

DATE IN 2-18-10	SUBPENSE	ENGINEER Brooks	LOGGED IN 2-18	TYPE NSL	PTG W APP NO. 1004946075
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NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Devon

Cooter "16" state # 1-H

6157

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.

Sam McCurdy
Print or Type Name

Signature

Title

Date

e-mail Address

Landman 2/17/10
Sam.McCurdy@DVN.com



Sam McCurdy
Landman

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

February 8, 2010

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

RE: Cooter 16 State #1H
Section 16-T25S-R29E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, intends to drill the referenced horizontal Bone Spring Formation well to a total vertical depth of approximately 7550' with a total measured depth of approximately 11,954'. Devon attempted to stake and permit the horizontal well at a legal location, but due to topographical issues with the proximity of an excessive slope to the east, which required significant cut and fill operations, the proposed surface location was moved to a non-standard location. As reflected on the attached C-102, the well has been permitted at a surface location of 1580' FWL and 330' FSL with a permitted bottom hole location of 1580' FWL and 330' FNL of Section 16, Township 25 South, Range 29 East. Devon will penetrate the top of the Bone Spring Formation with the vertical portion of the well bore and continue drilling through the Bone Spring Formation with the horizontal portion of the well bore. According to Division rules the above mentioned SHL and horizontal portion would be classified as a non-standard location.

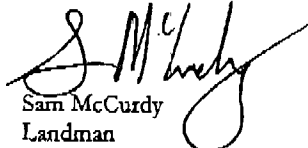
Due to the topographical issues concerning the proximity of an excessive slope associated with drilling at a legal location, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(h) (3). This unorthodox location affects the leasehold owner in Unit letters D, E, L and M. Devon is the owner of 100% record title of State Lease VO 4902 which covers Unit letters D, E, L and M, among other lands. Therefore, no additional notification of this application should be required as this unorthodox location will affect Devon leasehold only. Additionally, Devon requests Commission approval to designate a 160 acre project area consisting of four standard oil spacing units comprised of the E/2 NW/4 (Unit letters C & F) and the E/2 SW/4 (Unit letters K & N) of said Section 16.

Attached for your review you will find a land plat reflecting Devon as the only affected party, a structure map of the Bone Spring Formation, a State of New Mexico form C-102, and a Well Profile Plan prepared by Weatherford Drilling Services.

Feel free to contact the undersigned at (405) 228-2406 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Sam McCurdy
Landman

DISTRICT I

1625 N. Fryman Dr., Hobbs, NM 88345

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Bravo Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised October 16, 2009

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96217	Pool Name SE Willow Lake BS
Property Code	Property Name COOTER "16" STATE	Well Number 1H
OGRIID No.	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3000'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	25 S	29 E		330	SOUTH	1580	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
C	16	25 S	29 E		330	NORTH	1650	WEST	EDDY

Dedicated Acres	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

N: 413033.5730 E: 645112.2070 LAT: N03°04'14.35" LONG: W103°29'33.05" 1650' 330' 4631.8' 1580' N: 408343.4590 E: 646141.3210 LAT: N03°07'51.80" LONG: W103°28'52.85"	PROPOSED BOTTOM HOLE LOCATION Lat - N 32°08'11.10" Long - W 103°58'33.85" NMSPCE- N 413550.575 E 646782.088 (NAD-83)	N: 413875.8720 E: 650420.0100 LAT: N03°03'14.40" LONG: W103°28'51.25"	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 or has a right to drill this well at this 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 _____ Printed Name _____
N: 411222.1880 E: 632437.8420 LAT: N03°07'46.14" LONG: W103°29'31.12"	SURFACE LOCATION Lat - N 32°07'25.08" Long - W 103°59'54.52" NMSPCE- N 408878.982 E 646718.118 (NAD-83)	N: 400354.5820 E: 647788.2880 LAT: N03°07'12.12" LONG: W103°29'21.38"	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. Date Surveyed _____ Signature _____ Professional Surveyor _____ Certificate No. _____ Basin Surveyor _____

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 or has a right to drill this well at this 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

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.

Date Surveyed

Signature

Professional Surveyor

Certificate No.

Basin Surveyor

Certificate No.

Basin Surveyor

Certificate No.

Basin Surveyor

Certificate No.

Basin Surveyor

Certificate No.

Basin Surveyor

Certificate No.

Basin Surveyor

Certificate No.

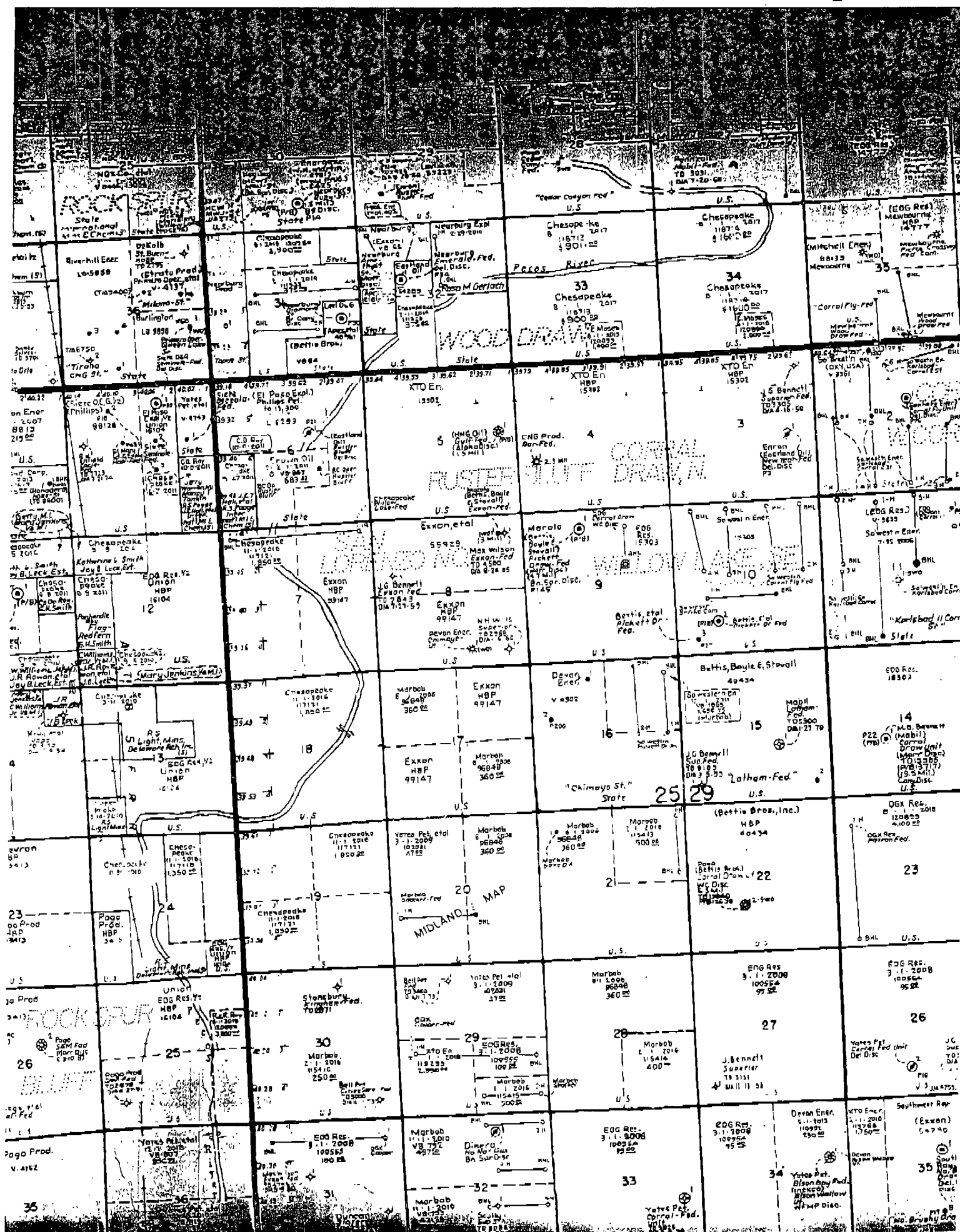
Basin Surveyor

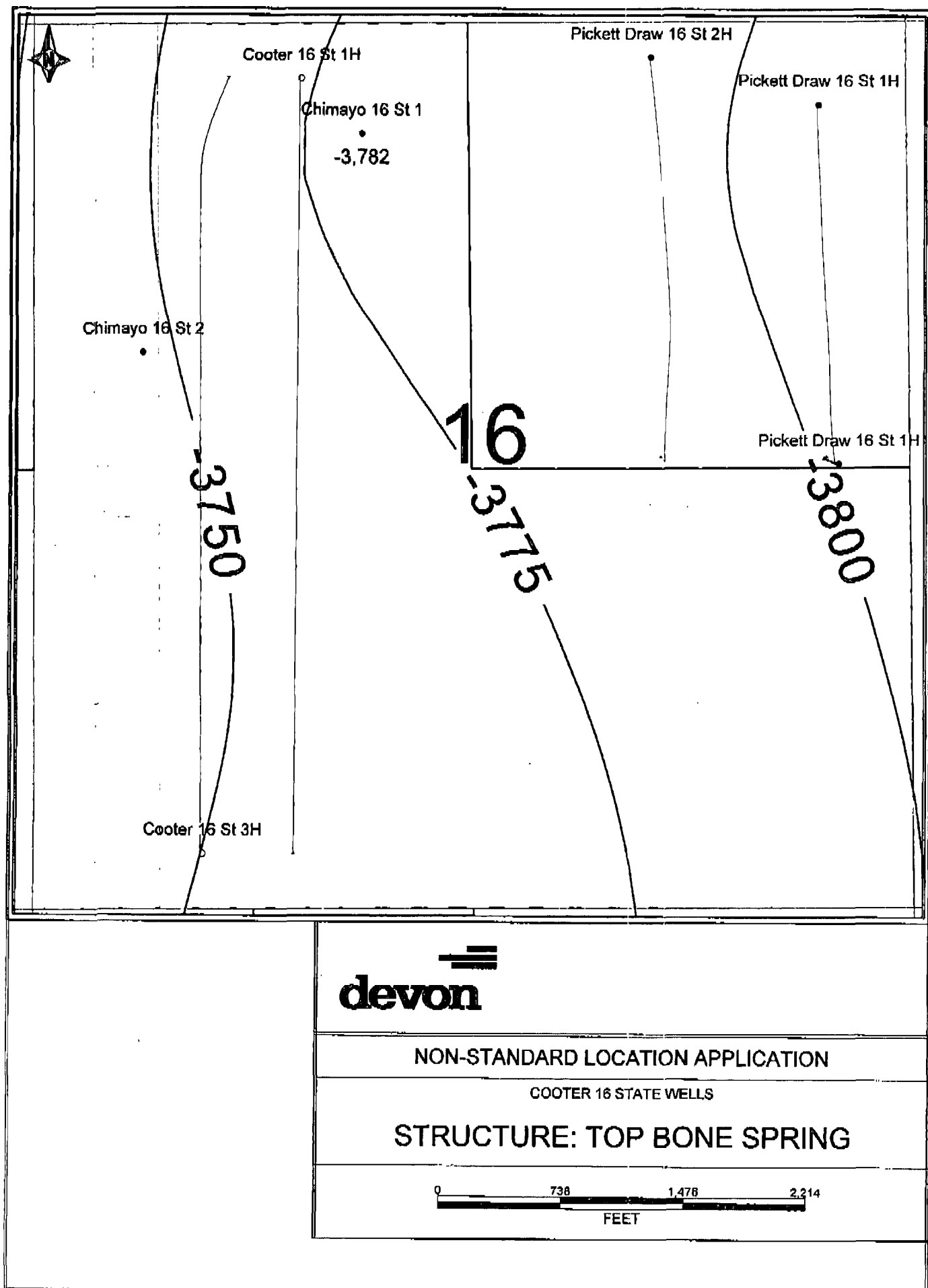
Certificate No.

Basin Surveyor

Certificate No.

Basin Surveyor



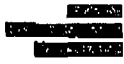




Weatherford®

Drilling Services

Proposal


devon

COOTER 16 STATE #1H

EDDY COUNTY, NM

WELL FILE: **PLAN 2**

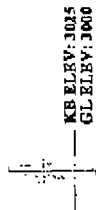
FEBRUARY 2, 2010

Weatherford International, Ltd.
P.O. Box 61028
Midland, TX 79711 USA
+1.432.561.8892 Main
+1.432.561.8895 Fax
www.weatherford.com



COOTER 16 STATE #1H
EDDY CO., NEW MEXICO

Rig H&P 372

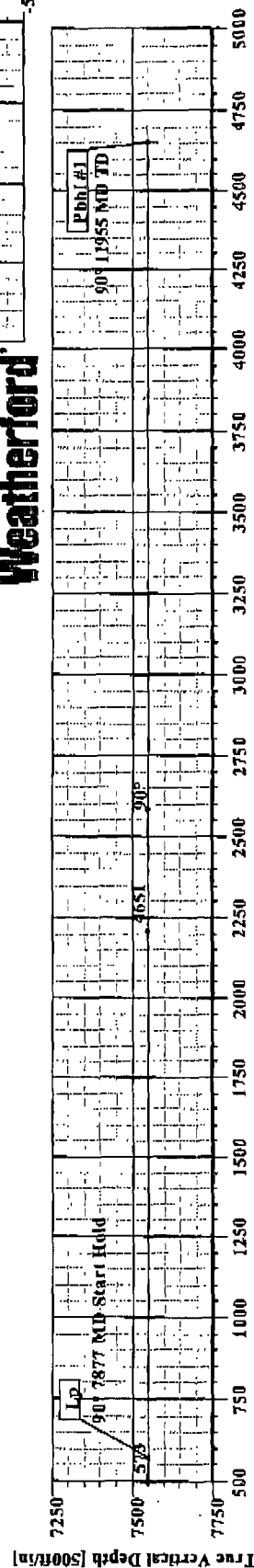
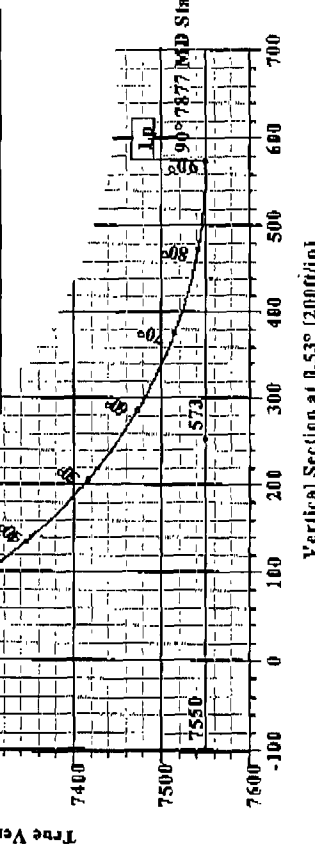
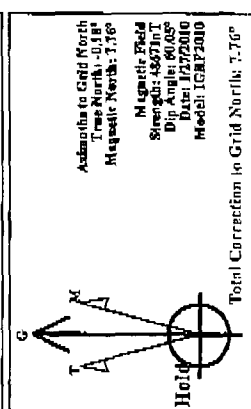


Sec	SECTION DETAILS									
	MD	Loc	Ad	TVD	+NU-S	+RT-W	DLog	T-Base	V-Side	Targed
1	0.00	0.00	0.53	0.00	0.00	0.00	0.00	0.00	0.00	
1	6977.04	0.60	0.53	6977.04	0.00	0.00	0.00	0.00	0.00	
2	7877.04	90.00	8.53	7850.00	572.95	4.39	10.00	0.43	572.95	
3	11954.88	90.00	0.53	7850.00	4650.59	42.95	0.00	0.00	4650.79	Fblt H

WELL DETAILS							
Name	+N/-S	+R/-W	Northings	Eastings	Latitude	Longitude	Spot
0112	0.00	0.00	4004579.98	646119.12	31°07'25.00"N	103°18'34.51"W	N/A

TARGET DETAILS						
NAME	TYD	+NLS	+BSP	NOTHING	Binding	Shape
Pb1191	7450.00	4050.59	42.95	41430.46	646761.07	Pb11

FIELD DETAILS	SITE DETAILS
Beddy Co., NM (RAD 83) Site System: US State Phase Coordinates System 1983 Ellipsoid: GRS 1980 Zone: New Mexico, Eastern Zone Units: Meters Scale: 1:62500 Datum: Mean Sea Level Local North: Grid North	Coor. 16 State #11H Site Centre Northing: 408979.98 Easting: 644719.13 Ground Level: 3000.00 Perennial (meters): 0.05 Convergence: 0.18



Plan: Plan #2 (RHS1)

Created By: Russell W. Joyner

Date: 2/2/2010



Weatherford International Ltd.

WFT Plan Report - Geographic


Weatherford

Company: Devon Energy		Date: 2/2/2010	Time: 08:52:33	Page: 1
Field: Eddy Co., NM (NAD 83)		Co-ordinate(NE) Reference: Well: #1H, Grid North		
Site: Cooler 16 State #1H		Vertical (TVD) Reference: SITE 3025.0		
Well: #1H		Section (VS) Reference: Well (0.00N,0.00E,0.53Azi)		
Wellpath: 1		Survey Calculation Method: Minimum Curvature		Db: Sybase

Survey:	Start Date:
Company:	Engineer:
Tool:	Tied-to:

Field: Eddy Co., NM (NAD 83)	
Map System: US State Plane Coordinate System 1983	Map Zone: New Mexico, Eastern Zone
Geo Datum: GRS 1980	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010

Site: Cooler 16 State #1H		
Site Position:	Northing: 408879.98 ft	Latitude: 32 7 25.089 N
From: Map	Easting: 646719.12 ft	Longitude: 103 59 34.537 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 30000.00 ft		Grid Convergence: 0.18 deg

Well: #1H		Slot Name:	
Well Position: +N/-S 0.00 ft	Northing: 408879.98 ft	Latitude: 32 7 25.089 N	
+E/-W 0.00 ft	Easting: 646719.12 ft	Longitude: 103 59 34.537 W	
Position Uncertainty: 0.00 ft			

Wellpath: 1		Drilled From: Surface	
Current Datum: SITE	Height: 3025.00 ft	Tie-on Depth: 0.00 ft	
Magnetic Data: 1/27/2010		Above System Datum: Mean Sea Level	
Field Strength: 48671 nT		Declination: 7.94 deg	
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle: 60.05 deg	
ft	ft	+E/-W	Direction
		ft	deg
0.00	0.00	0.00	0.53

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	0.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6977.04	0.00	0.53	6977.04	0.00	0.00	0.00	0.00	0.00	0.00	
7877.04	90.00	0.53	7550.00	572.93	5.29	10.00	10.00	0.00	0.53	
11954.88	90.00	0.53	7550.00	4650.59	42.85	0.00	0.00	0.00	0.00	Pbhl #1

Survey										
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
6900.00	0.00	0.53	6900.00	0.00	0.00	0.00	0.00	408879.98	646719.12	
6977.04	0.00	0.53	6977.04	0.00	0.00	0.00	0.00	408879.98	646719.12	Kop
7000.00	2.30	0.53	6999.99	0.46	0.00	0.46	10.00	408880.44	646719.12	
7100.00	12.30	0.53	7099.06	13.14	0.12	13.14	10.00	408893.12	646719.24	
7200.00	22.30	0.53	7194.42	42.83	0.40	42.84	10.00	408922.82	646719.51	
7300.00	32.30	0.53	7283.17	88.63	0.82	88.64	10.00	408968.61	646719.94	
7400.00	42.30	0.53	7362.62	149.15	1.36	149.15	10.00	409029.13	646720.50	
7500.00	52.30	0.53	7430.35	222.54	2.06	222.55	10.00	409102.52	646721.17	
7600.00	62.30	0.53	7484.32	306.57	2.83	306.59	10.00	409186.55	646721.95	
7700.00	72.30	0.53	7522.86	398.70	3.68	398.72	10.00	409278.68	646722.80	
7800.00	82.30	0.53	7544.83	496.13	4.58	496.15	10.00	409376.11	646723.70	
7877.04	90.00	0.53	7550.00	572.93	5.29	572.86	10.00	409452.92	646724.41	Lp
7900.00	90.00	0.53	7550.00	595.89	5.50	595.92	0.00	409475.87	646724.82	
8000.00	90.00	0.53	7550.00	695.89	6.43	695.92	0.00	409575.87	646725.55	
8100.00	90.00	0.53	7550.00	795.88	7.35	795.92	0.00	409675.86	646726.47	
8200.00	90.00	0.53	7550.00	895.88	8.27	895.92	0.00	409775.86	646727.39	



Weatherford International Ltd.

WFT Plan Report - Geographic


Weatherford

Company: Devon Energy	Date: 2/2/2010	Time: 08:52:33	Page: 2
Field: Eddy Co., NM (NAD 83)	Co-ordinate(NE) Reference: Well: #1H, Grid North		
Site: Cooler 16 State #1H	Vertical (TVD) Reference: SITE 3025.0		
Well: #1H	Section (VS) Reference: Well (0.00N,0.00E,0.53Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Dh: Sybase	

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
8300.00	90.00	0.53	7550.00	995.87	9.20	995.92	0.00	409875.88	646728.32	
8400.00	90.00	0.53	7550.00	1095.87	10.12	1095.92	0.00	409875.85	646729.24	
8500.00	90.00	0.53	7550.00	1195.86	11.04	1195.92	0.00	410075.85	646730.16	
8600.00	90.00	0.53	7550.00	1295.86	11.97	1295.92	0.00	410175.84	646731.09	
8700.00	90.00	0.53	7550.00	1395.86	12.88	1395.92	0.00	410275.84	646732.01	
8800.00	90.00	0.53	7550.00	1495.85	13.81	1495.92	0.00	410375.83	646732.93	
8900.00	90.00	0.53	7550.00	1595.85	14.74	1595.92	0.00	410475.83	646733.86	
9000.00	90.00	0.53	7550.00	1695.84	15.66	1695.92	0.00	410575.83	646734.78	
9100.00	90.00	0.53	7550.00	1795.84	16.58	1795.92	0.00	410675.82	646735.70	
9200.00	90.00	0.53	7550.00	1895.83	17.51	1895.92	0.00	410775.82	646736.63	
9300.00	90.00	0.53	7550.00	1995.83	18.43	1995.92	0.00	410875.81	646737.55	
9400.00	90.00	0.53	7550.00	2095.83	19.36	2095.92	0.00	410975.81	646738.47	
9500.00	90.00	0.53	7550.00	2195.82	20.28	2195.92	0.00	411075.80	646739.40	
9600.00	90.00	0.53	7550.00	2295.82	21.20	2295.92	0.00	411175.80	646740.32	
9700.00	90.00	0.53	7550.00	2395.81	22.13	2395.92	0.00	411275.80	646741.24	
9800.00	90.00	0.53	7550.00	2495.81	23.05	2495.92	0.00	411375.79	646742.17	
9900.00	90.00	0.53	7550.00	2595.80	23.97	2595.92	0.00	411475.79	646743.09	
10000.00	90.00	0.53	7550.00	2695.80	24.90	2695.92	0.00	411575.78	646744.02	
10100.00	90.00	0.53	7550.00	2795.80	25.82	2795.92	0.00	411675.78	646744.94	
10200.00	90.00	0.53	7550.00	2895.79	26.74	2895.92	0.00	411775.77	646745.86	
10300.00	90.00	0.53	7550.00	2995.79	27.67	2995.92	0.00	411875.77	646746.79	
10400.00	90.00	0.53	7550.00	3095.78	28.59	3095.92	0.00	411975.77	646747.71	
10500.00	90.00	0.53	7550.00	3195.78	29.51	3195.92	0.00	412075.76	646748.63	
10600.00	90.00	0.53	7550.00	3295.78	30.44	3295.92	0.00	412175.76	646749.56	
10700.00	90.00	0.53	7550.00	3395.77	31.36	3395.92	0.00	412275.75	646750.48	
10800.00	90.00	0.53	7550.00	3495.77	32.28	3495.92	0.00	412375.75	646751.40	
10900.00	90.00	0.53	7550.00	3595.76	33.21	3595.92	0.00	412475.74	646752.33	
11000.00	90.00	0.53	7550.00	3695.76	34.13	3695.92	0.00	412575.74	646753.25	
11100.00	90.00	0.53	7550.00	3795.75	35.05	3795.92	0.00	412675.74	646754.17	
11200.00	90.00	0.53	7550.00	3895.75	35.98	3895.92	0.00	412775.73	646755.10	
11300.00	90.00	0.53	7550.00	3995.75	36.90	3995.92	0.00	412875.73	646756.02	
11400.00	90.00	0.53	7550.00	4095.74	37.82	4095.92	0.00	412975.72	646756.94	
11500.00	90.00	0.53	7550.00	4195.74	38.75	4195.92	0.00	413075.72	646757.87	
11600.00	90.00	0.53	7550.00	4295.73	39.67	4295.92	0.00	413175.71	646758.79	
11700.00	90.00	0.53	7550.00	4395.73	40.60	4395.92	0.00	413275.71	646759.71	
11800.00	90.00	0.53	7550.00	4495.72	41.52	4495.92	0.00	413375.71	646760.64	
11900.00	90.00	0.53	7550.00	4595.72	42.44	4595.92	0.00	413475.70	646761.56	
11954.88	90.00	0.53	7550.00	4650.59	42.95	4650.79	0.00	413530.58	646762.07	Pbhl #1

Targets

Name	Description Dtp.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec	Longitude Deg Min Sec
Pbhl #1			7550.00	4650.59	42.95	413530.58	646762.07	32 8 11.090 N	103 59 33.867 W

Casing Points

MD	TVD	Diameter	Hole Size	Name

**Weatherford International Ltd.**
WFT Plan Report - Geographic**Weatherford**

Company: Devon Energy	Date: 2/2/2010	Time: 08:52:33	Page: 3
Field: Eddy Co., NM (NAD 83)	Co-ordinate(NE) Reference: Well: #1H, Grid North		
Site: Cooter 16 State #1H	Vertical (TVD) Reference: SITE 3025.0		
Well: #1H	Section (VS) Reference: Well (0.00N,0.00E,0.53Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Annotation

MD ft	TVD ft	
6977.04	6977.04	Kop
7877.04	7550.00	Lp
11954.87	7550.00	Pbhl #1

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction


Weatherford
Weatherford Drilling Services

GeoDec v5.03

Report Date: February 02, 2010
 Job Number: _____
 Customer: Devon Energy
 Well Name: Cooter 16 State #1H
 API Number: _____
 Rig Name: _____
 Location: Eddy Co, NM
 Block: _____
 Engineer: R Joyner

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: North American Datum 1983
Ellipsoid: GRS 1980	Ellipsoid: GRS 1980
North/South 408879.982 USFT	Latitude 32.1236325 DEG
East/West 646719.119 USFT	Longitude -103.9929228 DEG
Grid Convergence: .18°	
Total Correction: +7.76°	

Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude = 32.12363° N	32°	7 min 25.077 sec
Longitude = 103.99292° W	103°	59 min 34.522 sec

Magnetic Declination =	7.94°	[True North Offset]
Local Gravity =	.9988 g	Checksum = 6633
Local Field Strength =	48667 nT	Magnetic Vector X = 24062 nT
Magnetic Dip =	60.05°	Magnetic Vector Y = 3356 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z = 42169 nT
Spud Date =	Jan 27, 2010	Magnetic Vector H = 24295 nT

Signed: _____

Date: _____

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, February 18, 2010 3:27 PM
To: 'sam.mccurdy@DVN.com'
Subject: Cooter 16 State ##1H and #3H; NSL applications

Dear Mr. McCurdy

You applications state that Devon is "owner of 100% record title" to the lease covering the units that offset the proposed location in each case.

Is Devon also owner of 100% of the operating rights?

Sincerely
David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

To: McCurdy, Sam
Subject: RE: Cooter 16 State ##1H and #3H; NSL applications

Dear Mr. McCurdy

As long as the minority operating rights owners own the same interest in the subject units and in the offset units, there is no necessity to notify them.

Sincerely
David K. Brooks
Legal Examiner

From: McCurdy, Sam [mailto:Sam.McCurdy@dvn.com]
Sent: Friday, February 19, 2010 6:53 AM
To: Brooks, David K., EMNRD
Subject: RE: Cooter 16 State ##1H and #3H; NSL applications

Mr. Brooks,

In addition to Devon Energy ("Devon") owning 100% of the record title, Devon owns 98% of the operating rights. The remaining 2% ownership of the affected lands is held by the same party who has operating rights (2%) in the proposed wells. If necessary we will send notice to the affected party, but because the party involved was unorthodox to himself we didn't feel it was necessary.

Sincerely,

Sam McCurdy
Landman
Permian Basin New Mexico

Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102
(405) 228-2406 Office
(405) 627-6015 Cell
Sam.McCurdy@dvn.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, February 18, 2010 4:27 PM
To: McCurdy, Sam
Subject: Cooter 16 State ##1H and #3H; NSL applications

Dear Mr. McCurdy

Your applications state that Devon is "owner of 100% record title" to the lease covering the units that offset the proposed location in each case.

Is Devon also owner of 100% of the operating rights?

Sincerely
David K. Brooks
Legal Examiner

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