

Devin

DATE IN 4/25/06	SUSPENSE	ENGINEER MIKE STOGNER	LOGGED IN 4/26/06	TYPE NSL	APP NO. 27DS0611633715
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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-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 Bruce
 Print or Type Name

James Bruce
 Signature

Attorney for applicant
 Title

4/25/06
 Date

jamesbruc@aol.com
 e-mail Address

2006 APR 25 PM 2 51

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

April 25, 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>	Kaiser "B" 18F Well No. 8	30-015-34630
<u>Location:</u>	1500 feet FNL & 1725 feet FWL	
<u>Well unit:</u>	SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, 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, which is the primary zone of interest. 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. A Form C-102 is attached as Exhibit A.

The location is based on engineering and topographic reasons. Applicant has drilled three other wells in this quarter-quarter section: The Kaiser "B" No. 5 (1650 feet FNL & 2310 feet FWL, completed in the San Andres formation), the Kaiser "B" No. 6 (2310 feet FNL & 1650 feet FWL, completed in the Glorieta-Yeso formation), and the Kaiser "B" 18F No. 7 (2310 feet FNL & FWL, completed in the Glorieta-Yeso formation). These wells drain less than 40 acres each, and infill drilling is necessary to recover all reserves in a 40 acre well unit.

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

- 8:06 AM 6/1/06
Voice Mail Message from Mike Williams
@ 505-631-1654

- 10:15 AM Talked w/ Mr. Williams
about Devon's 23c drilling
- will email a finalized draft
order to Mr. Williams when
order is issued.
M. Stogner
flobaby@hotmail.com

existing pipelines and electric lines require the well to be moved north and east of its preferred location 1650 feet FNL & FWL. See Exhibit B.

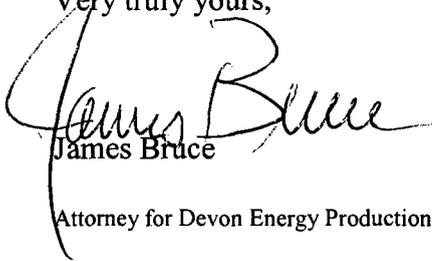
The proposed well will maximize recovery from the well unit.

Applicant also requests **simultaneous dedication** approval (the Nos. 5 and 8 wells in the San Andres formation, and the Nos. 6, 7, and 8 wells in the Glorieta-Yeso formation).

The well encroaches on the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18. It also encroaches, by a few feet, on the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18. The offset well units are both fee tracts. All lessees and unleased mineral owners in those tracts have 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,


James Bruce

Attorney for Devon Energy Production Company, L.P.

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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; Glorieta-Yeso
Property Code	Property Name KAISER "B" 18F	Well Number 8
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3284'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	18 S	27 E		1500	NORTH	1725	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.
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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 that the information contained herein is true and complete to the best of my knowledge and belief.

Norvella Adams
Signature

Norvella Adams
Printed Name

Sr. Staff Eng. Tech.
Title

June 14, 2005
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.

JUNE 5, 2005
Date Surveyed

Gary L. Jones
Signature & Seal of Professional Surveyor

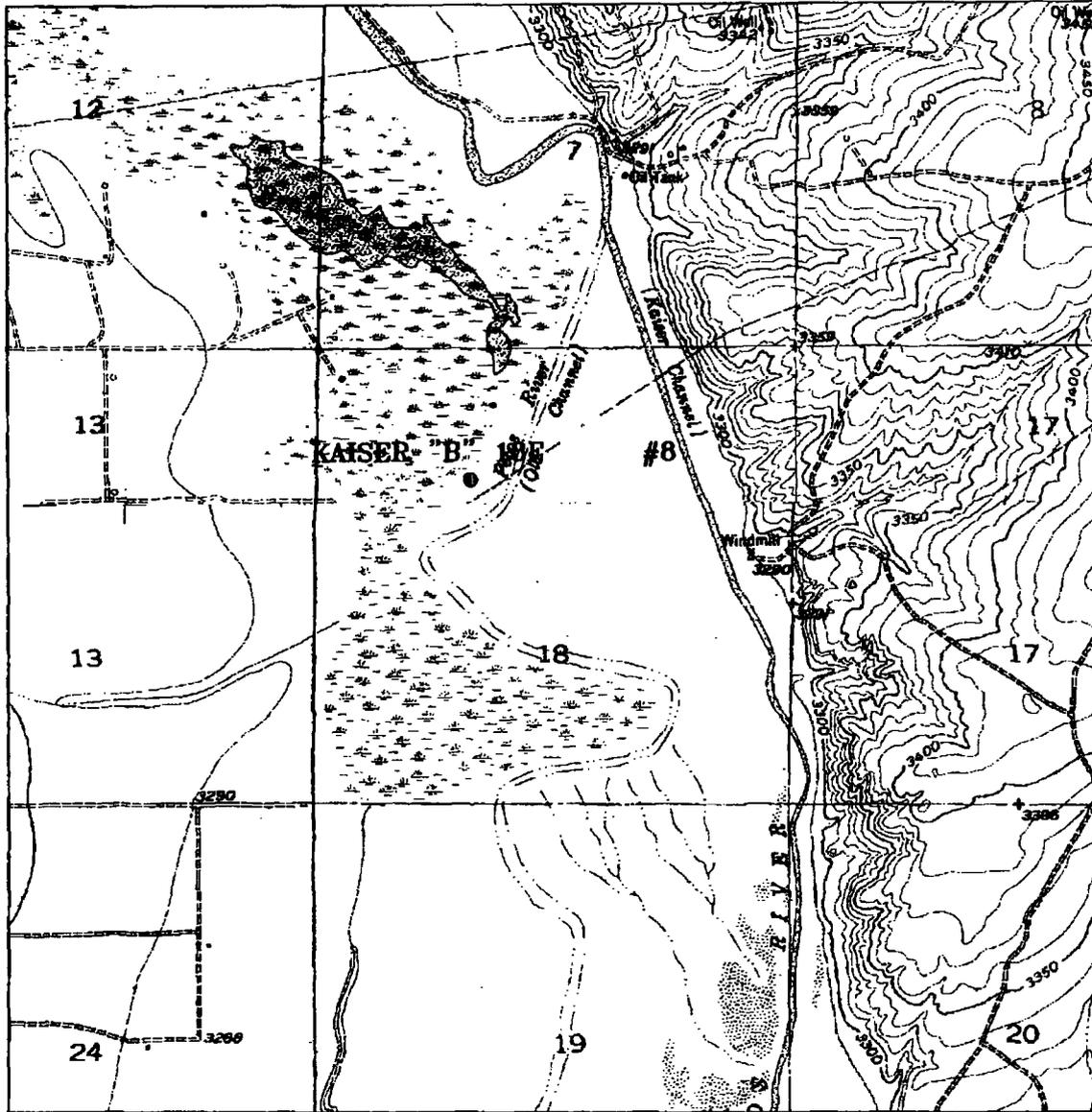
NEW MEXICO
7977
W.O. No. 5435
Professional Surveyor

Certification No. Gary L. Jones 7977

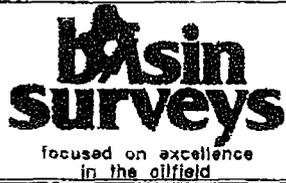
Blumberg No. 8119

EXHIBIT

A



KAISER "B" 18F #8
 Located at 1500' FNL and 1725' FWL
 Section 18, Township 18 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 5435AA - KJG #1

Survey Date: 06-03-2005

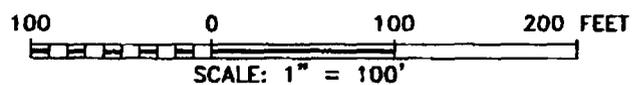
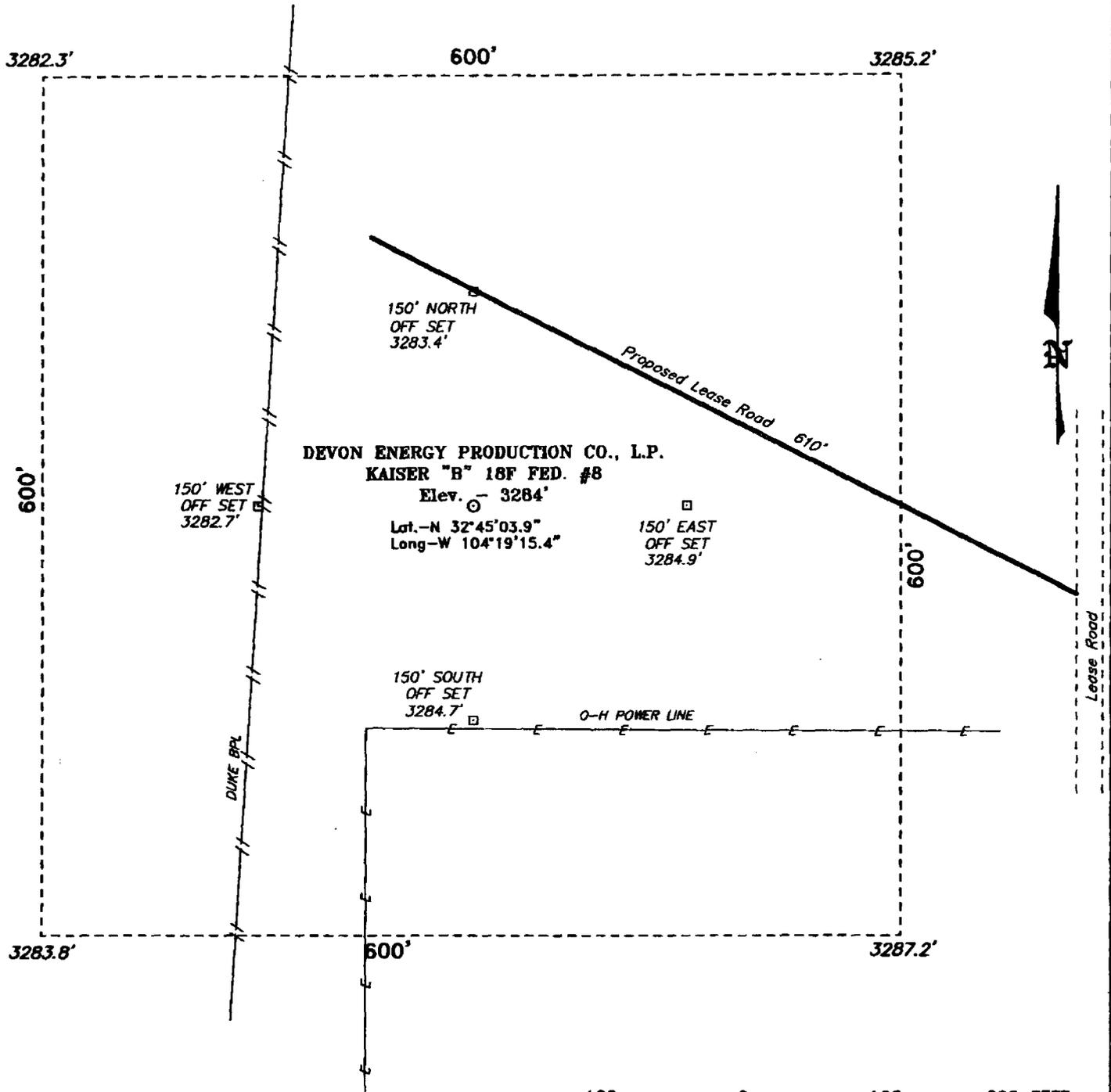
Scale: 1" = 2000'

Date: 06-06-2005

**DEVON ENERGY
 PROD. CO., L.P.**



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



Directions to Location:

FROM CO. RD. 39 AND HALDENMAN HWY, GO EAST FOR 1.0 MILE ON LEASE ROAD; THENCE SOUTH FOR 0.3 MILE TO THE JONES TANK BATTERY; THENCE EAST FOR 0.7 MILE; THENCE SOUTH TO THE KAISER B TANK BATTERY AND PROPOSED LEASE ROAD NORTH OF BATTERY.

DEVON ENERGY PROD. CO., L.P.	
REF: KAISER "B" 18F	No. 8 / Well Pad Topo
THE KAISER "B" 18F FED. No. 8 LOCATED 1500'	
FROM THE NORTH LINE AND 1725' FROM THE WEST LINE OF	
SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	

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

W.O. Number: 5435 Drawn By: K. GOAD

Date: 06-06-2005 Disk: KJG CD#4 - 5435A.DWG

Survey Date: 06-03-2005 Sheet 1 of 1 Sheets

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

April 25, 2006

Certified Mail – Return Receipt Requested

To: Offset lessees or mineral interest owners

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 SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, 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.



EXHIBIT A

Chase Oil Corporation
P.O. Box 1767
Artesia, NM 88211

Lynx Petroleum Consultants
P.O. Box 1708
Hobbs, NM 88241

Yates Brothers
105 South 4th Street
Artesia, NM 88211

Higgins Trust, Inc.
P.O. Box 2421
Gainesville, GA 30503

Wells Fargo Bank, Trustee of
Laura Debardelban Trust
P.O. Box 5383
Denver, CO 80217

Susan Bolinger
10 Lopez Way
Bellevue, WA 98006

Katherine A. Keller
1807 Woodhaven Place
Mountain View, CA 95631

Anne K. Silva
7736 Claribal Road
Oakdale, CA 95631

Yates Petroleum Corp.,
Yates Drilling-Co.,
Abo Petroleum Corp
Myco Industries, Inc.
105 South Fourth Street
Artesia, NM 88210

Ruby Rogers
Rural Route 4
Abilene, TX 67410

Pauline R. Swearingen
225 South Fern
Wichita, KS 67213

Evalyn Swearingen
RR 1-Box 146A
Jamestown, KS 66948

Flora Jane Hopkins, Trustee
Flora Jane Hopkins Revocable Trust
2149 San Anseline Avenue
Long Beach, CA 90815

Stella P. Herrell
1003 Lynda Lane
Arlington, TX 76013

Sidney M. Coryell, Jr.
4502 West 29th
Little Rock, AR 72204

Louise M. Richardson
1916 Norwood
Independence, MO 64052

Edna Mae Watt
400 Holland Drive
West Sacramento, CA 95605

James A. Collier, III
1113 Shady Oak Circle
McKinney, TX 75070

M.D. Vandavear
316 West DD
Miller, MO 65707

Julie J. Martin
P.O. Box 10911
Southport, NC 28461

Terry A. White
505 East Grand
Tonkawa, OK 74653

John Collier Major, Trustee
Stephen Alfred Major, Trustee
Of John Charles Major Trust
P.O. Box 250
Reydon, OK 73660

Helen J. Hardgrave, Trustee
of Meredith E. Hardgrave and
Helen Joyce Hardgrave Revocable Trust
6012 East 114th Street
Tulsa, OK 74137

Charlotte Wells and
Kaiulani Lei Bumpus, as JT
Route 1, Box 314B
Burkeville, TX 75932

Grant Swearingen
209 South Ashley Park
Wichita, KS 67209

James A. Brown
P.O. Box 928
Elk City, OK 73648

Kenneth W. Brown
7677 Jayhawk Drive
Riverside, CA 92509

Peggie Sue Lawson
18395 West FM 2790 South
Lytle, TX 78052

John A. Brown
3669 Seneca Circle
Las Vegas, NV 89109

David B. Brown
P.O. Box 2888
Houston, TX 77525

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N BROADWAY OKLAHOMA CITY, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-34630
4. Property Code 34899	5. Property Name KAISER B 18F	6. Well No. 008

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	18	18S	27E	F	1500	N	1725	W	EDDY

8. Pool Information

RED LAKE, GLORIETA-YESO	51120
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Additional Well Information

9. Well Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3284
14. Multiple N	15. Proposed Depth 4000	16. Formation Yeso Formation	17. Contractor	18. Spud Date 8/20/2005
Depth to Ground water 65		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1500 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	200	275	0
Int1	11	8.875	24	1200	400	0
Prod	7.875	5.5	15.5	4000	914	0

Casing/Cement Program: Additional Comments

Cement 13 3/8 surface w/100 sx C1C, tail w/175 sx Class C. Cement 8 5/8 intermediate 250 sx Poz C, tail w/ 150 sx Class C. Cement 5 1/2 production w/ 200 sx Poz C, tail w/ 714 sx Poz C. Mud program: 0-180 8.5-8.9 vis 35-40 water loss NC. 180-1000 8.9-9.3 vis 28-30 water loss NC. 1000-3800 9.3-9.7 vis 28-30 water loss NC. 3800-4000 9.3-9.7 vis 28-30 water loss 12-15 cc.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	2000	
Double Ram	2000	2000	
Pipe	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
Printed Name: Electronically filed by Linda Guthrie	Title: Geologist	
Title: Regulatory Specialist	Approved Date: 2/20/2006	Expiration Date: 2/20/2007
Email Address: linda.guthrie@dvn.com		
Date: 10/18/2005	Phone: 405-228-8209	Conditions of Approval Attached

1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

Energy, Minerals and Natural Resources

Oil Conservation Division

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34630	2. Pool Code 51120	3. Pool Name RED LAKE, GLORIETA-YESO
4. Property Code 34899	5. Property Name KAISER B 18F	6. Well No. 008
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3284

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	18	18S	27E	F	1500	N	1725	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code			15. 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

	OPERATOR CERTIFICATION
	<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>E-Signed By: Linda Guthrie Title: Regulatory Specialist Date: 10/18/2005</p>
	SURVEYOR CERTIFICATION
	<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>Surveyed By: Gary Jones Date of Survey: 6/5/2005 Certificate Number: 7977</p>

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: KAISER B 18F #008

API: 30-015-34630

Created By	Comment	Comment Date
BArrant	Will require an administrative approval (NSL) for permit approval.	10/20/2005

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: KAISER B 18F #008

API: 30-015-34630

OCD Reviewer	Condition
BArrant	Will require administrative order for non-standard location
BArrant	This is a drill only well. Well cannot produce without a non-standard location approval.
BArrant	Please note that intermediate casing is to be set at @ 1200' and wellbore from surface to the setting of the intermediate casing is to be drilled with fresh water mud.
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, D.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-10;
Revised March 17, 1994

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34630	Pool Code	Pool Name Red Lake, Glorieta-Yeso
Property Code 34899	Property Name KAISER "B" 18F.	Well Number 8
DGEMD No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3284'

Surface Location

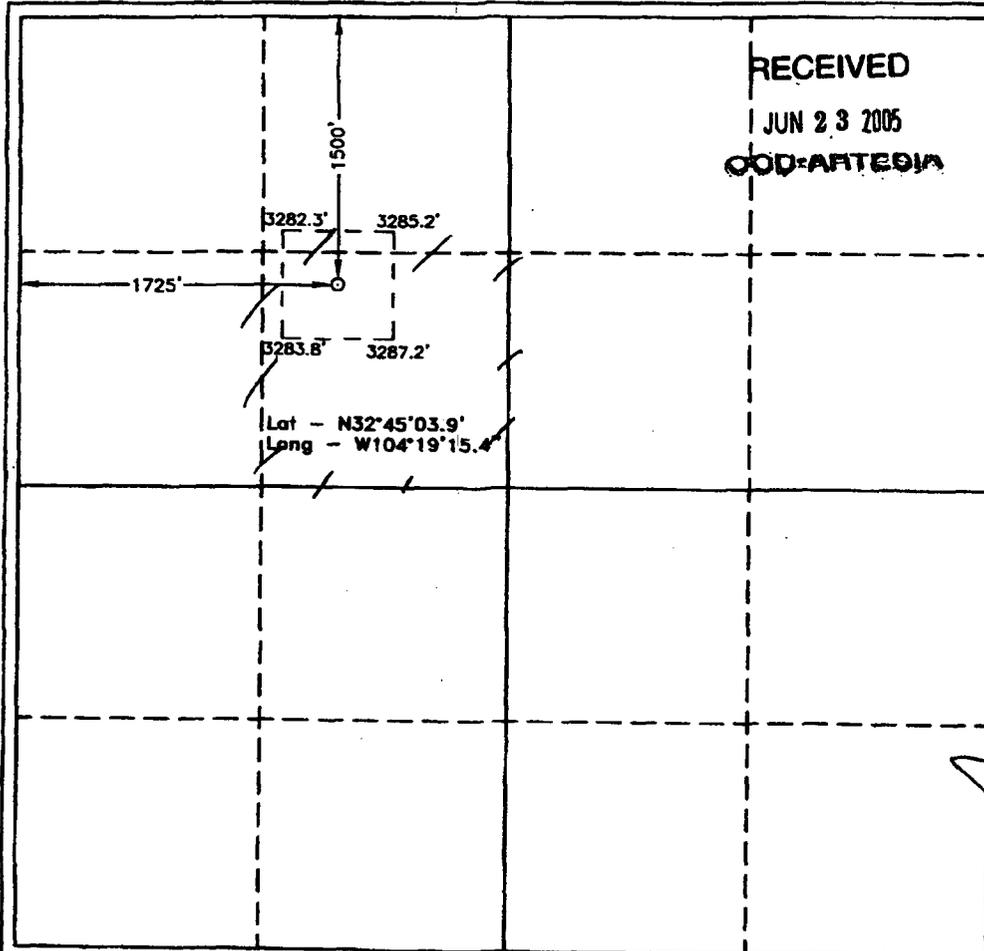
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	18 S	27 E		1500	NORTH	1725	WEST	EDDY

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



RECEIVED
JUN 23 2005
OOD-ARTESIA

OPERATOR CERTIFICATION

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

[Signature]
Signature

Norvella Adams

Sr. Staff Eng. Tech.

June 21, 2005

Date

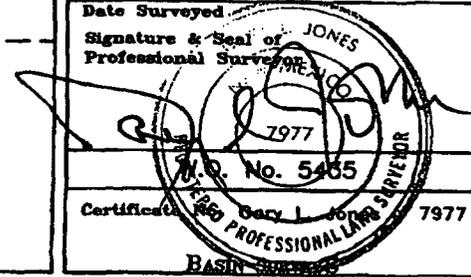
SURVEYOR CERTIFICATION

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.

JUNE 5, 2005

Date Surveyed

Signature & Seal of JONES
Professional Surveyor



Certified Gary L. Jones 1977

Basin