

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Deven*

**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]

2006 APR 26 PM 1 01

[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 Bruce  
 Print or Type Name

*James Bruce*  
 Signature

Attorney for applicant  
 Title

4/26/06  
 Date

jamesbruc@aol.com  
 e-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)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

April 26, 2006

Hand delivered

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

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Devon Energy Production Company, L.P. applies for approval of an unorthodox location for the following well:

<u>Well:</u>	<del>Black</del> Kaiser 8N Federal Well No. 21
<u>Location:</u>	660 feet FSL & 1500 feet FWL
<u>Well unit:</u>	SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Glorieta-Yeso formation. Applicant requests unorthodox location approval in the San Andres formation (Red Lake Queen-Grayburg-San Andres Pool) and Glorieta-Yeso formation (Red Lake Glorieta-Yeso Pool). Both pools are spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. An APD, with a Form C-102, is attached as Exhibit A.

The location is based on engineering and topographic reasons. Applicant has drilled two other wells in this quarter-quarter section: The Hawk 8N Federal No. 7 (840 feet FSL & 2200 feet FWL), the Hawk 8N Federal No. 8 (330 feet FSL & 2210 feet FWL), both completed in the San Andres formation. These wells drain less than 40 acres each, and infill drilling is necessary to recover all reserves in a 40 acre well unit. Applicant is drilling up to four wells on each well unit, with the wells located in the approximate corners of the well unit.

Because there are already two wells in the unit, Applicant desires to drill the proposed well in the southwest corner of the well unit. It desired to drill a well at an orthodox location, but existing

8:06 AM 6/6/06  
Your Mail Message from Mike Williams  
@ 505-631-1654

- 10:15 AM talked w/ Mr. Williams  
about Devon's NSC application.  
Will e-mail Mr. Williams  
a finalized draft order  
when issued. (1/16/06)  
M. Stogner  
- 5:10 PM: called Mr. Williams  
that Hawk  
8N Fed. #21  
is being  
worked here  
@ the  
New.

#7: 30-015-29016  
#8: 30-015-29055

pipelines and ground conditions require the well to be moved north and west of an orthodox location. See Exhibit B.

The proposed well will maximize recovery from the well unit.

Applicant also requests **simultaneous dedication** approval of the three wells in the San Andres formation.

The well encroaches on the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 8. The only offset working interest owner is BP America Production Company, which has been notified of this application as shown by Exhibit C.

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

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Devon Energy Production Company, L.P.

Form 3160-3  
(April 2004)

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

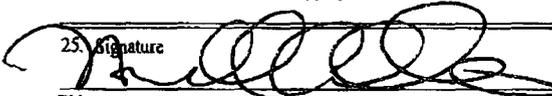
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-89156
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Company, LP		7. If Unit or CA Agreement, Name and No.
3a. Address 20 North Broadway Oklahoma City, Oklahoma 73102-8260	3b. Phone No. (include area code) 405-552-8198	8. Lease Name and Well No. Hawk 8 N Federal 21
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SESW Lot N 660 FSL 1500 FWL At proposed prod. zone SESW Lot N 660 FSL 1500 FWL		9. API Well No.
14. Distance in miles and direction from nearest town or post office* Approximately 7 miles southeast of Artesia, New Mexico		10. Field and Pool, or Exploratory Red Lake; Glorieta-Yeso
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 8 18S 27E, Unit N
16. No. of acres in lease 80 acres	17. Spacing Unit dedicated to this well 40 acres	12. County or Parish Eddy County
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3500' MD	13. State NM
20. BLM/BIA Bond No. on file	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3432' GL	22. Approximate date work will start* 05/30/2006
23. Estimated duration 45 days	24. Attachments	

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

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Norvella Adams	Date 04/03/2006
Title Sr. Staff Eng. Tech		

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)



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

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Ed., 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	Pool Code	Pool Name
		Red Lake; Glorietta-Yeso
Property Code	Property Name	Well Number
	HAWK "8N" FEDERAL	21
OCRID No. 6137	Operator Name	Elevation
	DEVON ENERGY PRODUCTION CO., L.P.	3432'

**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	8	18 S	27 E		660	SOUTH	1500	WEST	EDDY

**Bottom Hole Location If Different From Surface**

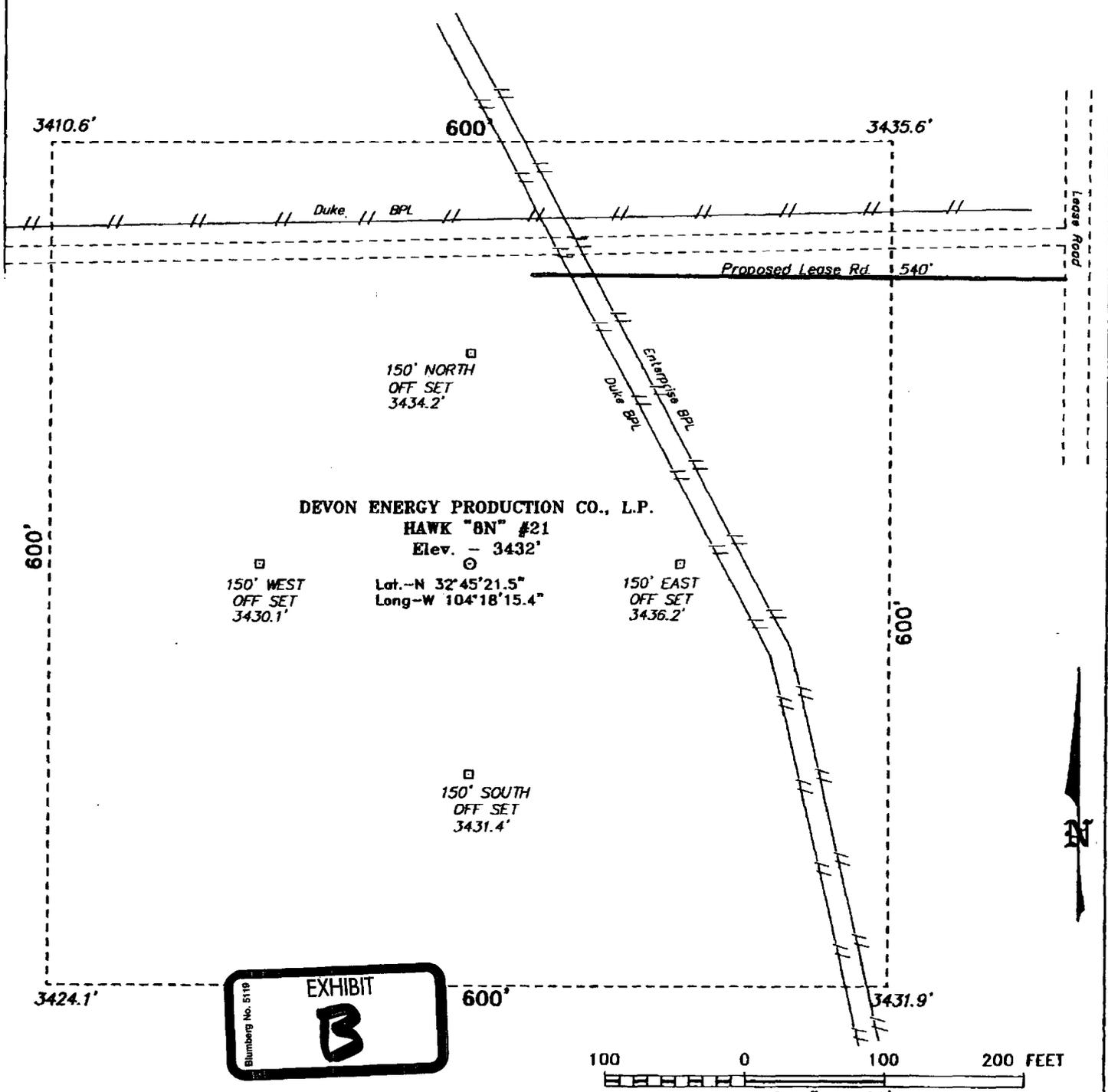
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Norvella Adams</i> Signature</p> <p>Norvella Adams Printed Name</p> <p>Sr. Staff Eng. Tech. Title</p> <p>April 3, 2003 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>MARCH 23, 2006 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature &amp; Seal of Professional Surveyor</p> <p>W.O. No. 6404</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

*Standard 640-acre Section*

# SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



DEVON ENERGY PRODUCTION CO., L.P.  
**HAWK "8N" #21**  
 Elev. - 3432'

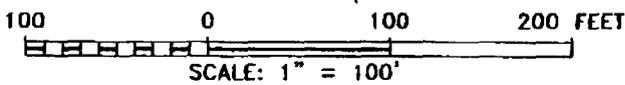
150' WEST  
 OFF SET  
 3430.1'

Lat. -N 32°45'21.5"  
 Long -W 104°18'15.4"

150' EAST  
 OFF SET  
 3436.2'

150' SOUTH  
 OFF SET  
 3431.4'

Blumberg No. 519  
**EXHIBIT B**

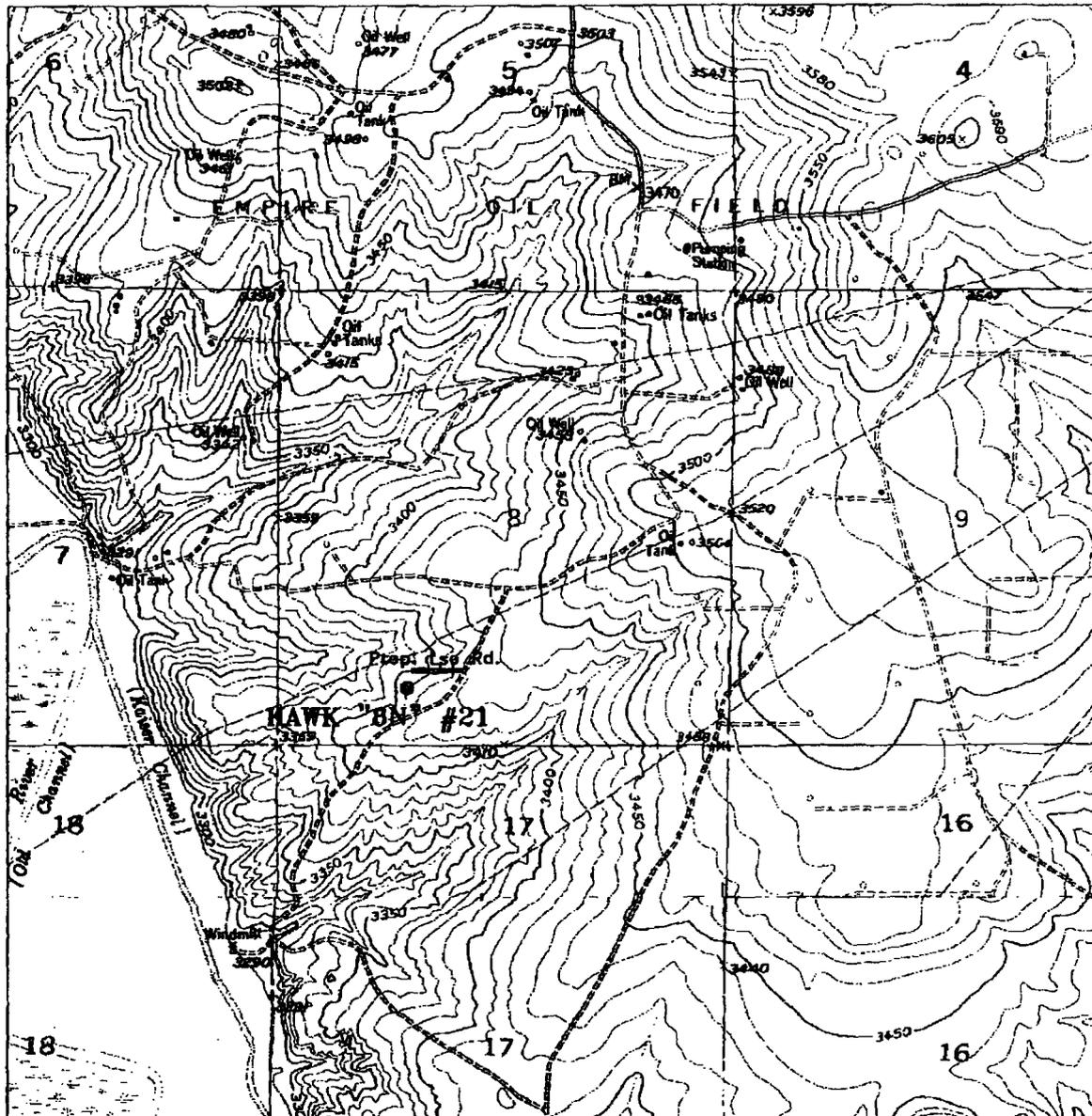


**Directions to Location:**

FROM THE JUNCTION OF CO. RD. 201 AND US HWY 82, GO SOUTH ON HWY 82 FOR APPROX. 4.8 MILES TO LEASE ROAD; THENCE WEST ON LEASE ROAD FOR APPROX. 0.1 MILE; THENCE SOUTH FOR APPROX. 0.2 MILE TO PROPOSED LEASE ROAD.

<b>DEVON ENERGY PROD. CO., L.P.</b>	
REF: HAWK "8N" No. 21 / Well Pad Topo	
THE HAWK "8N" No. 21 LOCATED 660' FROM FEDERAL THE SOUTH LINE AND 1500' FROM THE WEST LINE OF SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	
V.O. Number: 6404	Drawn By: K. GOAD
ate: 03-31-2006	Disk: KJG CD#4 - 6404A.DWG
Survey Date: 03-23-2006	Sheet 1 of 1 Sheets

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



**HAWK "8N" #21 FEDERAL**  
 Located at 660' FSL AND 1500' FWL  
 Section 8, Township 18 South, Range 27 East,  
 N.M.P.M., Eddy County, New Mexico.

 focused on excellence in the oilfield	P.O. Box 1788 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7318 - Office (505) 392-3074 - Fax basin-surveys.com	W.C. Number: 6404AA -- KJ3 CD#4 Survey Date: 03-23-2006 Scale: 1" = 2000' Date: 03-31-2006	<b>DEVON ENERGY          PROD. CO., L.P.</b>

**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](mailto:jamesbruc@aol.com)

April 26, 2006

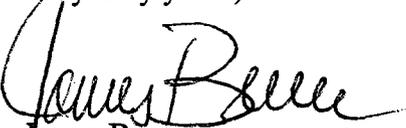
Certified Mail – Return Receipt Requested

BP America Production Company  
Room 6.199  
501 Westlake Park Blvd.  
Houston, Texas 77079

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 San Andres and Glorieta-Yeso formations in the SE¼SW¼ of Section 8, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. 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 latter date.

Very truly yours,

  
James Bruce  
Attorney for Devon Energy Production Company, L.P.

