

DEVON ENERGY CORPORATION  
20 NORTH BROADWAY, SUITE 1500  
OKLAHOMA CITY, OK 73102-8260  
OFFICE (405) 235-3611

FAX TRANSMISSION  
Xerox 7033 (405) 552-4550  
Monroe MX-3060 (405) 552-4552

DATE:

June 17, 1993

TO:

Mike Stognan

COMPANY:

FAX PHONE:

505/827-5741

OFFICE PHONE:

FROM:

Larry Jackson  
DEVON ENERGY CORPORATION

NUMBER OF PAGES FOLLOWING:

6

TRANSMISSION COMPLETED:

Dear Mr. Stognor:

On June 15, 1993 Devon Energy was notified by the Bureau of Land Management that our proposed West Red Lake Unit #35 to be located 330' FNL & 240' FWL of Section 9 - T18S - R27E of Eddy County, New Mexico is considered an unorthodox location. Attached is a plat of the West Red Lake Unit showing the unit boundaries as well as Forms 3160-3 and C - 102. West Red Lake is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID Number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location please notify me at 405-552-4560.

Sincerely,



Randy Jackson  
Operations Engineer

JUN-17-93 THU 07:59

405 236 4258

P.01

Dear Mr. Stognor:

On June 15, 1993 Devon Energy was notified by the Bureau of Land Management that our proposed West Red Lake Unit #35 to be located 330' FNL & 240' FWL of Section 9 - T18S - R27E of Eddy County, New Mexico is considered an unorthodox location. Attached is a plat of the West Red Lake Unit showing the unit boundaries as well as Forms 3160-3 and C - 102. West Red Lake is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID Number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

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Randy Jackson  
Operations Engineer

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405 236 4258

P.01

Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

EXHIBIT #2District Office  
State Lease - 4 copies  
Fee Lease - 3 copiesDISTRICT I  
P.O. Box 1980, Hobbs, NM 88240DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

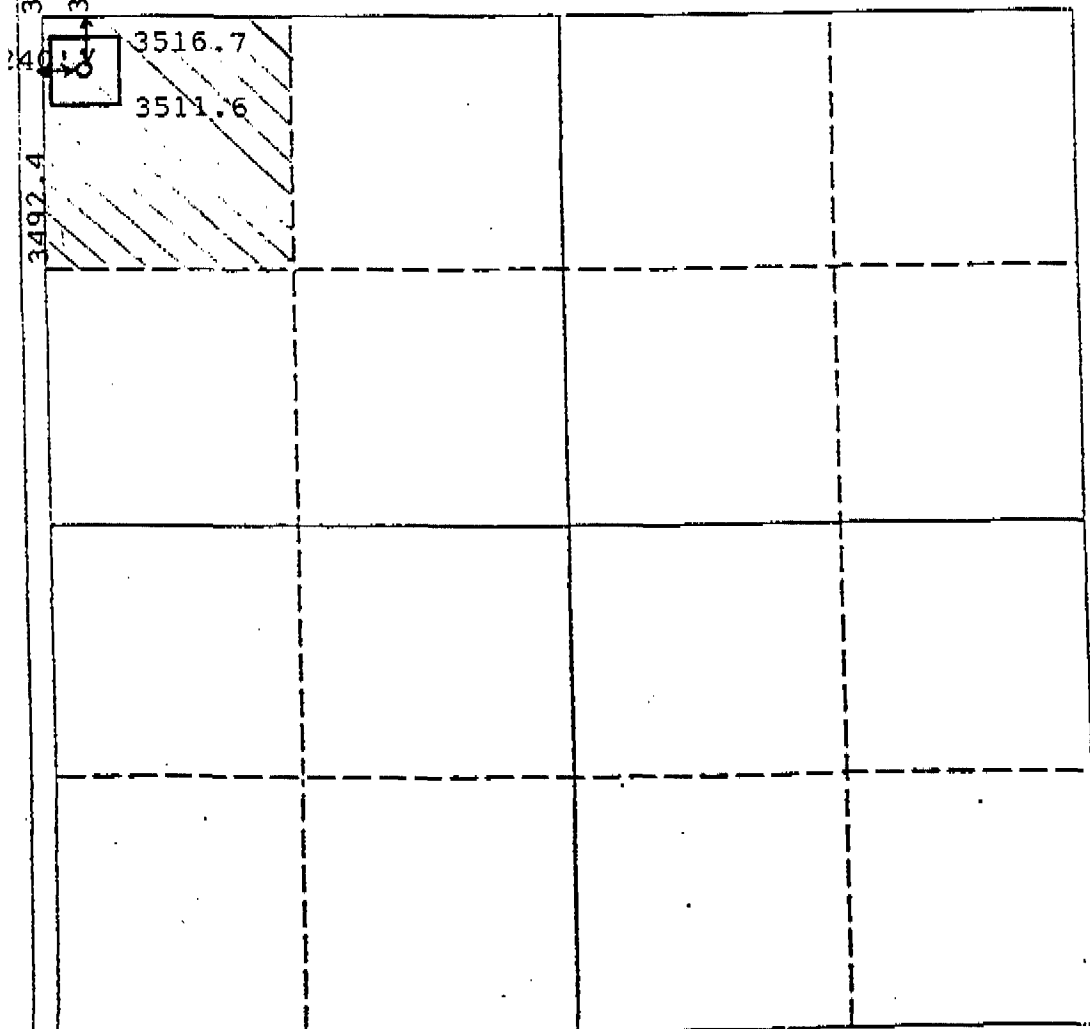
Operator <b>Devon Energy Corporation</b>			Lease <b>West Red Lake Unit</b>		Well No. <b>35</b>
Unit Letter <b>D</b>	Section <b>9</b>	Township <b>18 South</b>	Range <b>27 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>North</b> line and <b>240</b> feet from the <b>West</b> line					
Ground level Elev. <b>3509</b>	Producing Formation <b>San Andres</b>		Pool <b>West Red Lake</b>	Dedicated Acreage: <b>40</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
 

☐ Yes
 ☐ No
 

If answer is "yes" type of consolidation \_\_\_\_\_

 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_  
 No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

3494.2  
3492.4

## 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

**Charles W. Horsman**

Position

**District Engineer**Company **Devon Energy Corporation (Nevada)**

Date

**January 25, 1993**

## SURVEYOR CERTIFICATION

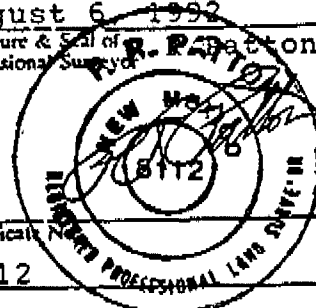
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

**August 6, 1992**

Signature &amp; Seal of Professional Surveyor

Certificate

**8112**

Form 3168-3  
(December 1990)SUBMIT IN THE STATE  
(Other instructions on  
reverse side)Form approved  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☒GAS  
WELL ☐OTHER ☐SINGLE  
ZONE ☐MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

Devon Energy Corporation (Nevada)

## 3. ADDRESS AND TELEPHONE NO.

20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4560

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 330' FNL &amp; 240' FWL

At proposed prod. zone same

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 7 miles southeast of Artesia, NM

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drg. unit line, if any)

240'

## 16. NO. OF ACRES IN LEASE

80

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

500'

## 19. PROPOSED DEPTH

2800'

## 20. ROTARY OR CABLE TOOLS

rotary

## 21. ELEVATIONS (Show whether DP, RT, GR, etc.)

3509'

## 22. APPROX. DATE WORK WILL START\*

May 1, 1993

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM \*

SIZE OF HOLE	GRADE AND TYPE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	conductor		40'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1150'	415 sx Lite + 100 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	2800'	120 sx Lite + 265 xs Class C

\* Cement will be circulated to surface on all casing strings

Devon Energy plans to drill to 2800'+ to test the San Andres formation for commercial quantities of oil. If the San Andres is deemed non-commercial, the wellbore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

## Drilling Program

## Surface Use and Operating Plan

## Exhibit #1 and #1-A - Blowout Prevention Equipment

## Exhibit #2 - Location and Elevation Plat

## Exhibit #3 - Planned Access Roads

## Exhibit #4 - Wells Within a One Mile Radius

## Exhibit #5 - Production Facilities Plat

## Exhibit #6 - Rotary Rig Layout

## Exhibit #7 - Casing Program

## Evidence of Bond Coverage

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

## 24.

Randy Jackson

SIGNED

TITLE

District Engineer

DATE

March 23, 1993

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

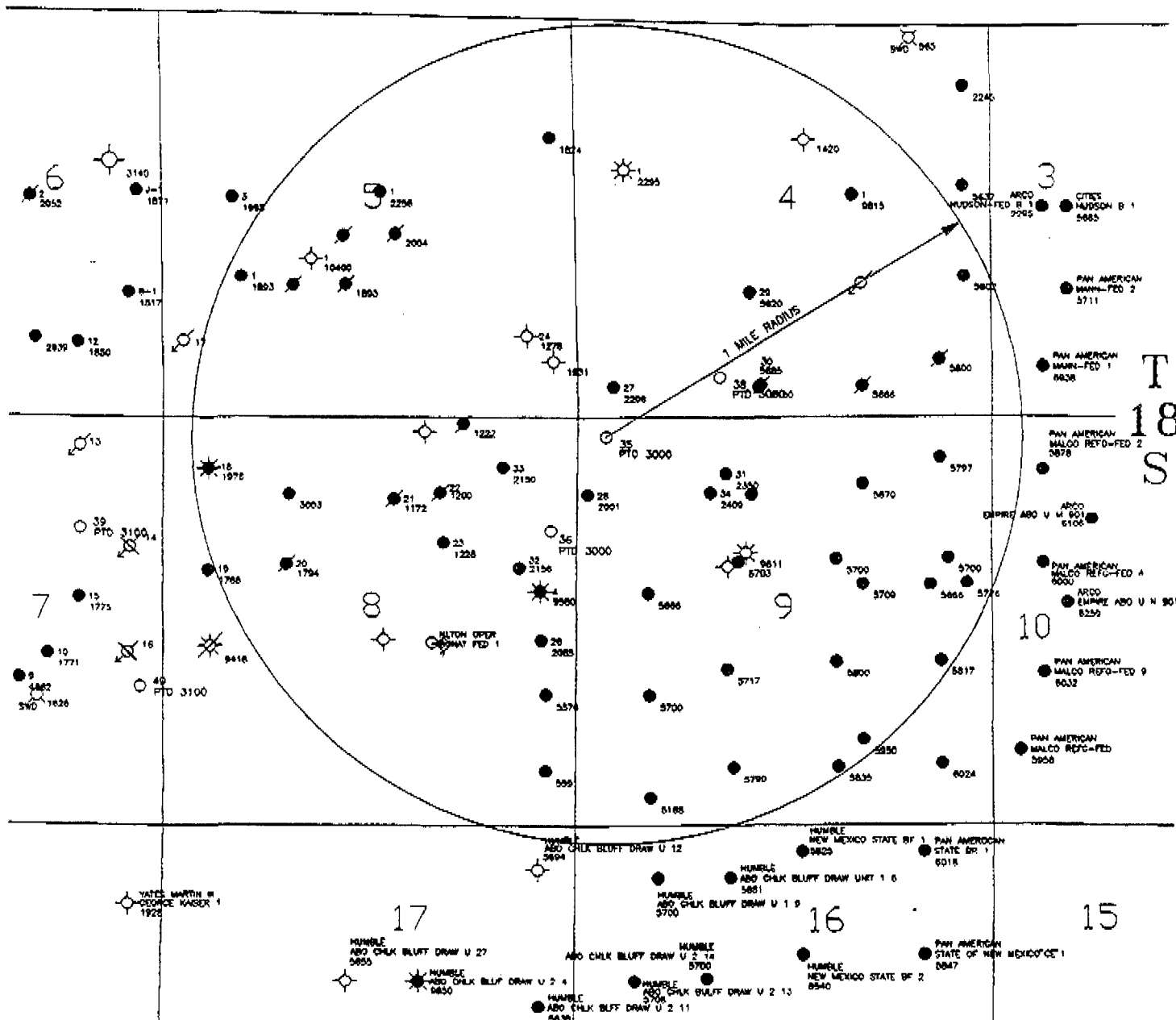
TITLE


DATE

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

R 27 E





**WEST RED LAKE UNIT**  
EDDY COUNTY, NEW MEXICO

WEST RED LAKE NO. 35

**EXHIBIT 4**

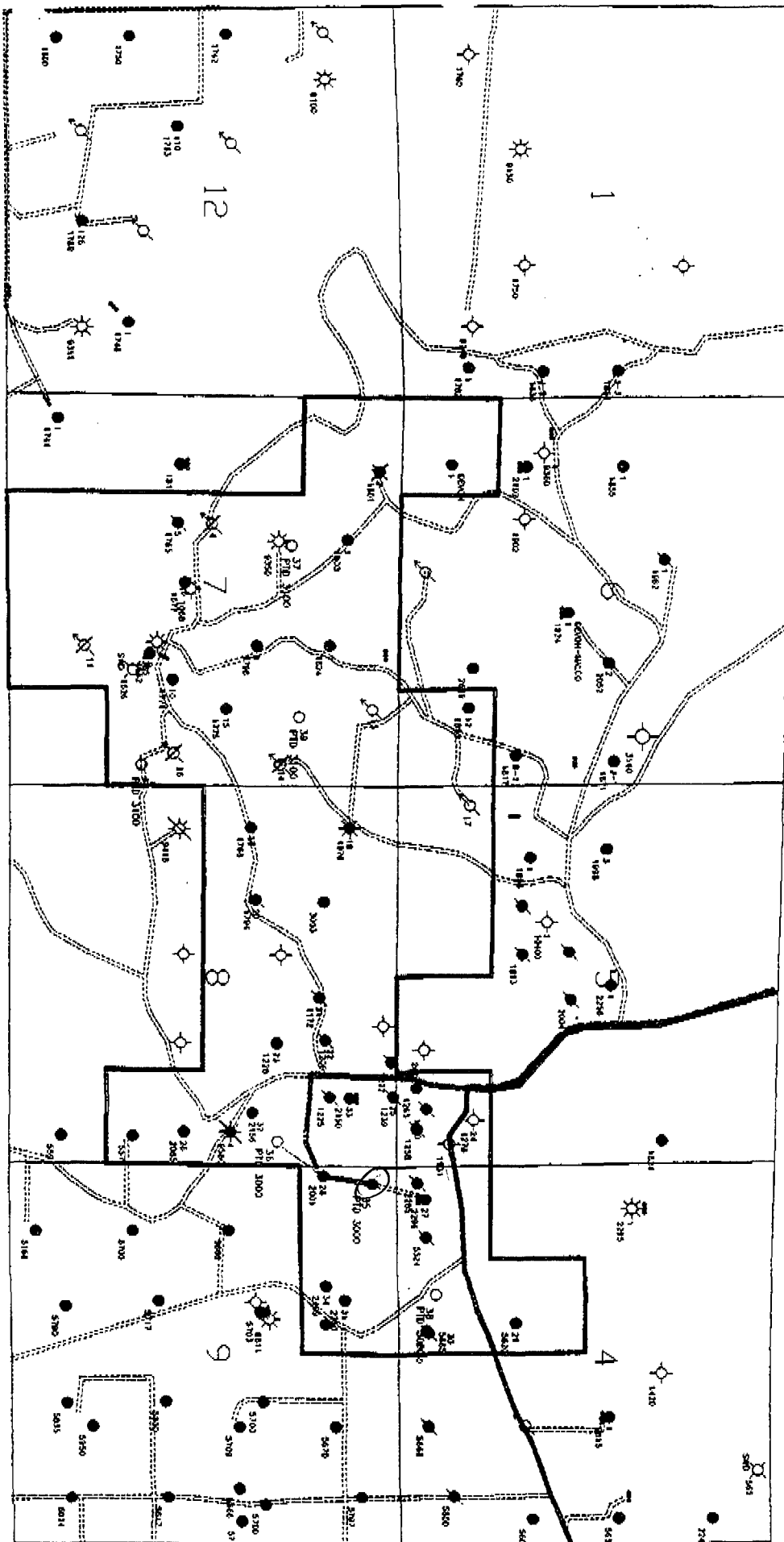
Scale in Feet  
1000 0 1000 2000 3000 4000

FILE: NMO1521F


A. JACKSON

9/92

EXISTING ROAD  
PROPOSED ROAD



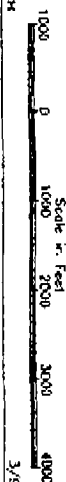
FILE: WRLU-35



**WEST RED LAKE UNIT**  
LOGAN COUNTY, NEW MEXICO

WRLU 435  
**EXHIBIT 3**

Scale in Feet



0 1000 2000 3000 4000

R 26 E

R 27 E

T 18 S

**WEST RED LAKE UNIT #35  
OFFSET OPERATORS**

**Section 4 - T18S - R27E**

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Empire Abo Unit L #5	M	Inactive
Arco Oil & Gas	Empire Abo Unit L #6	N	Inactive

**Section 8 - T18S - R27E**

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Compton #4	A	Inactive
Arco Oil & Gas	Empire Abo Unit N #4	H	Active
Arco Oil & Gas	Chalh Bluff Draw Unit	H	Inactive

**Section 9 - T18S - R27E**

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Empire Abo Unit M #6	C	Active
Arco Oil & Gas	Empire Abo Unit N #5	E	Active
Arco Oil & Gas	Empire Abo Unit N #6	F	Inactive



**RED LAKE QUEEN-GRAYBURG-SAN ANDRES POOL**  
(West Red Lake Unit Area Waterflood)  
Eddy County, New Mexico

Order No. R-3469, Authorizing Atlantic Richfield Company to Institute a Waterflood Project in the West Red Lake Unit Area in the Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico, August 13, 1968.

Application of Atlantic Richfield Company for a Waterflood Project, Eddy County, New Mexico.

CASE NO. 3824  
Order No. R-3469

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 7, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of August, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Atlantic Richfield Company, seeks permission to institute a waterflood project in its West Red Lake Unit Area, Red Lake Queen-Grayburg-San Andres Pool, by the injection of water into the Premier zone of the Grayburg formation and the San Andres formation through 13 injection wells in Sections 4, 5, 7, 8, and 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

**IT IS THEREFORE ORDERED:**

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to institute a waterflood project in its West Red Lake Unit Area, Red Lake Queen-Grayburg-San Andres Pool, by the injection of water into the Premier zone of the Grayburg formation and the San Andres formation through the following-described wells in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

Well	Well No.	Unit	Section
West Red Lake Unit	29	K	4
West Red Lake Unit	17	M	5
West Red Lake Unit	24	P	5
West Red Lake Unit	2	D	7
West Red Lake Unit	4	F	7
West Red Lake Unit	11	O	7
West Red Lake Unit	13	A	7
West Red Lake Unit	14	H	7
West Red Lake Unit	16	I	7
West Red Lake Unit	21	B	8
West Red Lake Unit	26	I	8
West Red Lake Unit	28	D	9
West Red Lake Unit	31	C	9

(2) That the subject waterflood project is hereby designated the Atlantic Richfield West Red Lake Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

**SHUGART POOL**  
(Marathon-Queen Waterflood)  
Eddy County, New Mexico

Order No. R-3072, Authorizing Marathon Oil Company to Institute a Waterflood Project in the Queen Formation in the Shugart Pool, Eddy County, New Mexico, June 1, 1966.

Application of Marathon Oil Company for a Waterflood Project, Eddy County, New Mexico.

CASE NO. 3048  
Order No. R-3072

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 25, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of June, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Marathon Oil Company, seeks permission to institute a waterflood project in the Shugart Pool by the injection of water into the Queen formation through three injection wells in Sections 10 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

**DEVON  
ENERGY  
CORPORATION**

 20 North Broadway  
Suite 1500  
Oklahoma City, Oklahoma 73102

 405/235-3611  
Fax 405/236-4258

June 16, 1993

 RE: West Red Lake Unit #35  
Non-Standard Location Approval

 Arco Oil and Gas  
P. O. Box 1610  
Midland, TX 79702

Certified Letter #: P 373 549 734

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets the following Arco properties:

 Empire Abo Unit L #5  
Empire Abo Unit L #6  
Compton #4  
Empire Abo Unit N #4  
Chalk Bluff Draw Unit  
Empire Abo Unit M #6  
Empire Abo Unit N #5  
Empire Abo Unit N #6

The West Red Lake Unit #35 is located:

 330' FNL & 240' FWL  
Section 9-T18S-R27E

Post-It™ brand fax transmittal memo 7071		# of pages 2
To Mike Stogner	From Dewey O'Donnell	
Co. OCD-Santa Fe	Co. Devon Energy	
Dept.	Phone # (405) 552-4511	
Fax # (505) 827-5741	Fax #	

Page 2

The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION

*Debby O'Donnell*

Ms. Debby O'Donnell  
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM  
Bureau of Land Management - Carlsbad, NM

<b>SENDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
		3. Article Addressed to: <b>Arco Oil and Gas</b> <b>P. O. Box 1610</b> <b>Midland, TX 79702</b>	
4a. Article Number <b>P 373 549 734</b>		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
5. Signature (Addressee) <i>[Signature]</i>		7. Date of Delivery <b>JUN 21 1993</b>	
6. Signature (Agent) <i>[Signature]</i>		8. Addressee's Address (Only if requested and fee is paid)	
PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 <b>DOMESTIC RETURN RECEIPT</b>			

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.