



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor  
**Betty Rivera**  
Cabinet Secretary

August 27, 2002

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Devon SFS Operating, Inc.**  
20 North Broadway - Suite 1500  
Oklahoma City, Oklahoma 73102-8260

**Attention: James Blount**

**Re:** *Administrative application dated August 2, 2002 (application reference No. pKRV0-223138800) for Devon SFS Operating, Inc.'s existing Pure Gold "C-17" Federal Well No. 2 (API No. 30-015-26021) located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 17, Township 23 South, Range 31 East, NMPM, West Sand Dunes-Morrow Gas Pool, Eddy County, New Mexico.*

Dear Mr. Blount:

In reviewing the Division's records on this well I found that it was initially drilled in 1989 by Santa Fe Energy Operating Partners, L.P. to a total depth of 14,850 in order to test the Morrow formation for gas production within the N/2 of Section 17. My records further indicate that Santa Fe Operating completed this well in the West Sand Dunes-Atoka Gas Pool (84640) on December 19, 1989. At that time the well's location within the subject 320-acre lay-down gas unit was standard for deep gas production in southeast New Mexico.

By Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999 (see copy attached), the Division revised its well spacing and location provisions (Rule 104), and under the revised rules this location would now be considered unorthodox. However when this revision occurred all such existing producing locations were "grand-fathered".

Subsequently, if any existing well were recompleted from its "grand-fathered" interval or pool to a separate pool, the operator would then be required to seek a rule exception. Your proposed recompletion however is somewhat different. It is not from the Morrow interval to the Atoka interval as indicated by our records, it is a recompletion confined only to the vertical extent of the West Sand Dunes-Atoka Gas Pool; therefore, such a request is unnecessary in this case. I am therefore withdrawing this application and returning it to you at this time.

Should you have any questions concerning this matter please contact me in Santa Fe at (505) 476-3465.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: **New Mexico Oil Conservation Division - Artesia**  
**U. S. Bureau of Land Management - Carlsbad**  
**Kathy Valdes, NMOCD - Santa Fe**  
**Jim Bruce, Legal Counsel for Devon SFS Operating, Inc. - Santa Fe**

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]

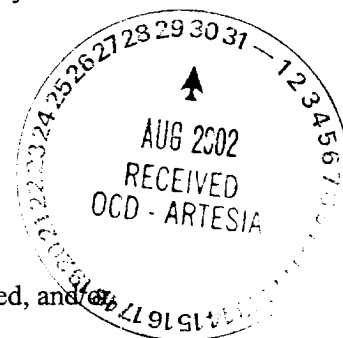
- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [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.

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

JAMES Blount  
Print or Type Name

James Blount  
Signature

Operation Engineer Advisor 8/2/02  
Title Date

james.blount@dmr.com  
e-mail Address

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Devon SFS Operating, Inc.

3a. Address  
20 North Broadway, Ste 1500 Oklahoma City OK 73102

3b. Phone No. (Include area code)  
(405) 228-7512

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980' FNL & 2310' FEL, Unit G Sec 17 T23S R31E

5. Lease Serial No.  
NM-45235

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
Pure Gold C-17 Federal #2

9. API Well No.  
30-015-26021

10. Field and Pool, or Exploratory Area  
Sand Dunes Atoka, West (Gas)

11. County or Parish, State  
Eddy  
NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Non Standard
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Location

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon SFS Operating, Inc. request approval for a non-standard location for a recompleat to the Atoka 13,255' - 66' from the Morrow. The well was drilled 9/98 as a N1/2 lay down 320. Ownership is common in the 320 acres.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karen Cottom

Title

Engineering Technician

Signature

Date

08/02/2002

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on reverse)