

DATE IN 9.13.04	SUSPENSE 10/04/04	ENGINEER Catanach	LOGGED IN 9.13.04	TYPE CTB	APP NO. PSEM0425752013
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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



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-Quantified 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.

Print or Type Name

Signature

KELLAHIN & KELLAHIN

Attorneys At Law

P.O. Box 2265

Santa Fe, NM 87504-2265

Date

9/13/04

2004 SEP 13 PM 1 50

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
Recognized Specialist in the Area of
Natural Resources-oil and gas law-
New Mexico Board of Legal Specialization

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
kellahin@earthlink.net

September 13, 2004

HAND DELIVERED

Mr. David R. Catanach, Examiner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

2004 SEP 13 PM 1 50

Re: FIRST AMENDED Administrative Application of Devon Energy
Production Company, L.P. for approval of
a off-lease sale point, as an exception to Rule 303.A,
for Devonian production for its
Rio Blanco "9" State Well No. 1
N/2 dedication, Section 9, T23S, R34E,
Lea County, New Mexico

Dear Mr. Catanach:

On behalf of Devon Energy Production Company, L.P., this letter represents its first amended administrative application for the referenced matter, and in support, Devon states:

- (1) By application filed September 7, 2004, Devon requested approval for the referenced matter. Subsequent to filing, Devon determined that the location of the gathering line needed to be adjusted to avoid two archeological sites. The purpose of this amended application is to substituted revised surface plates showing the amended route;
- (2) Devon is the operator of the following gas well in the Northeast Bell Lake-Devonian Gas Pool:

(a) Rio Blanco "9" Well No. 1

API 30-025-36302

APD:

(i) Well drilled at unorthodox gas well location 660 feet from the North line and 2129 feet from the East line (Unit B) this section. See Division Sundry Notice and form C-102 attached as **Exhibit "A-1 and A-2"**

(ii) This unorthodox gas well location has been approved. See Administrative Order NSL-5079, dated June 18, 2004, attached as **Exhibit "B"**

(iii) Devon has dedicated a standard 320-acre gas spacing unit to this well being the N/2 Section 9 ("GPU") for production from the Northeast Bell Lake Devonian Gas Pool. See special pool rules Order R-12106, dated February 20, 2004.

(2) Section 9 is configured as shown on **Exhibit "C"** attached and is as follows: The N/2 of Section 9 is all part of the same State of New Mexico Oil & Gas Lease being E-1932 with the working interest and royalty and overriding royalty owners in this GPU being the same parties with the same percentage interest throughout the GPU.

(3) Devon, as operator, will meter gas production for this well within its facility located in the "well pad" and by gathering line flowing the gas across the N/2NE/4 of Section 9 and across the N/2N/2 of Section 10 to Duke Energy Field Services at a point of sale in the NW/4 NW/4 of Section 11 of T23S, R34E, Lea County, New Mexico. See **Exhibit "D-1 through D-7" locator map and supporting survey plats**

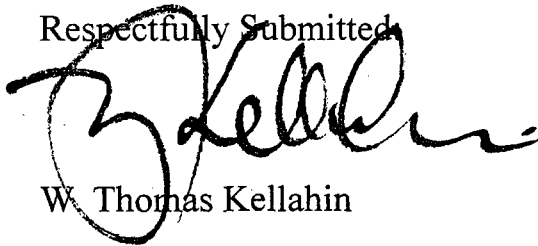
(4) The specific details for the metering and allocation are as follows: This well will flow through one sales meter located downstream of the well to Duke Energy Field Services. A check meter will be located at this well. For sales volumes, the total that flows through the sales meter will be allocated back to this well based upon volumes at its check meter. Lease use volumes will be added by Devon field personnel to the allocated sales volumes to arrive at wellhead production for this well. See **Exhibit "E"**

NMOCD Administrative Application
Devon Energy Production Company, L.P.
-Page 3-

(5) Notice of this application by letter (**See Exhibit F-1**) with a copy of this application, has been sent, certified mail-return receipt requested, to all interest owners shown on **Exhibit F-2**.

Accordingly, Devon requests approval for this "off-lease" sales point for this Devonian production.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name. The signature is stylized with a large initial 'W' and a cursive 'Kellahin'.

W. Thomas Kellahin

cc: Devon Energy Production Company, LLC
Attn: Richard Winchester

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM
87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-36302
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rio Blanco 9 State
8. Well No. 1
9. Pool name or Wildcat Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other _____

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY, LP

3. Address of Operator

20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 228-8209

4. Well Location

Unit Letter B 660 Feet From The North Line and 1480 Feet From The East Line

Section 9

Township 23S

Range 34E

NMPM

Lea

County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3402

Check Appropriate Box To Indicate Nature Of Notice, Report, Or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Move location

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: _____

☐

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103.

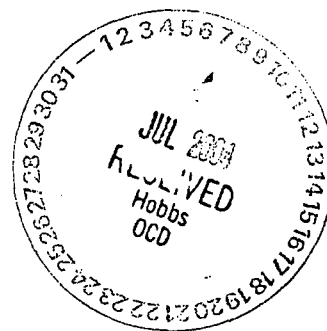
Devon Energy respectfully requests approval to move location.

Old Location: 660 FNL & 1980 FEL

Sec 9-23S-34E Lea County, NM

New Location: 660 FNL & 2129 FEL

Sec 9-23S-34E Lea County, NM



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Linda Guthrie

TITLE OPERATIONS ASSOCIATE

DATE 06/25/04

TYPE OR PRINT NAME

Linda Guthrie

TELEPHONE NO. (405) 235-3611

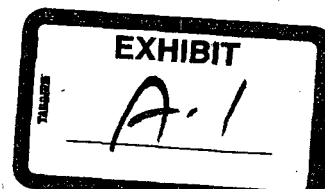
(This space for State use)

Approved by

Conditions of approval, if any:

TITLE PETROLEUM ENGINEER

DATE JUL 09 2004



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36302	Pool Code	Pool Name Wildcat
Property Code	Property Name RIO BLANCO "9" STATE	Well Number 1
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3405'

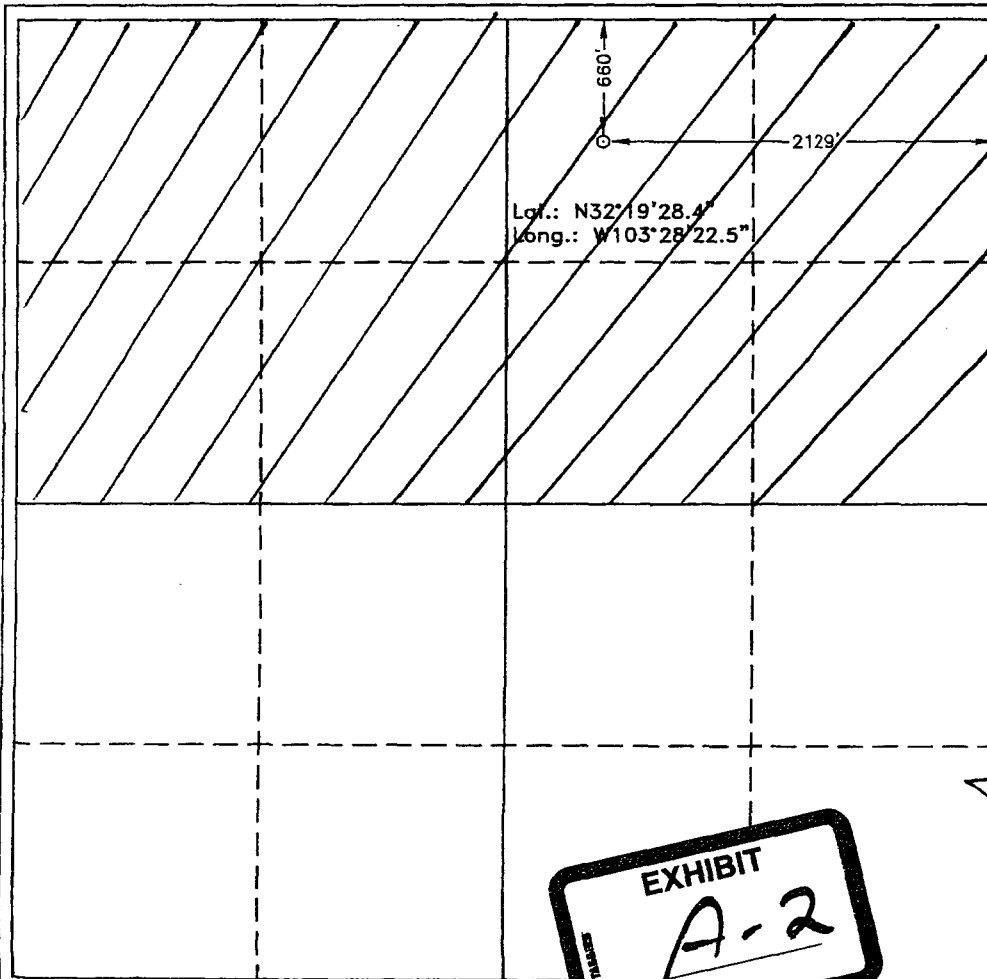
Surface Location

UL or lot No. B	Section 9	Township 23 S	Range 34 E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 2129	East/West line EAST	County LEA
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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
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No. NSL-5079						

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



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Linda Guthrie
Signature

Linda Guthrie

Printed Name

Regulatory Specialist

Title

06/25/04

Date

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.

MAY 24, 2004

Date Surveyed

Signature & Seal of
Professional Surveyor

[Signature]

W.O. No. 4313

Certificate No. Gary L. Jones

7977

EXHIBIT

A-2



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 18, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Devon Energy Production Company, L. P.

c/o **W. Thomas Kellahin**

P. O. Box 2265

Santa Fe, New Mexico 87504

Administrative Order NSL-5079

Dear Mr. Kellahin:

Reference is made to the following: (i) your application dated May 26, 2004 (*administrative application reference No. pSEM0-414926260*) on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Devon's request for an unorthodox Devonian gas well location for its proposed Rio Blanco "9" State Well No. 1 to be drilled 660 feet from the North line and 2129 feet from the East line (Unit B) of Section 9, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

The N/2 of Section 9 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing unit for the Undesignated Northeast Bell Lake-Devonian Gas Pool (97328).

Your application has been duly filed under the applicable provisions of the rules governing this pool and the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application, based on 3-D seismic, indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Devonian formation than a well drilled at a location considered to be standard for the Undesignated Northeast Bell Lake-Devonian Gas Pool within the N/2 of Section 9.

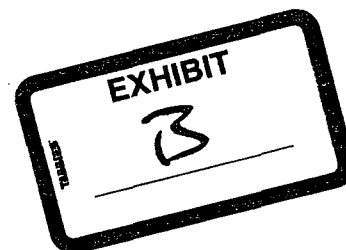
By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox deep Devonian gas well location is hereby approved.

Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe

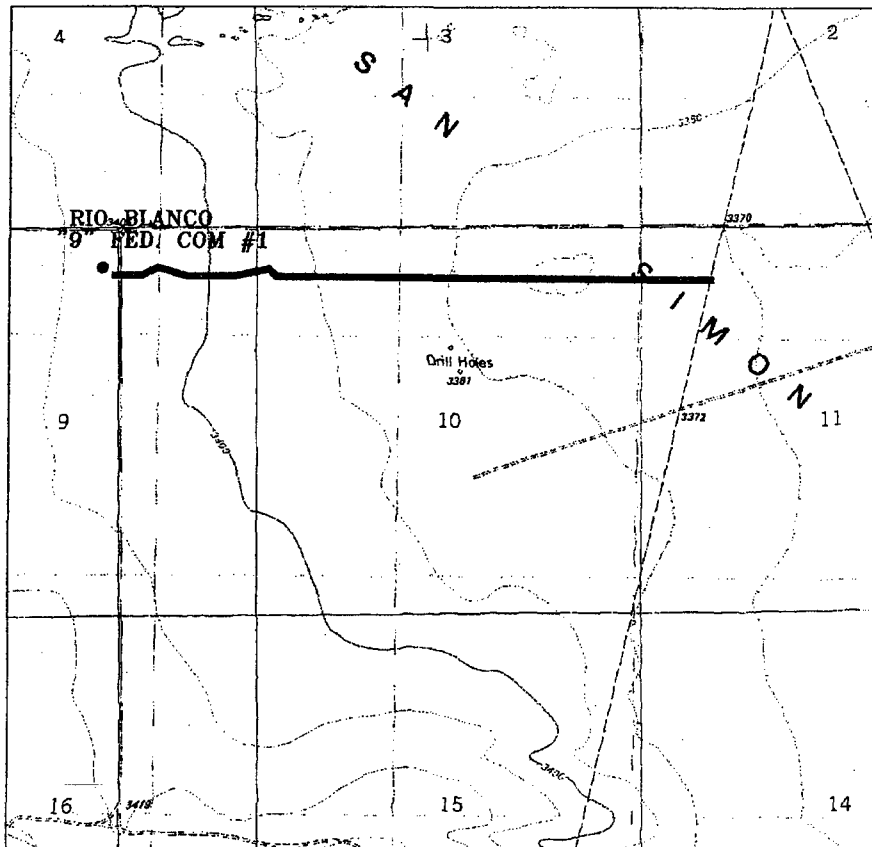


ST NME - 1932 - N/2

Rio Blanco 9 State 1
660' FNL & 1980 F8L

Rio Blanco 9 State 1
660' FNL & 1980 FEL





PROPOSED PIPELINE TO THE RIO BLANCO "9" STATE #1

Sections 4,&9, Township 23 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.


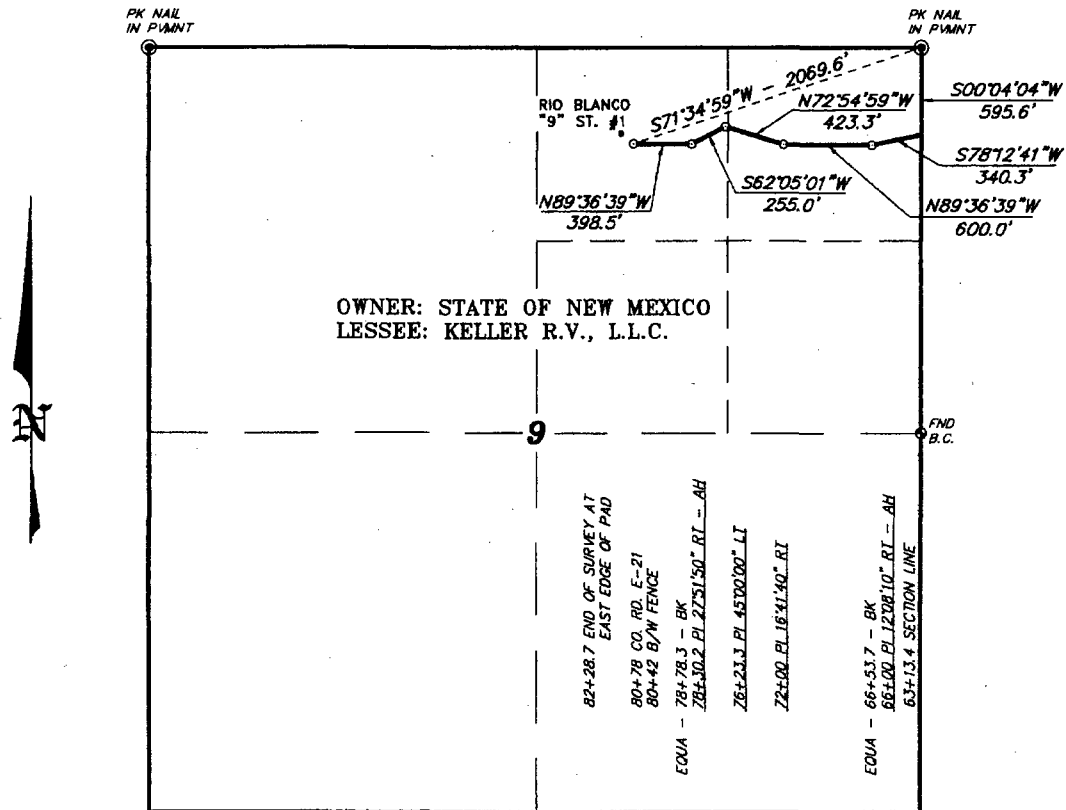
 focused on excellence in the oilfield	P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax basinsurveys.com	W.O. Number: 4624AA - KJG #1 Survey Date: 09-03-2004 Scale: 1" = 2000' Date: 09-07-2004	DEVON ENERGY PROD. CO., L.P.
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EXHIBIT
D-1

SECTION 9, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 9, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT ON THE EAST SECTION LINE WHICH LIES S.00°04'04"W, 595.6 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 9; THENCE S.78°12'41"W, 340.3 FEET; THENCE N.89°36'39"W, 600.0 FEET; THENCE N.72°54'59"W, 423.3 FEET; THENCE S.62°05'01"W, 255.0 FEET N.89°36'39"W, 398.5 FEET TO THE END OF THIS LINE WHICH LIES S.71°34'59"W, 2069.6 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 9. SAID STRIP OF LAND BEING 2017.1 FEET OR 122.25 RODS IN LENGTH AND CONTAINING 1.39 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

NE/4 NE/4 81.43 RODS OR 0.93 ACRES
NW/4 NE/4 40.82 RODS OR 0.46 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 4624

Drawn By: K. GOAD

Date: 09-07-2004

Disk: KJG CD#3

DEV4624A.DWG

1000 0 1000 2000 FEET

DEVON ENERGY PROD. CO., L.P.

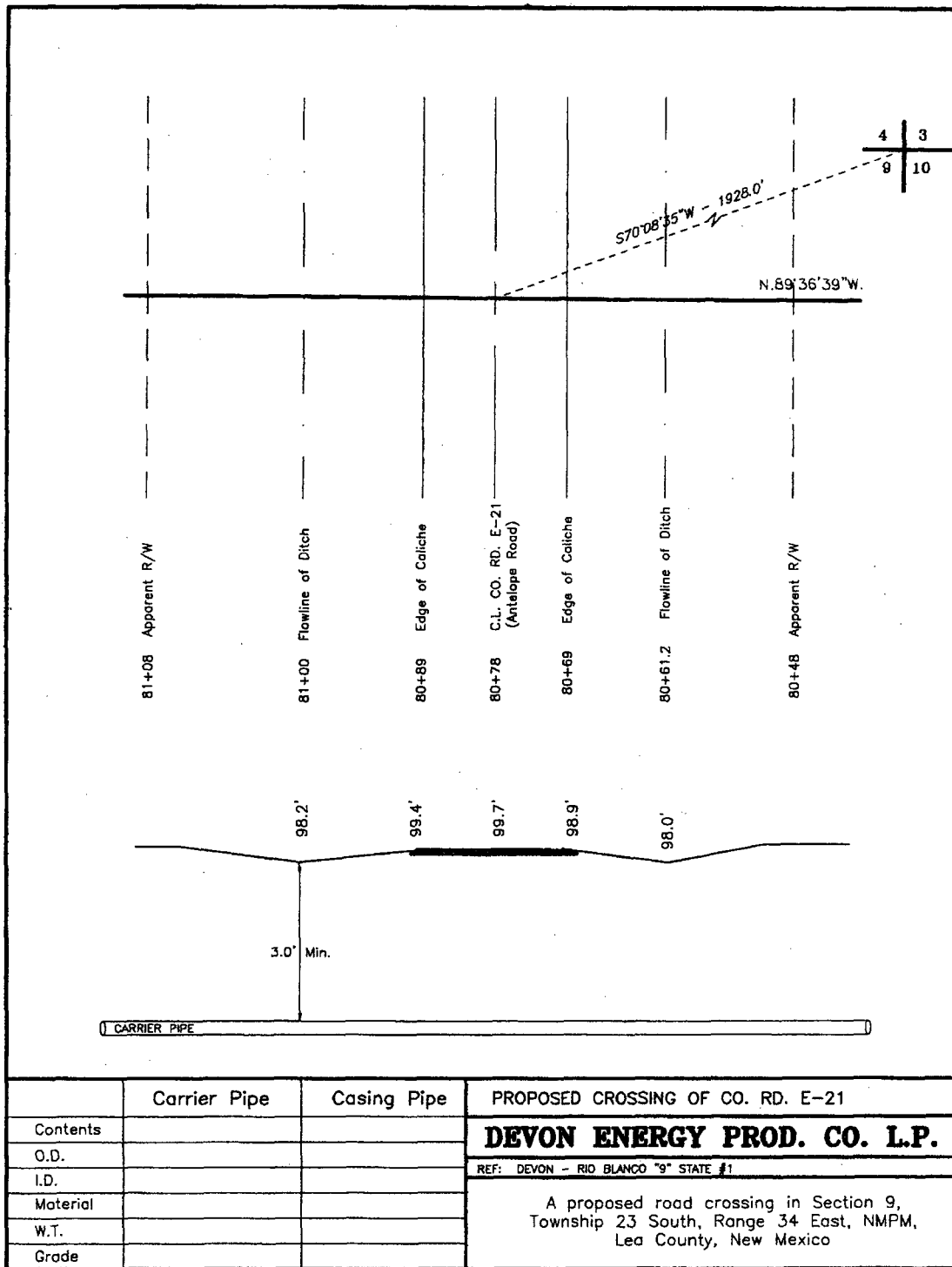
REF: PROPOSED PIPELINE TO THE RIO BLANCO '9' STATE #1

A PIPELINE CROSSING STATE LAND IN
SECTION 9, TOWNSHIP 23 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 09-03-2004

Sheet 4 of 4 Sheets

EXHIBIT
D-2

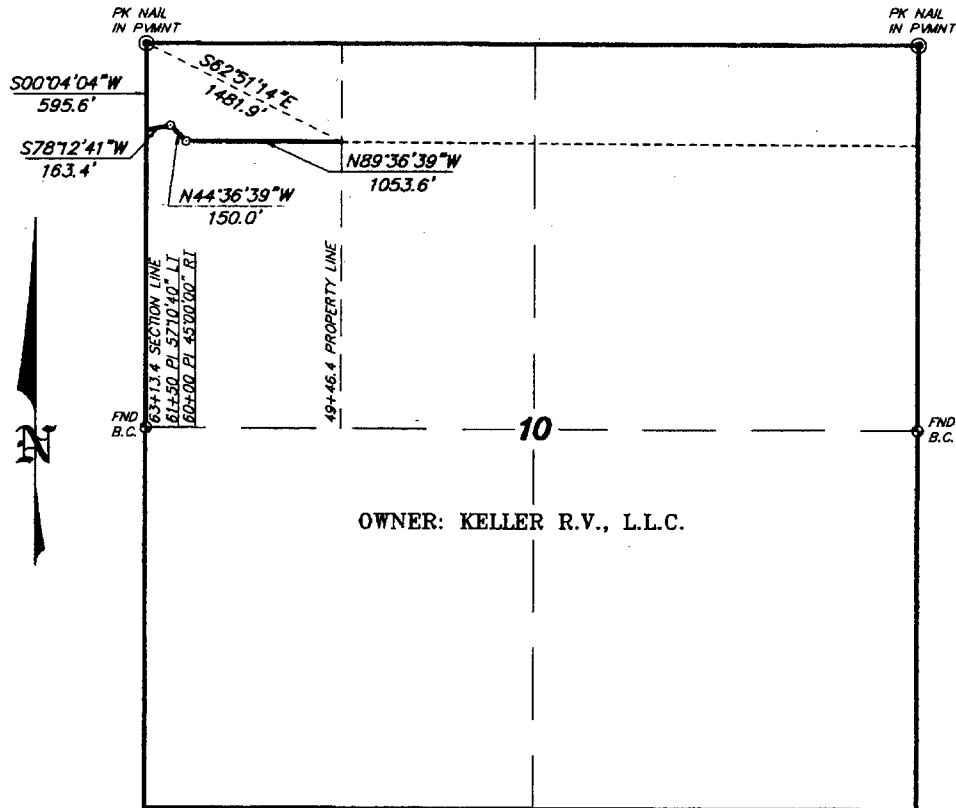


BASIN SURVEYS

KJG CD#5 - DEV4528A.DWG



SECTION 10, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



OWNER: KELLER R.V., L.L.C.

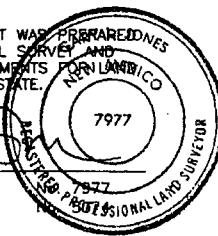
LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 10, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT ON THE EAST PROPERTY LINE WHICH LIES S.62°51'14\"E., 1481.9 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 10; THENCE N.89°36'39\"W., 1053.6 FEET; THENCE N.44°36'39\"W., 150.0 FEET; THENCE S.78°12'41\"W., 163.4 FEET TO A POINT ON THE WEST SECTION LINE WHICH LIES S.00°04'04\"W., 595.6 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 10. SAID STRIP OF LAND BEING 1367.0 FEET OR 82.85 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

[Signature]
GARY L. JONES N.M. P.S.
TEXAS P.L.S.



1000 0 1000 2000 FEET

DEVON ENERGY PROD. CO., L.P.

REF: PROPOSED PIPELINE TO THE RIO BLANCO "9" STATE #1

A PIPELINE CROSSING FEE LAND IN
SECTION 10, TOWNSHIP 23 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 4624

Drawn By: K. GOAD

Date: 09-07-2004

Disk: KJG CD#3

- DEV4624A.DWG

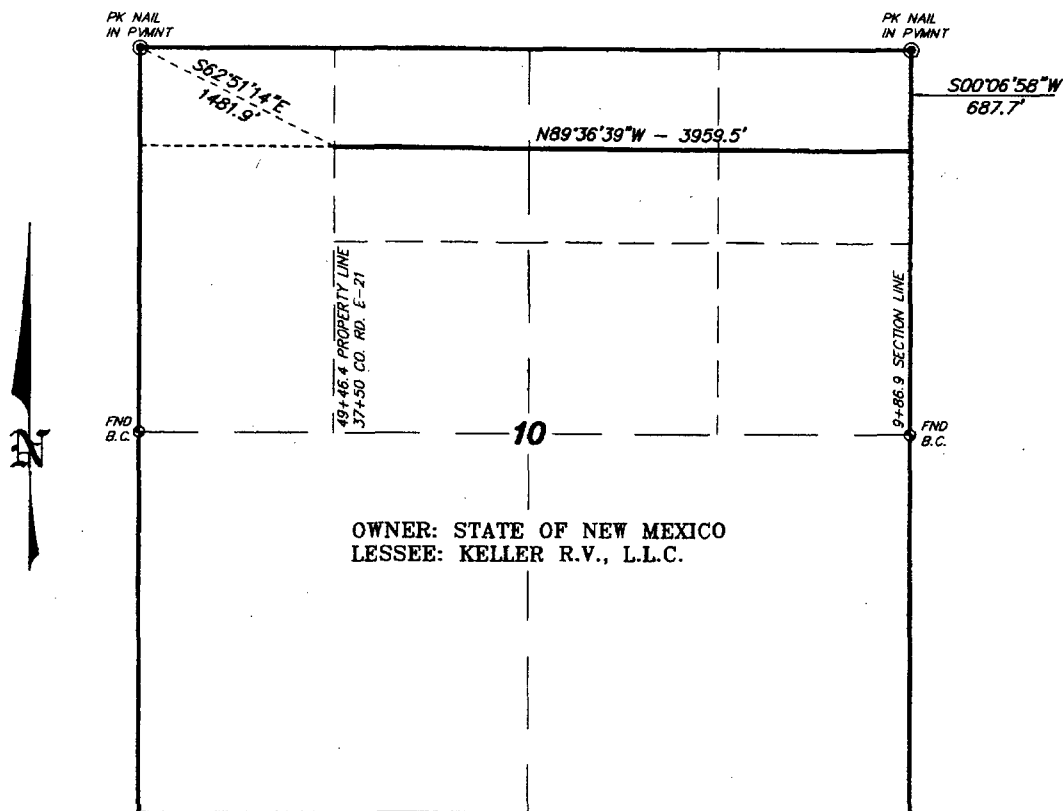
Survey Date: 09-03-2004

Sheet 3 of 4 Sheets

EXHIBIT

D-4

SECTION 10, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

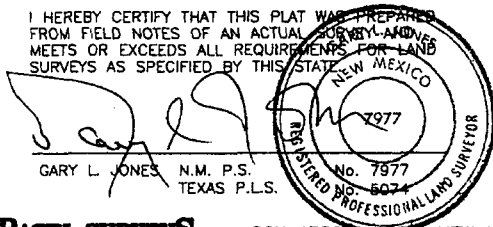


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 10, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.
BEGINNING AT A POINT ON THE EAST SECTION LINE WHICH LIES S.00°06'58\"W., 687.7 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 10; THENCE N.89°36'39\"W., 3959.5 FEET TO A POINT ON THE WEST PROPERTY LINE WHICH LIES S.62°51'14\"E., 1481.9 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 10. SAID STRIP OF LAND BEING 3959.5 FEET OR 239.97 RODS IN LENGTH AND CONTAINING 2.73 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

NE/4 NE/4 79.99 RODS OR 0.91 ACRES
NW/4 NE/4 79.99 RODS OR 0.91 ACRES
NE/4 NW/4 79.99 RODS OR 0.91 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 4624

Drawn By: K. GOAD

Date: 09-07-2004

Disk: KJG CD#3

- DEV4624A.DWG

Survey Date: 09-03-2004

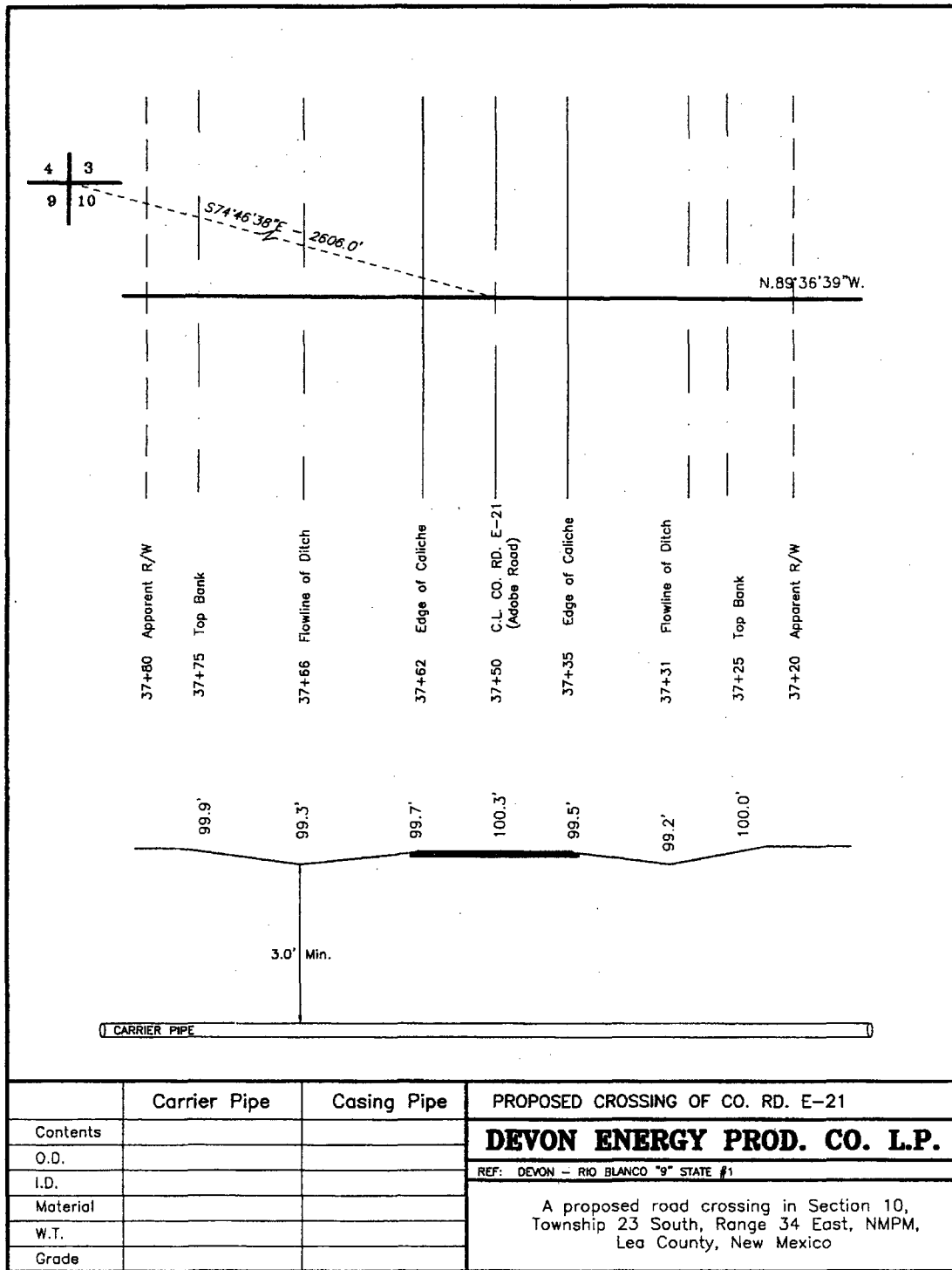
Sheet 2 of 4 Sheets

DEVON ENERGY PROD. CO., L.P.

REF: PROPOSED PIPELINE TO THE RIO BLANCO "9" STATE #1

A PIPELINE CROSSING STATE LAND IN
SECTION 10, TOWNSHIP 23 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.



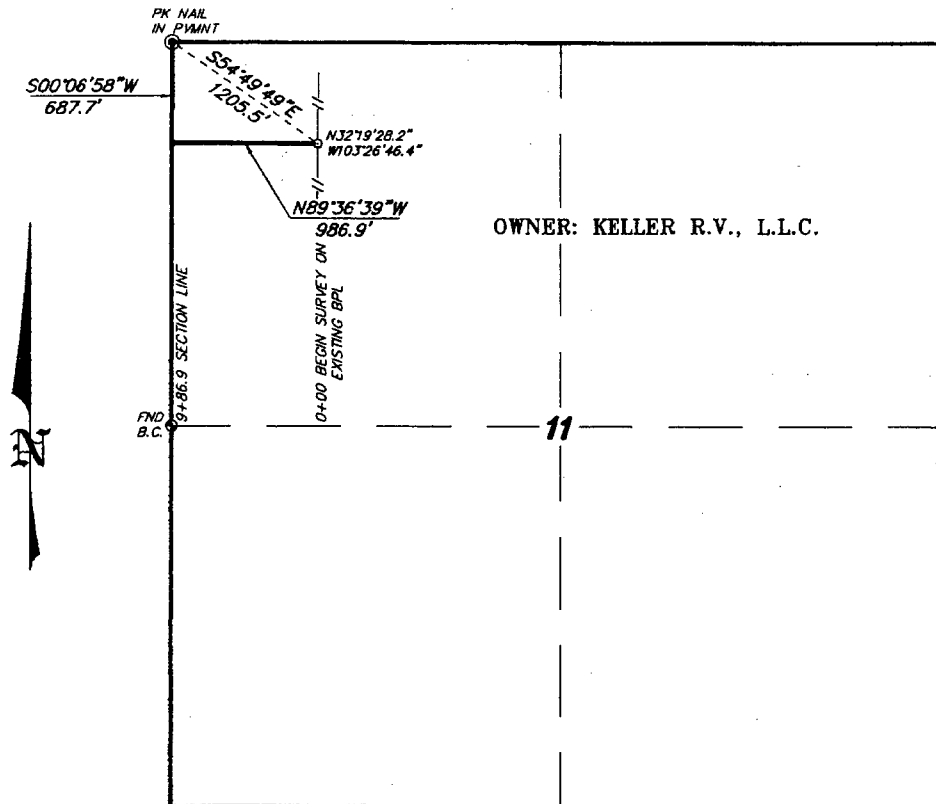


BASIN SURVEYS

KJG CD#5 - DEV4528A.DWG



SECTION 11, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



OWNER: KELLER R.V., L.L.C.

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 11, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.
BEGINNING AT A POINT WHICH LIES S.54°49'49\"E., 1205.5 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 11; THENCE N.89°36'39\"W., 986.9 FEET TO A POINT ON THE WEST SECTION LINE WHICH LIES S.00°06'58\"W., 687.7 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 11. SAID STRIP OF LAND BEING 986.9 FEET OR 59.81 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



BASIN SURVEYS P.O. BOX 1786-ROBBS, NEW MEXICO

1000 0 1000 2000 FEET

DEVON ENERGY PROD. CO., L.P.

REF: PROPOSED PIPELINE TO THE RIO BLANCO "9" STATE #1

A PIPELINE CROSSING FEE LAND IN
SECTION 11, TOWNSHIP 23 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 4624	Drawn By: K. GOAD
Date: 09-07-2004	Disk: KJG CD#3 - DEV4624A.DWG
Survey Date: 09-03-2004	Sheet 1 of 4 Sheets



Allocation/check measurement calibration and sampling frequency.

Duke's (Buyer) agreement provides for semi-annual meter tests. There are steps outlined for special tests if either party observes a variation between the check meter and delivery meters. Sampling is required under the agreement semi-annually, or more often as Buyer deems advisable.

Devon will test and sample its measurement devices to meet or exceed the Buyer's frequency.

Our calibration instruments will be certified yearly following all AGA standards and guidelines.

Our measurement device configuration will match as close as possible with the Buyer's device configuration so that a fair comparison or allocation can be established.

Sample analysis data will be compared and updated accordingly.



KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
Recognized Specialist in the Area of
Natural Resources-oil and gas law-
New Mexico Board of Legal Specialization

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
kellahin@earthlink.net

September 13, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

**NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION
DIVISION ADMINISTRATIVE CASE:**

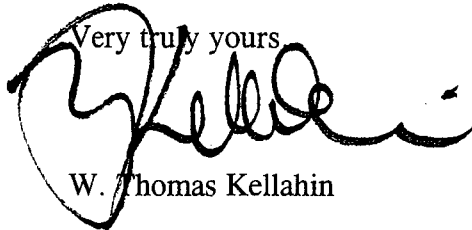
To Mailing List

*Re: First Amended Administrative Application of Devon Energy
Production Company, L.P. for approval of an off-lease sales point for Devonian
production from its Rio Blanco "9" Well No. 1 N/2 Section 9, T23S, R34E, Lea
County, New Mexico.*

Dear Interest Owner:

On behalf of Devon Energy Production Company, L.P., please find enclosed a copy of its referenced first amended administrative application. If you have no objection, then there is nothing for you to do. If you are willing to waive objection, please sign this letter as indicated and return it to me. However, should you have any objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

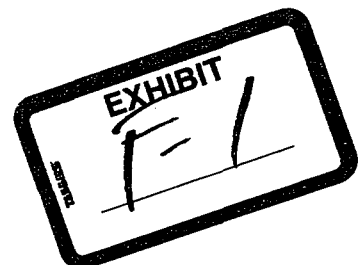
Very truly yours,



W. Thomas Kellahin

WAIVER OF OBJECTION:

By: _____ with authority for
and on behalf of _____
Date: _____



RIO BLANCO 9 STATE 1
N/2 Section 9-T23S-R34E
Lea County, New Mexico

Address List
Royalty, Overriding Royalty and Working Interest Owners

Royalty Owner

State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM 87504

Overriding Royalty Owners

ConocoPhillips Company
550 Westlake Park Blvd.
Westlake 3, Room 5050
Houston, TX 77079

Working Interest Owners

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102

Southwestern Energy Production Company, L.P.
2350 N. Sam Houston Parkway East, Suite 300
Houston, TX 77032

ConocoPhillips Company
550 Westlake Park Blvd.
Westlake 3, Room 5050
Houston, TX 77079





RECEIVED

PATRICK H. LYONS
COMMISSIONER

SEP 17 2004

State of New Mexico
Commissioner of Public Lands

OIL CONSERVATION
DIVISION

September 13, 2004

310 OLD SANTA FE TRAIL

P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Kelahin & Kellahin, Attorney at Law
P. O. Box 2265
Santa Fe, New Mexico 87501

Attn: Mr. W. Thomas Kellahin

Re: Devon Energy Production Company, LP
Off-Lease Sales Point for Devonian Production
Rio Blanco "9" Well No. 1-B
N/2 Sec. 9-23S-34E
Lea County, New Mexico

Dear Mr. Kellahin:

We are in receipt of your letter of September 7, 2004, wherein on behalf of Devon Energy Production Co., you have requested our approval to meter the gas production from the above captioned well within its facility located in the well pad. A gathering line will flow the gas across the N/2NE/4 of Section 9 and across the N/2N/2 of Section 10 to Duke Energy Field Services at a point of sale in the NW/4NW/4 of Section 11-23S-34E.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit a \$30.00 dollar filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: *Anthony H. Neal*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm
pc: Reader File, OCD-Attention: David Catanach

For

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University