

DATE IN 10.11.10	SUSPENSE	ENGINEER DKB	LOGGED IN 10.11.10	TYPE NSI	APP NO. 1028435670
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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
 Arcturus 18 Fed. 1H
 6137

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

RECEIVED OGD
 2010 OCT - 8 P 2: 19

[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.

James Bruce
 Print or Type Name

James Bruce
 Signature

Attorney
 Title

10/18/10
 Date

jamesbruc@aol.com
 c-mail Address

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)

jamesbruc@aol.com

October 8, 2010

Hand delivered

Mark E. Fesmire
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule NMAC 19.15.15.13, Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Arcturus 18 Federal Well No. 1H
<u>Surface location:</u>	400 feet FNL & 200 feet FEL
<u>Bottom hole location:</u>	400 feet FNL & 340 feet FWL
<u>Well unit (project area):</u>	N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 18, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Applicant proposes to drill the well to test the Bone Spring formation (Northwest Hackberry-Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A portion of the APD for the well, with a Form C-102, is attached as Exhibit A.

The surface location is unorthodox because the operator is using the same wellpad for the proposed well and its proposed Sirius 17 Fed. Well No. 1H. Exhibit B. This will minimize surface disturbance and reduce costs. Although the surface location is unorthodox, and the top of the Bone Spring will be penetrated at an unorthodox location, the well will not penetrate the productive zone until it is at least 330 feet from the east line of Section 18.

The working interest owners in the NW $\frac{1}{4}$ of Section 17 are listed on Exhibit C. Notice of this application was given only to Nearburg Exploration Company, L.L.C. Exhibit D.

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

Very truly yours,

A handwritten signature in black ink that reads "James Bruce". The signature is written in a cursive style with a large, prominent initial "J".

James Bruce

Attorney for Devon Energy Production Company, L.P.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. NMNM LC - 069464-A		6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.		8. Lease Name and Well No. Arcturus 18 Federal III	
9. API Well No.		10. Field and Pool, or Exploratory Hackberry, Bone Spring, NW	
11. Sec. T R M or BLM and Survey or Area Sec 18 T19S-R31E		12. County or Parish Eddy	
13. State NM		14. Distance in miles and direction from nearest town or post office* Approximately 12 miles southeast of Loco Hills, NM.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 200'		16. No. of acres in lease 760	
17. Spacing Unit dedicated to this well 160		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50'	
19. Proposed Depth TVD 8800' MD 13230'		20. BLM/BIA Bond No. on file CO-1104	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3441' GL		22. Approximate date work will start* 09/01/2010	
23. Estimated duration 45 days		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) 5. Operator certification 6. Such other site specific information and/or plans as may be required by the BLM. |
|---|--|

25. Signature	Name (Printed Typed) Stephanie A. Ysasaga	Date 07/27/2010
Title Sr. Staff Engineering Technician		

Approved by (Signature)	Name (Printed Typed)	Date
Title Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

*(Instructions on page 2)

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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office

AMENDED REPORT

M. Hackberry 5/218
Benson BS/12 12-1957
Bot state of pa

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-38237	² Pool Code 97020	³ Pool Name HACKBERRY, BONE SPRING, NW (O)
⁴ Property Code	⁵ Property Name ARCTURUS 18 FEDERAL	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁶ Well Number 1H
		⁹ Elevation 3441.0

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	19 S	31 E		400	NORTH	200	EAST	EDDY

¹¹ 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	18	19 S	31 E		400	NORTH	340	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

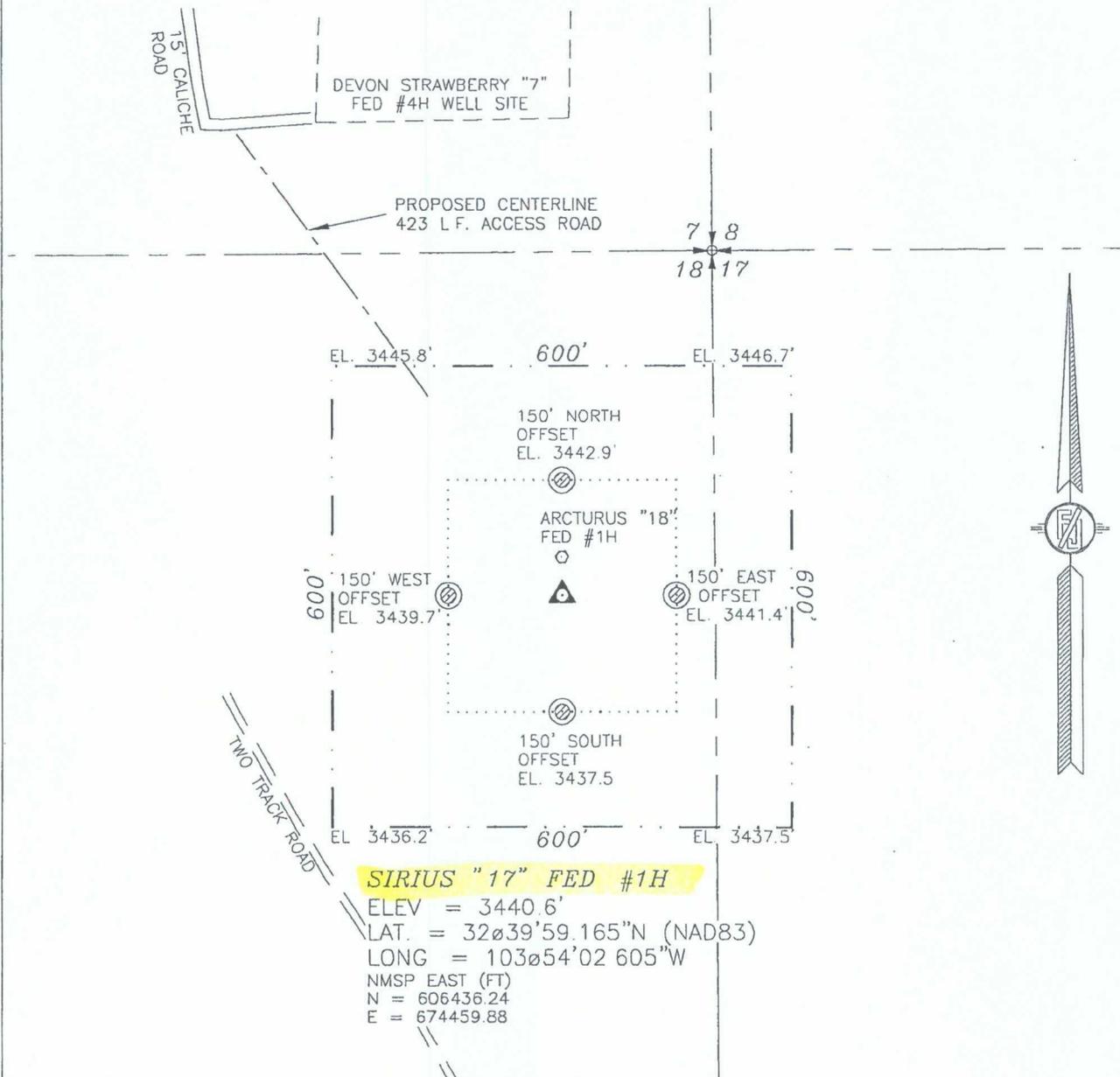
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>BOTTOM OF HOLE 340'</p> <p>400'</p> <p>ARCTURUS "18" FED. #1H ELEV = 3441.0' LAT = 32°39'59.660"N (NAD83) LONG. = 103°54'02.607"W</p> <p>BOTTOM OF HOLE LAT. = 32°39'59.48"N LONG. = 103°54'57.00"W NMSP EAST (FT) N = 606449.24 E = 669809.11</p> <p>NW CORNER SEC. 18 LAT. = 32°40'03.42"N LONG. = 103°55'00.97"W NMSP EAST (FT) N = 606846.48 E = 669467.90</p> <p>SW CORNER SEC. 18 LAT. = 32°39'11.17"N LONG. = 103°55'01.01"W NMSP EAST (FT) N = 601564.84 E = 669485.12</p>	<p>SURFACE LOCATION PP</p> <p>0 200'</p> <p>400'</p> <p>NE CORNER SEC. 18 LAT. = 32°40'03.62"N LONG. = 103°54'00.28"W NMSP EAST (FT) N = 606887.82 E = 674656.73</p> <p>SE CORNER SEC. 18 LAT. = 32°39'11.38"N LONG. = 103°54'00.09"W NMSP EAST (FT) N = 601607.32 E = 674694.79</p>	<p>¹⁷ 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.</p> <p><i>[Signature]</i> 07/27/2010 Signature Date Printed Name STEPHANIE A. YSASAGA</p>
		<p>¹⁸ 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.</p> <p>JULY 13, 2010 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor Certificate Number FILMON A. JARAMILLO, PLS 12797 SURVEY NO. 150</p>

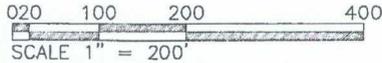
PENETRATION POINT: 440' FNL & 340' FEL

PRODUCING AREA PROJECT AREA

SECTION 18, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N M P.M.
 EDDY COUNTY, STATE OF NEW MEXICO



SIRIUS "17" FED #1H
 ELEV = 3440.6'
 LAT. = 32°39'59.165"N (NAD83)
 LONG = 103°54'02.605"W
 NMSP EAST (FT)
 N = 606436.24
 E = 674459.88



DIRECTIONS TO LOCATION
 FROM STATE HWY. 82 (SHUGART ROAD) AND CR# 222 GO SOUTH ON 222 8.5 MILES, TURN RIGHT ON CALICHE ROAD AND GO WEST-SOUTHWEST 2.6 MILES, BEND LEFT AND GO 0.1 MILES, TURN LEFT ON CALICHE ROAD AND FOLLOW WINDING ROAD SOUTHEAST APPROX 1.4 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS SOUTHEAST 423' TO THE NW CORNER OF PROPOSED PAD FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.
SIRIUS "17" FED #1H
 LOCATED 450 FT. FROM THE NORTH LINE
 AND 200 FT. FROM THE EAST LINE OF
 SECTION 18, TOWNSHIP 19 SOUTH,
 RANGE 31 EAST, N M P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JULY 13, 2010

SURVEY NO 151

MADRON SURVEYING, INC 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 887-5830

EXHIBIT **B**

WORKING INTEREST OWNERS FOR
Federal Lease #NMNM-99040
in NW/4NW/4 of Section 17-19S-31E,
Eddy County, New Mexico

Devon Energy Production Company, LP 50%
20 North Broadway
Oklahoma City, OK 73102
Phone: 405-235-3611
FAX: 405-552-8113

Nearburg Exploration Company, LLC 50%
Attn: Terry Gant
3300 North "A" Street, Bldg.2, Ste 120
Midland, TX 79705-5421
Phone: 432-686-8235
FAX: 432-686-7806

EXHIBIT C

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)

jamesbruc@aol.com

October 8, 2010

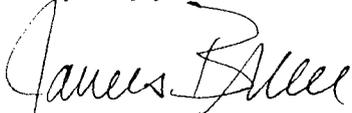
Certified Mail – Return Receipt Requested

Nearburg Exploration Company, L.L.C.
Building 2, Suite 120
3300 North A Street
Midland, Texas 79705

Ladies and gentlemen:

Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the Bone Spring formation in Section 18, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the offsetting NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

EXHIBIT D