

DATE IN 5/15/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 5/15/08	TYPE NSL	APP NO. PKVRO813632907
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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



*Devon Energy Production Co LP
 Laguna Salada 22
 Federal #4H*

ADMINISTRATIVE APPLICATION CHECKLIST

5853

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 — *Ripe 6/4*
- [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

RECEIVED
 2008 MAY 15 AM 8 51

[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.

KEN GRAY
 Print or Type Name

Ken Gray
 Signature

SR LAND ADVISOR 5/15/08
 Title Date

KEN.GRAY@DEVV.COM
 e-mail Address

devon

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

FAX

To: DAVID BROOKS

From: KEN GRAY

Fax: 505-476-3462

Date: 5/15/08

Phone:

Pages: 14 (including cover page)

Re: LAGUNA SALADO 22
FEDERAL #4H

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

May 14, 2008

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

Re: Laguna Salado 22 Federal #4H
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 TVD of approximately 6,600' with a TMD of approximately 10,600'. Devon initially attempted to stake and permit this well at an orthodox location. However, due to the proximity of the location to apparent commercial Potash resources, the Bureau of Land Management (BLM) has required Devon to move the location. The closest drillable location as approved by the BLM is located at a SHL 1,240' FNL & 2,510' FWL with a BHL of 330' FSL & 1,980' FEL which is an unorthodox surface location pursuant to the statewide pool rules.

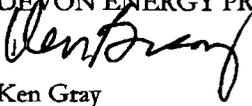
Inasmuch as this well will be producing from an unorthodox surface location from that permitted by the statewide pool rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). Devon's records reflect that, in addition to Devon, Chesapeake Exploration, LLC, Pogo Producing Company, LLC, Oxy USA, Inc. and Liberty Energy Corporation are the owners of the operating rights under NMNM-66425 covering all of said Section 22, are the only parties affected by this application and have been given notice of this application. Additionally, Devon requests Commission approval to designate a 120 acre project area consisting of three (3) standard oil spacing units comprised of the SW/4 NE/4 and the W/2 SE/4 (unit letters G, J & O) of said section 22.

Attached you will find a Lower Brushy Canyon B structure map, a State of New Mexico form C-102, a land plat reflecting the affected parties and a Ryan Energy Technologies Directional Planning Report.

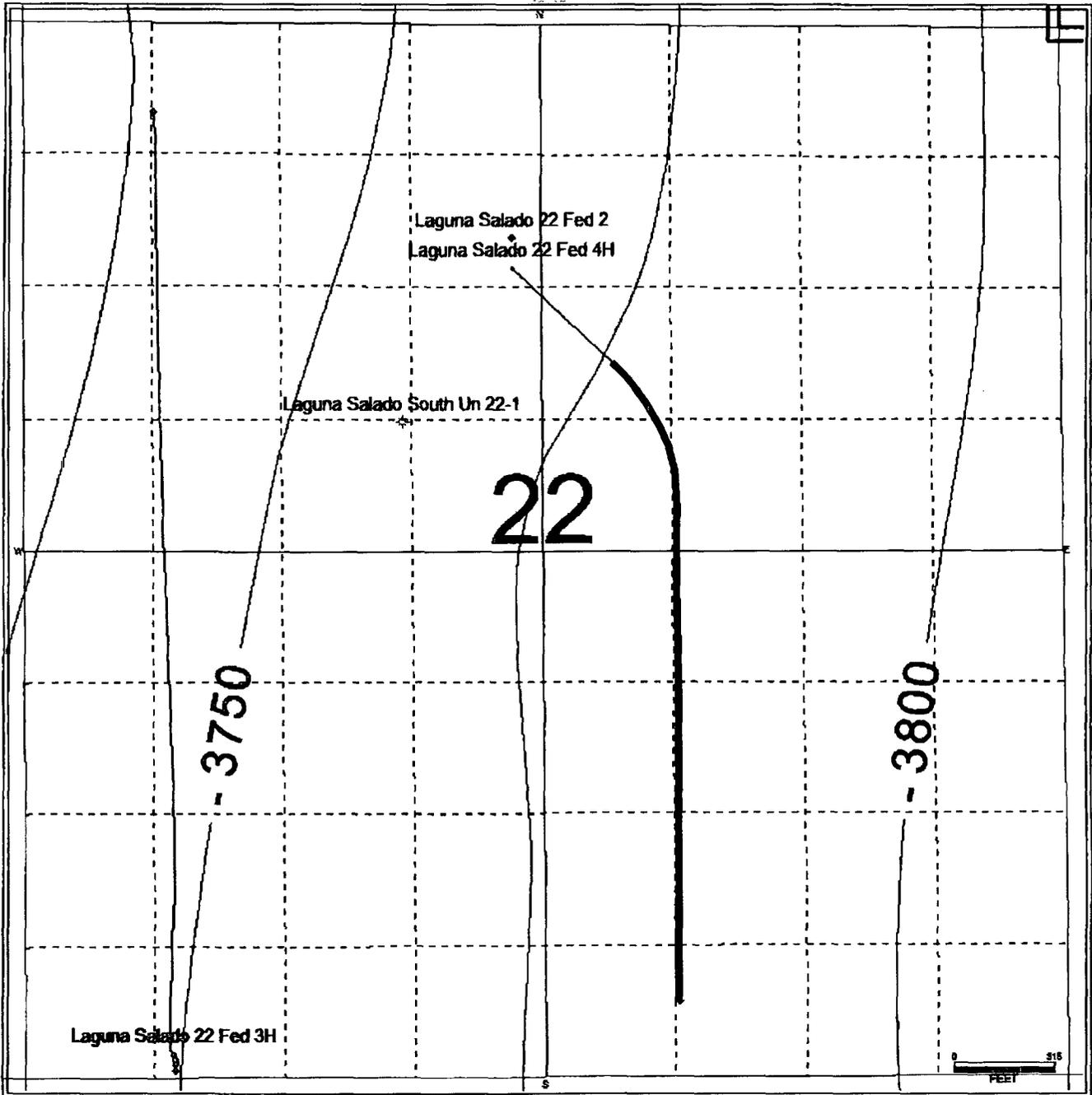
If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Land Advisor

Kg/
Enclosure




devon
Devon Energy Corporation
 SE EDDY COUNTY, NM
NORTH PURE GOLD 9 FEDERAL 10H
 TOP LOWER BRUSHY CANYON B ZONE
 (SSTVD)
 By: CJB

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 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name LAGUNA SALADO "22" FEDERAL			Well Number 4H
OGRID No. 6137		Operator Name DEVON ENERGY PRODUCTION COMPANY LP			Elevation 2977'

Surface Location

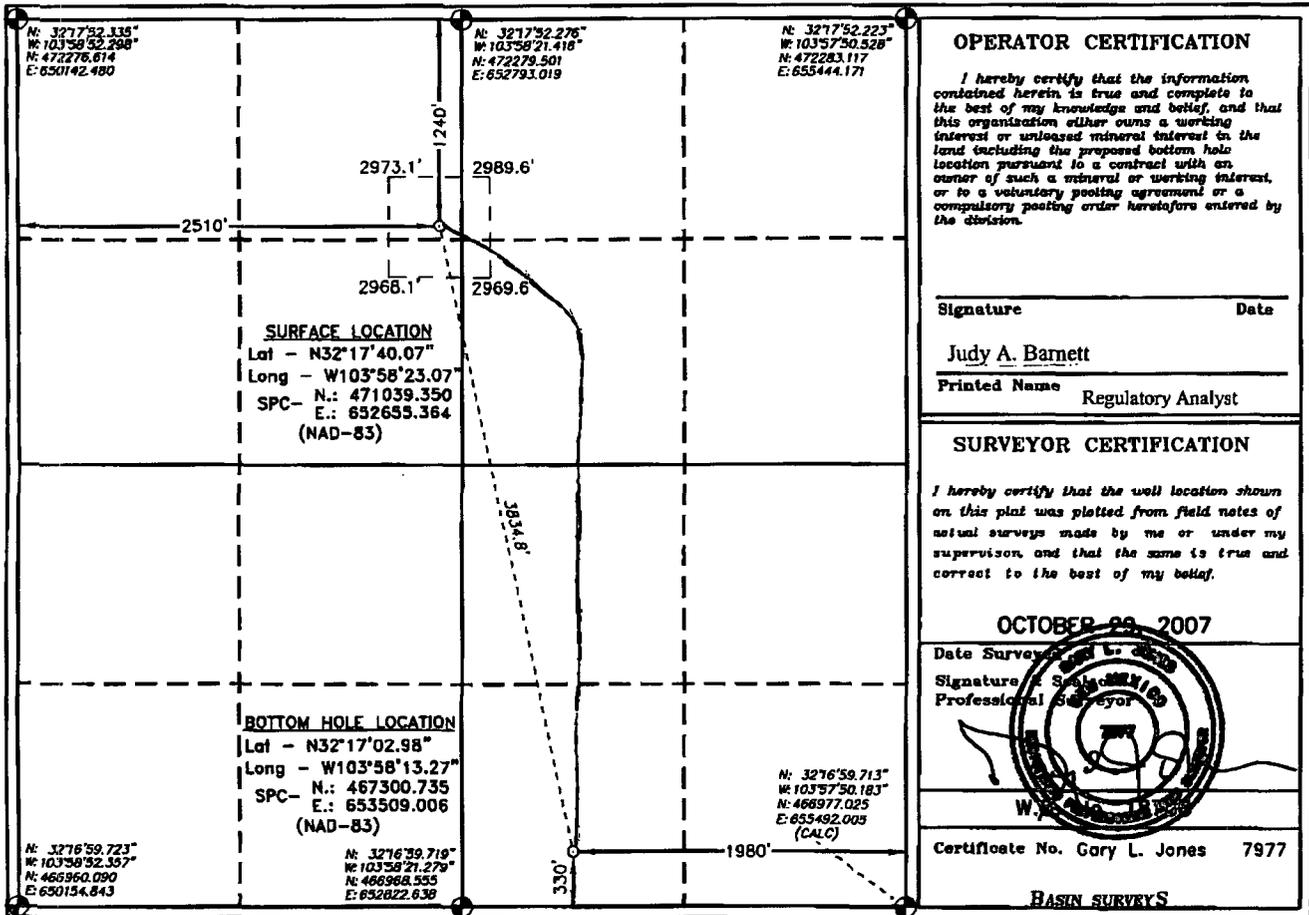
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	23 S	29 E		1240	NORTH	2510	WEST	EDDY

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
O	22	23 S	29 E		330	SOUTH	1980	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160'			

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





Ryan Energy Technologies Planning Report



Company: DEVON ENERGY CORPORATION	Date: 4/30/2008	Time: 09:59:49	Page: 1
Field: Eddy Co, NM	Co-ordinate(NE) Reference Site: Laguna Salado 22 Federal		
Site: Laguna Salado 22 Federal	Vertical (TVD) Reference: SITE 0.0		
Well: Laguna Salado 22 Fed	Section (VS) Reference: Well (0.00N,0.00E,167.98Azi)		
Wellpath: Laguna Salado	Plan:	Plan #1	

Field: Eddy Co, NM	Map System: US State Plane Coordinate System 1983	Map Zone: New Mexico, Eastern Zone
USA	Geo Datum: GRS 1980	Coordinate System: Site Centre
Map System: US State Plane Coordinate System 1983	Sys Datum: Mean Sea Level	Geomagnetic Model: lgrf2005

Site: Laguna Salado 22 Federal Section 22,T23S, R29E Eddy Co, NM	Site Position:	From: Map	Northing: 471024.56 ft	Latitude: 32 17 39.853 N
			Easting: 652654.82 ft	Longitude: 103 58 23.091 W
	Position Uncertainty: 0.00 ft			North Reference: Grid
	Ground Level: 0.00 ft			Grid Convergence: 0.19 deg

Well: Laguna Salado 22 Fed	Slot Name:
Well Position: +N/-S 0.00 ft	Northing: 471024.56 ft
+E/-W 0.00 ft	Easting: 652654.82 ft
Position Uncertainty: 0.00 ft	Latitude: 32 17 39.853 N
	Longitude: 103 58 23.091 W

Wellpath: Laguna Salado	Drilled From: Surface
Current Datum: SITE	Tie-on Depth: 0.00 ft
Magnetic Data: 4/30/2008	Above System Datum: Mean Sea Level
Field Strength: 48976 nT	Declination: 8.14 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 60.27 deg
ft	+N/-S
	ft
6680.00	0.00
	+E/-W
	ft
	0.00
	Direction
	deg
	167.98

Plan: Plan #1	Date Composed: 4/30/2008
Principal: Yes	Version: 1
	Tied-to: From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	133.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6202.54	0.00	133.13	6202.54	0.00	0.00	0.00	0.00	0.00	133.13	
6952.54	90.00	133.13	6680.00	-326.42	348.46	12.00	12.00	0.00	133.13	
7143.54	90.00	133.13	6680.00	-457.06	487.85	0.00	0.00	0.00	0.00	
7924.71	90.00	180.00	6680.00	-1153.91	789.93	6.00	0.00	6.00	90.00	
10480.79	90.00	180.00	6680.00	-3710.00	789.93	0.00	0.00	0.00	0.00	FB-L

Survey

MD ft	Incl deg	Azlm deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6202.54	0.00	133.13	6202.54	0.00	0.00	0.00	0.00	0.00	0.00	KOP: Build 12"/100'
6225.00	2.70	133.13	6224.99	-0.36	0.39	0.43	12.00	12.00	0.00	
6250.00	5.70	133.13	6249.92	-1.61	1.72	1.93	12.00	12.00	0.00	
6275.00	8.70	133.13	6274.72	-3.75	4.00	4.50	12.00	12.00	0.00	
6300.00	11.70	133.13	6299.32	-6.78	7.23	8.13	12.00	12.00	0.00	
6325.00	14.70	133.13	6323.66	-10.68	11.40	12.82	12.00	12.00	0.00	
6350.00	17.70	133.13	6347.67	-15.44	16.49	18.54	12.00	12.00	0.00	
6375.00	20.70	133.13	6371.27	-21.06	22.48	25.28	12.00	12.00	0.00	
6400.00	23.70	133.13	6394.42	-27.52	29.38	33.03	12.00	12.00	0.00	
6425.00	26.70	133.13	6417.04	-34.79	37.14	41.77	12.00	12.00	0.00	
6450.00	29.70	133.13	6439.07	-42.87	45.76	51.46	12.00	12.00	0.00	
6475.00	32.70	133.13	6460.45	-51.72	55.21	62.08	12.00	12.00	0.00	
6500.00	35.70	133.13	6481.13	-61.32	65.46	73.61	12.00	12.00	0.00	
6525.00	38.70	133.13	6501.04	-71.66	76.49	86.01	12.00	12.00	0.00	
6550.00	41.70	133.13	6520.13	-82.68	88.27	99.25	12.00	12.00	0.00	



Ryan Energy Technologies Planning Report



Company: DEVON ENERGY CORPORATION	Date: 4/30/2008	Time: 09:59:49	Page: 2
Field: Eddy Co, NM	Co-ordinate(NE) ReferenceSite: Laguna Salado 22 Federal		
Site: Laguna Salado 22 Federal	Vertical (TVD) Reference: SITE 0.0		
Well: Laguna Salado 22 Fed	Section (VS) Reference: Well (0.00N,0.00E,167.98Azi)		
Wellpath: Laguna Salado	Plan:	Plan #1	

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6575.00	44.70	133.13	6538.36	-94.38	100.75	113.30	12.00	12.00	0.00	
6600.00	47.70	133.13	6555.66	-108.72	113.92	128.10	12.00	12.00	0.00	
6625.00	50.70	133.13	6572.00	-119.85	127.73	143.63	12.00	12.00	0.00	
6650.00	53.70	133.13	6587.32	-133.15	142.14	159.84	12.00	12.00	0.00	
6675.00	56.70	133.13	6601.59	-147.19	157.12	176.68	12.00	12.00	0.00	
6700.00	59.70	133.13	6614.76	-161.71	172.53	194.12	12.00	12.00	0.00	
6725.00	62.70	133.13	6626.81	-176.68	188.61	212.09	12.00	12.00	0.00	
6750.00	65.70	133.13	6637.69	-192.07	205.03	230.56	12.00	12.00	0.00	
6775.00	68.70	133.13	6647.38	-207.82	221.85	249.47	12.00	12.00	0.00	
6800.00	71.70	133.13	6655.84	-223.90	239.02	268.77	12.00	12.00	0.00	
6825.00	74.70	133.13	6663.07	-240.26	256.48	288.41	12.00	12.00	0.00	
6850.00	77.70	133.13	6669.04	-256.86	274.20	308.33	12.00	12.00	0.00	
6875.00	80.70	133.13	6673.72	-273.64	292.12	328.48	12.00	12.00	0.00	
6900.00	83.70	133.13	6677.12	-290.57	310.19	348.81	12.00	12.00	0.00	
6925.00	86.70	133.13	6679.21	-307.60	328.37	369.25	12.00	12.00	0.00	
6950.00	89.70	133.13	6680.00	-324.89	346.60	389.75	12.00	12.00	0.00	
6952.54	90.00	133.13	6680.00	-326.42	348.46	391.84	12.00	12.00	0.00	EOC
7000.00	90.00	133.13	6680.00	-358.87	383.09	430.78	0.00	0.00	0.00	
7100.00	90.00	133.13	6680.00	-427.23	456.07	512.85	0.00	0.00	0.00	
7143.54	90.00	133.13	6680.00	-457.00	487.85	548.58	0.00	0.00	0.00	Turn 6°/100'
7150.00	90.00	133.52	6680.00	-461.43	492.55	553.90	6.00	0.00	6.00	
7200.00	90.00	138.52	6680.00	-496.79	527.89	595.84	6.00	0.00	6.00	
7250.00	90.00	139.52	6680.00	-533.96	561.33	639.16	6.00	0.00	6.00	
7300.00	90.00	142.52	6680.00	-572.82	592.78	683.72	6.00	0.00	6.00	
7350.00	90.00	145.52	6680.00	-613.28	622.15	729.40	6.00	0.00	6.00	
7400.00	90.00	148.52	6680.00	-655.21	649.37	776.09	6.00	0.00	6.00	
7450.00	90.00	151.52	6680.00	-698.52	674.35	823.65	6.00	0.00	6.00	
7500.00	90.00	154.52	6680.00	-743.07	697.04	871.95	6.00	0.00	6.00	
7550.00	90.00	157.52	6680.00	-788.75	717.36	920.85	6.00	0.00	6.00	
7600.00	90.00	160.52	6680.00	-835.43	735.26	970.24	6.00	0.00	6.00	
7650.00	90.00	163.52	6680.00	-882.98	750.69	1019.96	6.00	0.00	6.00	
7700.00	90.00	166.52	6680.00	-931.27	763.62	1069.89	6.00	0.00	6.00	
7750.00	90.00	169.52	6680.00	-980.18	774.00	1119.88	6.00	0.00	6.00	
7800.00	90.00	172.52	6680.00	-1029.56	781.80	1169.81	6.00	0.00	6.00	
7850.00	90.00	175.52	6680.00	-1079.28	787.01	1219.52	6.00	0.00	6.00	
7900.00	90.00	178.52	6680.00	-1129.21	789.62	1268.90	6.00	0.00	6.00	
7924.71	90.00	180.00	6680.00	-1153.91	789.93	1293.13	6.00	0.00	6.00	Hold Inc. / Azm.
8000.00	90.00	180.00	6680.00	-1229.21	789.93	1366.77	0.00	0.00	0.00	
8100.00	90.00	180.00	6680.00	-1329.21	789.93	1484.58	0.00	0.00	0.00	
8200.00	90.00	180.00	6680.00	-1429.21	789.93	1562.38	0.00	0.00	0.00	
8300.00	90.00	180.00	6680.00	-1529.21	789.93	1660.19	0.00	0.00	0.00	
8400.00	90.00	180.00	6680.00	-1629.21	789.93	1758.00	0.00	0.00	0.00	
8500.00	90.00	180.00	6680.00	-1729.21	789.93	1855.81	0.00	0.00	0.00	
8600.00	90.00	180.00	6680.00	-1829.21	789.93	1953.61	0.00	0.00	0.00	
8700.00	90.00	180.00	6680.00	-1929.21	789.93	2051.42	0.00	0.00	0.00	
8800.00	90.00	180.00	6680.00	-2029.21	789.93	2149.23	0.00	0.00	0.00	
8900.00	90.00	180.00	6680.00	-2129.21	789.93	2247.03	0.00	0.00	0.00	
9000.00	90.00	180.00	6680.00	-2229.21	789.93	2344.84	0.00	0.00	0.00	
9100.00	90.00	180.00	6680.00	-2329.21	789.93	2442.65	0.00	0.00	0.00	
9200.00	90.00	180.00	6680.00	-2429.21	789.93	2540.46	0.00	0.00	0.00	
9300.00	90.00	180.00	6680.00	-2529.21	789.93	2638.26	0.00	0.00	0.00	
9400.00	90.00	180.00	6680.00	-2629.21	789.93	2736.07	0.00	0.00	0.00	
9500.00	90.00	180.00	6680.00	-2729.21	789.93	2833.88	0.00	0.00	0.00	
9600.00	90.00	180.00	6680.00	-2829.21	789.93	2931.68	0.00	0.00	0.00	



Ryan Energy Technologies Planning Report



Company: DEVON ENERGY CORPORATION	Date: 4/30/2008	Time: 09:59:49	Page: 3
Field: Eddy Co, NM	Co-ordinate(NE) Reference Site: Laguna Salado 22 Federal		
Site: Laguna Salado 22 Federal	Vertical (TVD) Reference: SITE 0.0		
Well: Laguna Salado 22 Fed	Section (VS) Reference: Well (0.00N,0.00E,167.98Azi)		
Wellpath: Laguna Salado	Plan:	Plan #1	

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
9700.00	90.00	180.00	6680.00	-2929.21	789.93	3029.49	0.00	0.00	0.00	
9800.00	90.00	180.00	6680.00	-3029.21	789.93	3127.30	0.00	0.00	0.00	
9900.00	90.00	180.00	6680.00	-3129.21	789.93	3225.11	0.00	0.00	0.00	
10000.00	90.00	180.00	6680.00	-3229.21	789.93	3322.91	0.00	0.00	0.00	
10100.00	90.00	180.00	6680.00	-3329.21	789.93	3420.72	0.00	0.00	0.00	
10200.00	90.00	180.00	6680.00	-3429.21	789.93	3518.53	0.00	0.00	0.00	
10300.00	90.00	180.00	6680.00	-3529.21	789.93	3616.33	0.00	0.00	0.00	
10400.00	90.00	180.00	6680.00	-3629.21	789.93	3714.14	0.00	0.00	0.00	
10480.79	90.00	180.00	6680.00	-3710.00	789.93	3793.16	0.00	0.00	0.00	FBHL

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	← Latitude →			← Longitude →				
							Deg	Min	Sec	Deg	Min	Sec		
T1		6680.00	-740.00	790.00	470284.56	653444.82	32	17	32.504	N	103	58	13.916	W
FBHL		6680.00	-3710.00	790.00	467314.56	653444.82	32	17	3.113	N	103	58	14.033	W

Annotation

MD ft	TVD ft	
6202.54	6202.54	KOP: Build 12°/100'
6952.54	6680.00	EOC
7143.54	6680.00	Turn 6°/100'
7924.71	6680.00	Hold Inc. / Azm.

DEVON ENERGY CORPORATION
 Field: Eddy Co, NM
 Site: Laguna Salado 22 Federal
 Well: Laguna Salado 22 Fed
 Wellpath: Laguna Salado
 Plan: Plan #1



SITE DETAILS
 Laguna Salado 22 Federal
 Section 22, T23S, R29E
 Eddy Co, NM

Site Centre Northing: 471024.58
 Easting: 662864.82

Water Depth: 0.00
 Positional Uncertainty: 0.00
 Convergence: 0.19

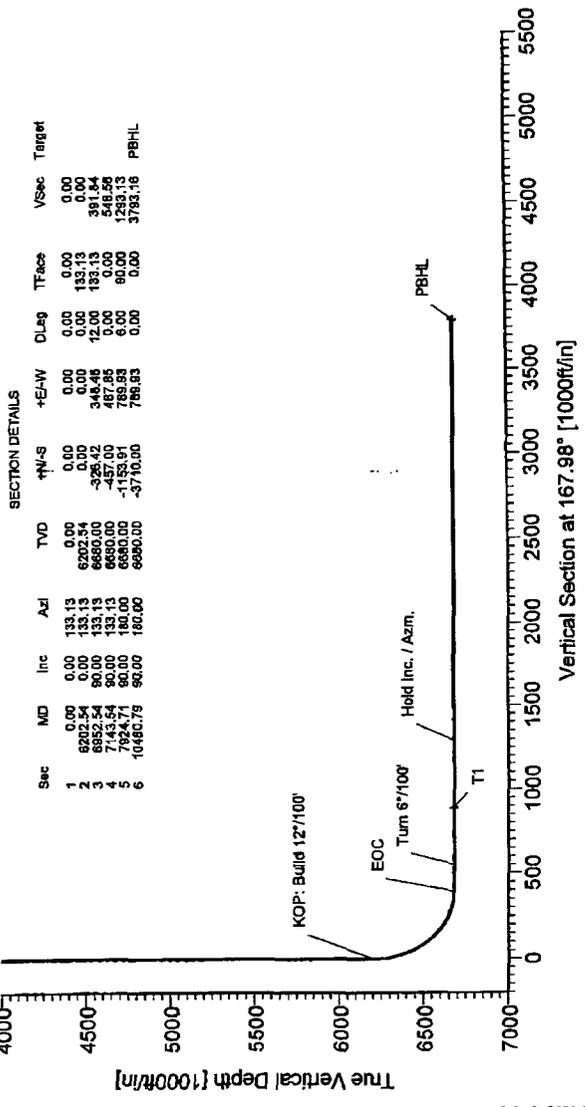
FIELD DETAILS

Eddy Co, NM
 USA

Geodetic System: US State Plane Coordinate System 1983
 Ellipsoid: GRS 80
 Magnetic: NAD83, Eastern Zone
 System Datum: Mean Sea Level
 Local North: Grid North

TARGET DETAILS

Name	TVD	+N/S	+E/W	Northing	Eastng	Latitude	Longitude	Shape
T1	6680.00	-740.00	790.00	470284.58	653444.82	32°17'32.504N	103°56'13.976W	Point
PBHL	6680.00	-3710.00	760.00	467314.56	653444.82	32°17'03.13N	103°56'14.033W	Point

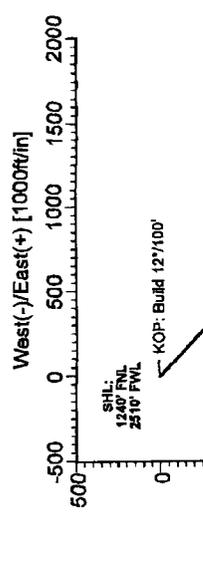


Ryan Energy Technologies
 18610 Oil Center Blvd
 Houston, TX 77073
 PH: 281-443-1473
 FX: 281-443-1878



WELLPATH DETAILS
 Laguna Salado

Rig: SITE 0.00R
 Ref. Datum: V. Section Angle 167.98°
 Origin +N/S 0.00
 Origin +E/W 0.00
 Starting From TVD 6680.00



Section 22
 T23S - R29E

Plot File: Laguna Salado 22 Fed-Laguna Salado
 Created By: Ryan Ltd
 Drawing: DWG
 Author: Ryan Ltd
 Date: 08/08/08

Adjusts to Grid North
 True North: -0.19°
 Magnetic North: 2.64°
 Magnetic Field
 Strength: 49790nT
 Declination: 2.64°
 Date: 4/3/2008
 Model: IGR2005



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

May 14, 2008

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

Re: Laguna Salado 22 Federal #4H
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

Liberty Energy Corporation 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

May 14, 2008

OXY USA, Inc.
P.O. Box 4294
Houston, TX 77210-4294
Attention: Steve Flynn

Re: Laguna Salado 22 Federal #4H
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

Oxy USA, Inc. 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

May 14, 2008

Chesapeake Exploration, LLC
6100 N. Western
Oklahoma City, OK 73118
Attn: Craig Barnard

Re: Laguna Salado 22 Federal #4H
Section 22-T23S-R29E
Eddy County, New Mexico

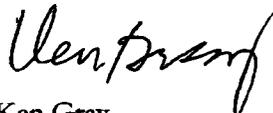
Gentlemen:

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, LLC 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

May 14, 2008

Pogo Producing Company, LLC
5 Greenway Plaza, Suite 2700
Houston, TX 77046
Attn: Scott Cowhand

Re: Laguna Salado 22 Federal #4H
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

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

By: _____

Title: _____

Date: _____

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, June 16, 2008 5:26 PM
To: 'Gray, Ken (OKC)'
Subject: Laguna Salado 22 Fed #4H

Dear Ken

I cannot tell from the application in this case where the point of penetration (where wellbore intersects the top of the target formation – Rule 111) will be.

Non-standard Location approval is not required if only the surface location is unorthodox. Hence, NSL approval would only be required if the point of penetration is less than 330 feet from the northern or the eastern boundary of the SW/4 NE/4 of Section 22. I am assuming the point of penetration will be in the SW/4 NE/4, since you have not indicated that either the NWNE/4 or the NE/4 NW/4 be included in the project area.

Please advise the footage location where you expect the well to enter the Delaware formation.

Separately, Division approval is not required for the designation of a project area as long as the project area conforms to the requirements of Rule 111, and you certify that you have an agreement of all interest owners regarding sharing of proceeds of the proposed horizontal well.

Thanks
David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Gray, Ken (OKC) [Ken.Gray@dmv.com]
Sent: Tuesday, June 17, 2008 7:41 AM
To: Brooks, David K., EMNRD
Subject: RE: Laguna Salado 22 Fed #4H

David, per our telephone conversation this morning, we will penetrate the top of the Harroun Ranch Delaware NE Pool with the vertical portion of this well. Consequently, the well will be classified as a NSL in accordance with Rule 111. Sorry for the inconvenience, I will try to be more definitive in the future. With respect to a "project area", the ownership is common in all 40 acre spacing units affected by this well, so the project area designation is of little consequence. Please let me know if you need additional information.

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, June 16, 2008 7:26 PM
To: Gray, Ken (OKC)
Subject: Laguna Salado 22 Fed #4H

Dear Ken

I cannot tell from the application in this case where the point of penetration (where wellbore intersects the top of the target formation – Rule 111) will be.

Non-standard Location approval is not required if only the surface location is unorthodox. Hence, NSL approval would only be required if the point of penetration is less than 330 feet from the northern or the eastern boundary of the SW/4 NE/4 of Section 22. I am assuming the point of penetration will be in the SW/4 NE/4, since you have not indicated that either the NWNE/4 or the NE/4 NW/4 be included in the project area.

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Thanks
David K. Brooks
Legal Examiner
505-476-3450

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6/17/2008