information sheets on the two leases from the State Land Office. Both leases have common royalty and working interest ownership (there are no overriding royalties), and thus no one has been notified of this application.

THE FOREGOING LEASES EXPIRE ON AUGUST 1ST, SO YOUR ATTENTION TO THIS MATTER IS APPRECIATED.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned to the left of the printed name "James Bruce".

James Bruce

Attorney for Devon Energy Production Company, L.P.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

Form C-101
Permit 33901

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N BROADWAY OKLAHOMA CITY, OK 73102		2. OGRID Number 6137
		3. API Number
4. Property Code	5. Property Name RED BULL 32 STATE COM	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	32	23S	35E	C	1100	N	2400	W	LEA

8. Pool Information

Morrow	0
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3436
14. Multiple N	15. Proposed Depth 14400	16. Formation Morrow	17. Contractor	18. Spud Date 8/1/2006
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume: 40000 bbls Drilling Method: Closed Loop System ☐ Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	870	660	0
Intl	12.25	9.625	40	5270	1464	0
Prod	8.75	7	26	12600	442	9500
Linerl	6.125	4.5	13.5	14400	280	12300

Casing/Cement Program: Additional Comments

13 3/8 csg- cmt lead w/360 sx Poz, tail w/300 sx CI C. 9 5/8 csg- cmt lead w/1164 sx Poz, tail w/300 sx Poz 7 csg - cmt w/442 sx Super H 6 1/8 liner - cmt w/280 sx Class H Mud: 0-870 8.4-9.4 32-34 vis, N/C Fluid loss 870-5270 9.9-10.1 28-29 vis N/C fluid loss 5270-12600 8.5-10.0 28-29 vis, N/C fluid loss 12600-14400 12.0-13.5 34-40 vis 8-6cc fluid loss

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	5000	5000	
DoubleRam	10000	10000	
Pipe	10000	10000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ , a general permit ☒ , or an (attached) alternative OCD-approved plan ☐ .		OIL CONSERVATION DIVISION	
Printed Name:		Approved By:	
Title:		Title:	
Email Address:		Approved Date: Expiration Date:	
Date:		Phone:	

- EXHIBIT A -

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Morrow
Property Code	Property Name RED BULL "32" STATE COM	Well Number 1
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3436'

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	32	23 S	35 E		1100	NORTH	2400	WEST	LEA

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

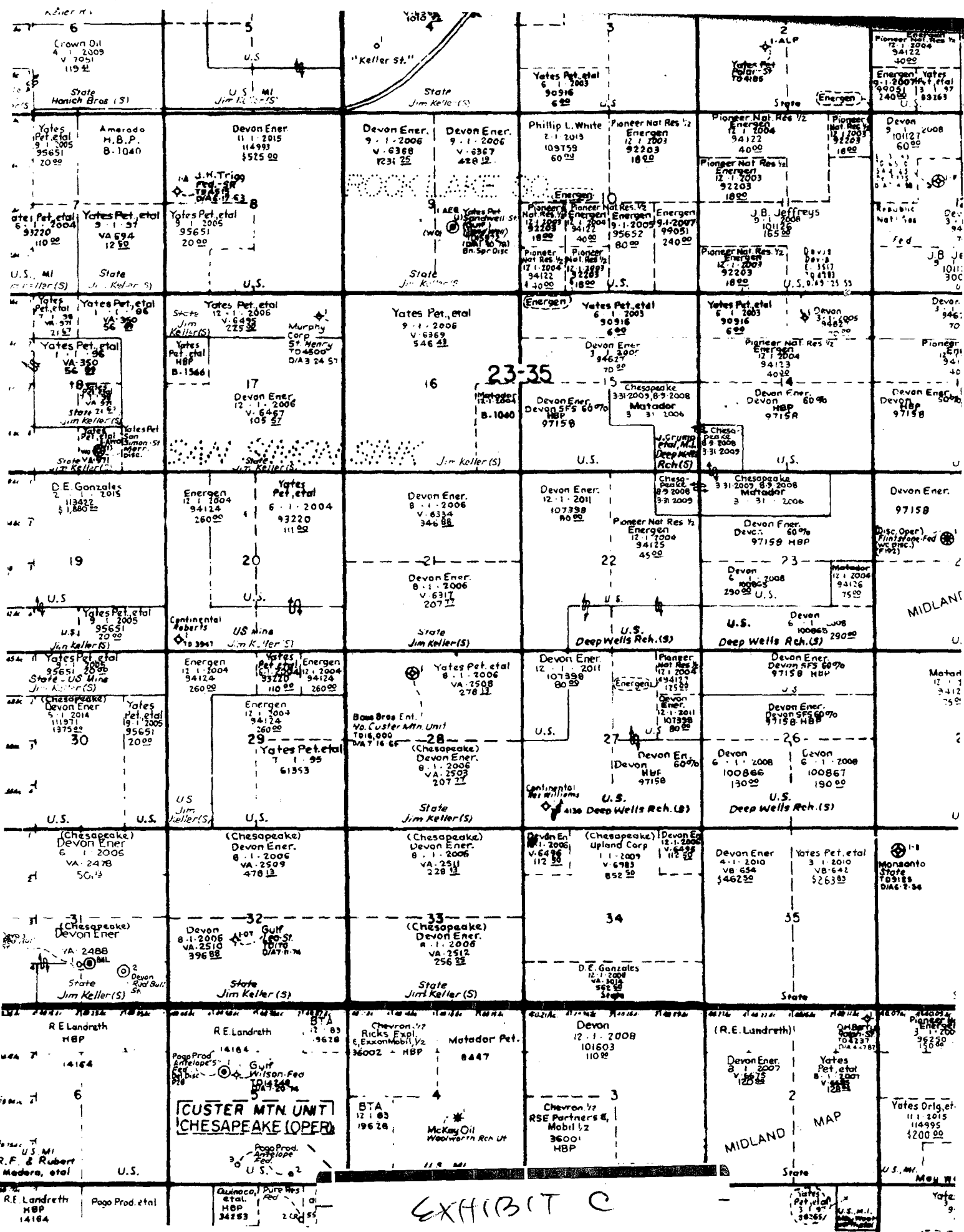
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date 7/11/06 Norvella Adams Printed Name _____
	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. JUNE 28, 2006 Date Surveyed _____ Signature _____ Professional Surveyor
	Gary L. Jones Certified No. 6870 State of New Mexico Professional Surveyor 1977
	Gary L. Jones Certified No. 6870 State of New Mexico Professional Surveyor 1977



- EXHIBIT 13 -



STATE LAND OFFICE DATA ACCESS

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list lease info

* Lease Prefix: * Number: * Assignment:

Example: A0 1234 0000

8 Records found.

Lease Number:

VA-2509-0000

Company name: DEVON ENERGY PRODUCTION COMPANY, LP
Company ID: 6137
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 1/8th ROYALTY
Issue date: 8/1/2001
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: DEVON ENERGY PRODUCTION COMPANY, LP
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 7/7/2005
Next bill date: 8/1/2006
Escalation: 0

Land information:

- EXHIBIT D -

Section	Township	Range	Unit Letter	Lot	Tract	Acreage	Link
32	23S	35E	A			40.00	[Land Details]
			B			40.00	[Land Details]
			C			40.00	[Land Details]
			D			40.00	[Land Details]
			E			40.00	[Land Details]
			F			40.00	[Land Details]
			G			40.00	[Land Details]
			H			40.00	[Land Details]

If you have any questions about the data or this site please contact Joe Mraz (jmraz@slo.state.nm.us) of the Office.

Site maintained by the PRRC, webmaster_gotech_prcc@yahoo.com

STATE LAND OFFICE DATA ACCESS[Home](#)[Select a different page.....](#)[Go Tech](#)[NM State Land and
Office](#)**list lease info*** Lease Prefix: * Number: * Assignment:

Example: A0 1234 0000

8 Records found.

Lease Number:

VA-2510-0000

Company name: DEVON ENERGY PRODUCTION COMPANY, LP
Company ID: 6137
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 1/8th ROYALTY
Issue date: 8/1/2001
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: DEVON ENERGY PRODUCTION COMPANY, LP
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 7/7/2005
Next bill date: 8/1/2006
Escalation: 0

Land information:

- EXHIBIT E -

Section	Township	Range	Unit Letter	Lot	Tract	Acreage	Link
32	23S	35E	I			40.00	[Land Details]
			J			40.00	[Land Details]
			K			40.00	[Land Details]
			L			40.00	[Land Details]
			M			40.00	[Land Details]
			N			40.00	[Land Details]
			O			40.00	[Land Details]
			P			40.00	[Land Details]

If you have any questions about the data or this site please contact Joe Mraz (jmraz@slo.state.nm.us) of the Office.

Site maintained by the PRRC, webmaster gotech_prcc@yahoo.com