

12/13/06 DATE IN	SUSPENSE	BROOKS ENGINEER	12/14/06 LOGGED IN	NSL TYPE	APP NO: pTDS0634833857
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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  
Arco 20 Fed Com # 2  
5552

## 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.

Print or Type Name	Signature	Title	Date
e-mail Address			



Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260  
Fax 405-552-8113

December 4, 2006

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attn: David Brooks

RECEIVED

DEC 12 2006

RE: Arco 20 Federal Com # 2  
1320' FSL & 2323' FWL  
Section 20-T21S-R26E  
Eddy County, New Mexico

30-015-30599

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

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, has plans to recomplete this well in the Delaware formation. This well was originally drilled to a total depth of 11,321' at an unorthodox surface location due to the topography of the area in October 1999. The well was completed in the Morrow formation and has been in a TA'd status since October 2005.

Inasmuch as the recompleted Delaware is located in the vertical section of the wellbore at an unorthodox location from that permitted by the current Statewide Pool Rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3). This unorthodox location affects the owners in the W/2 of Section 20-T21S-R26E, being Fasken Oil and Ranch LTD, Devon, and Tenneco Oil Company. It also affects the owners in the E/2 of Section 20-T21S-R26E, being Mewborne Oil Company. Therefore, Fasken Oil and Ranch LTD, Tenneco Oil and Mewborne Oil Company have been given notice of this administrative application.

Attached for your review you will find a land plat reflecting Devon, Fasken Oil and Ranch LTD, Tenneco Oil Company, and Mewborne Oil Company as the only affected parties and porosity and resistivity logs reflecting the Delaware interval of interest, and a State of New Mexico form C-102.

Feel free to contact the undersigned at (405) 228-8589 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Brett Hudson  
Petroleum Landman  
Enclosure

DISTRICT I  
 P. O. Box 1980  
 Hobbs, NM 88241-1980

State of New Mexico  
 Energy, Minerals, and Natural Resources Department

EXHIBIT # 2 Form  
 Revised 02-11

Instructions on back

DISTRICT II  
 P. O. Drawer DD  
 Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
 P. O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Submit to the Appropriate  
 District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

DISTRICT III  
 1000 Rio Brazos Rd.  
 Aztec, NM 87410

AMENDED REPORT

DISTRICT IV  
 P. O. Box 2088  
 Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number	2 Pool Code	3 Pool Name
		AVALON (MORROW) <i>E. Catechew</i>
4 Property Code	5 Property Name	6 Well Number
	ARCO 206 FEDERAL COM	2
7 OGRID No. 6137	8 Operator Name	9 Elevation
	DEVON ENERGY CORPORATION (NEVADA)	3449'

**10 SURFACE LOCATION**

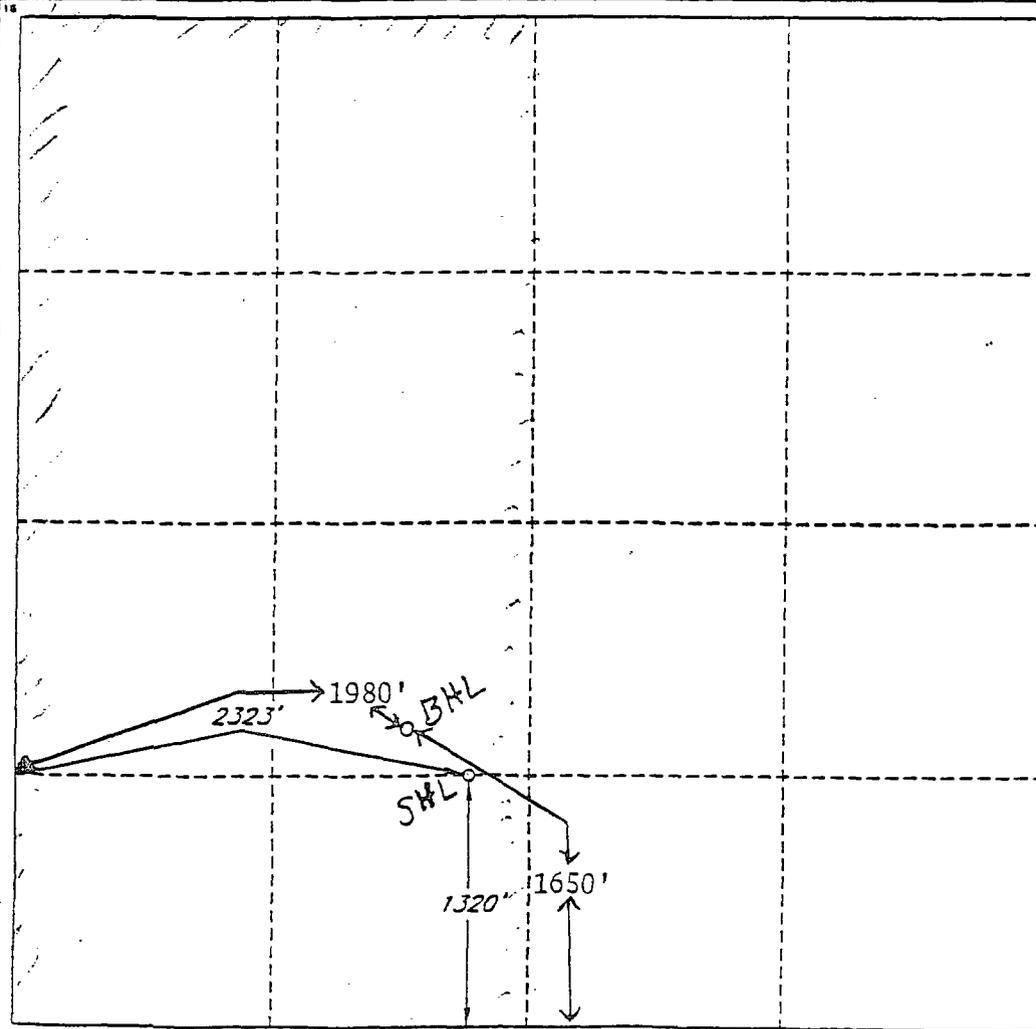
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
LOT 10	20	21 SOUTH	26 EAST, N.M.P.M.		1320'	SOUTH	2323'	WEST	EDDY

**"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE**

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	20	21S	26E		1650	SOUTH	1980	WEST	EDDY

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL 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.

Signature: *Candace R. Graham*

Printed Name: Candace R. Graham

Title: Engineering Tech.

Date: December 28, 1998

**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.

Date of Survey: **SEPTEMBER 24, 1998**

Signature: *Roger M. Robbins*  
 Professional Surveyor

Certificate No.: **ROGER M. ROBBINS P.S. #12128**

JOB # 60447 / 50 NE / RMR

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals, and Natural Resources Department

EXHIBIT # 2 Form C-102  
Revised 02-10-94  
Instructions on back

DISTRICT II  
P. O. Drawer DD  
Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

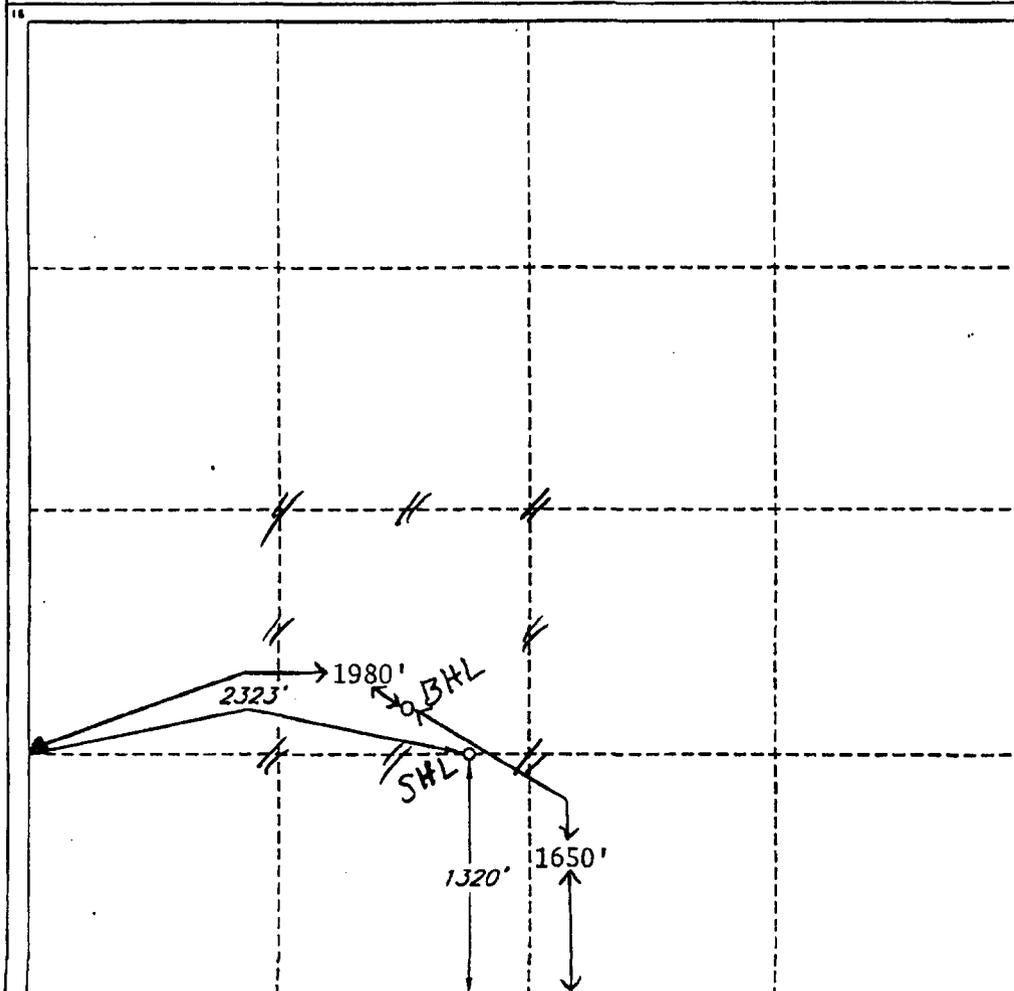
AMENDED REPORT

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-30599		2 Pool Code		3 Pool Name DELAWARE					
4 Property Code		5 Property Name ARCO 206 FEDERAL COM					6 Well Number 2		
7 OGRID No. 6137		8 Operator Name DEVON ENERGY CORPORATION (NEVADA)					9 Elevation 3449'		
10 SURFACE LOCATION									
UL or lot no. LOT 10	Section 20	Township 21 SOUTH	Range 26 EAST, N.M.P.M.	Lot Ida	Feet from the 1320'	North/South line SOUTH	Feet from the 2323'	East/West line WEST	County EDDY
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no. K	Section 20	Township 21S	Range 26E	Lot Ida	Feet from the 1650	North/South line SOUTH	Feet from the 1980	East/West line WEST	County EDDY
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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Candace R. Graham

Printed Name  
Candace R. Graham

Title  
Engineering Tech.

Date  
December 28, 1998

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Date of Survey  
SEPTEMBER 28, 1998

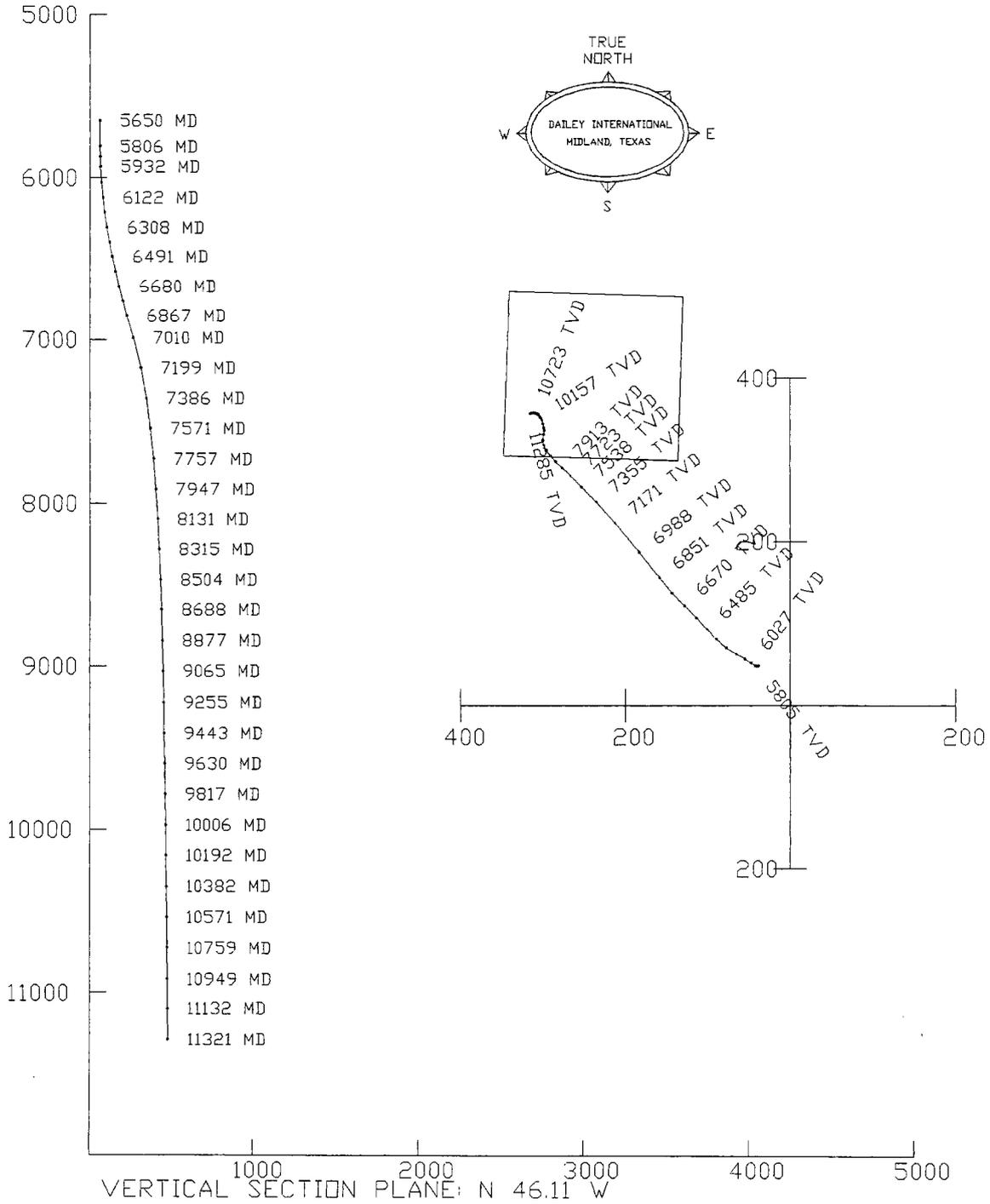
Signature  
Professional Surveyor  
ROGER M. ROBBINS  
REGISTERED PROFESSIONAL SURVEYOR  
12128

Certificate No.  
ROGER M. ROBBINS P.S. #12128

DEVON ENERGY  
 ARCO FEDERAL COM. #2  
 EDDY COUNTY, NEW MEXICO

VERTICAL SECTION  
 SCALE: 1000 FEET/DIVISION  
 REFERENCE: WELL HEAD

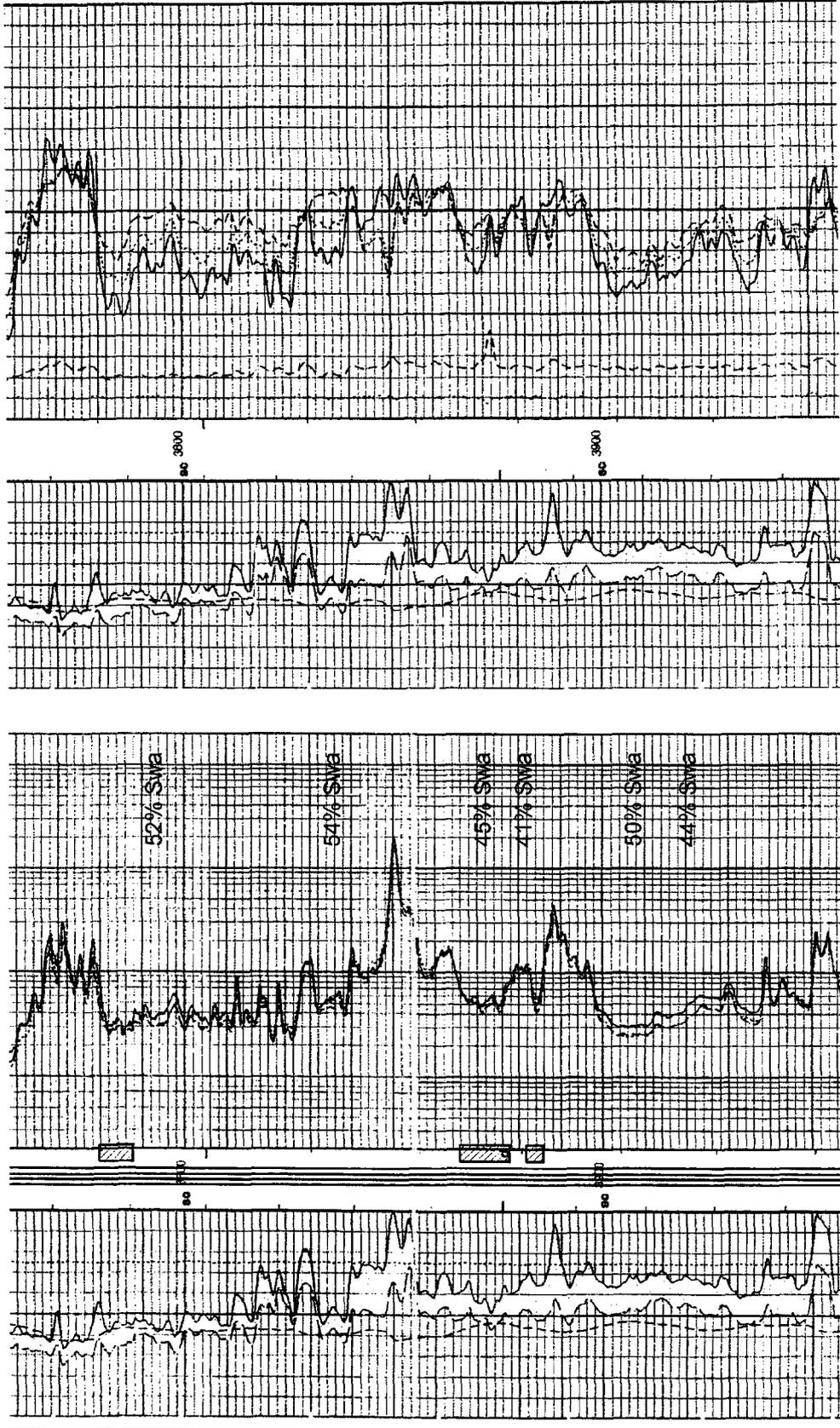
HORIZONTAL PLAN  
 SCALE: 200 FEET/DIVISION  
 REFERENCE: WELL HEAD

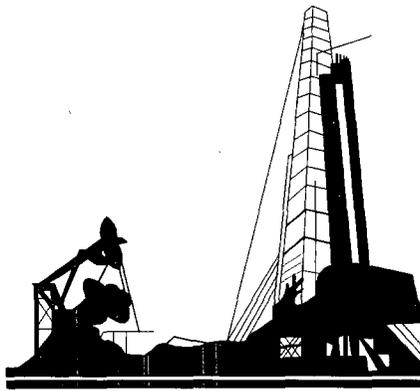




Arco 20 Fed Corn 2 Middle Brushy Canyon PBP  
Recommended Perfs: 3882-3886, 3866-3878, 3780-3788

ARCO 20 FEDERAL C 2  
300 62480068  
10-11-1999  
030  
E3 E3 SW  
10-11-1999





TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3440  
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Brett Hudson 405-552-8113

FROM: David Brooks

DATE: 1-4-07

PAGES: 2

SUBJECT: Arco 20 Fed Com #2  
Eddy County, NM

---

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

January 4, 2007

Mr. Brett Hudson  
Petroleum Landman  
Devon Energy Corporation  
FAX No. 405-552-8113

**Re: Administrative NSL Application  
Arco 20 Fed Com Well No. 2  
20K-20-21S-26E  
Eddy County**

Dear Mr. Hudson:

I have before me the referenced application.

To finish processing the request, we need following additional information:

- (1) Please calculate the horizontal footage locations of the proposed Delaware perforations.
- (2) Please furnish the NSL Order number of the order that originally approved the drilling of this well at an unorthodox location

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,  
Assistant General Counsel

**Brooks, David K., EMNRD**

---

**From:** Hudson, Brett [Brett.Hudson@dvn.com]  
**Sent:** Tuesday, January 09, 2007 12:09 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Mr. Brooks:

Concerning the Tenneco Oil Company interest Devon is well aware that Tenneco Oil Company is no longer in business and in this case it is our understanding that we own this interest from an old assignment to a company in which Devon acquired in the late 90's. I have made several attempts to contact the successors to Tenneco Oil Company about this matter in which several of them have flat out claimed no interest in this tract. I have also contacted the State of Delaware which informed us that Tenneco still has a corporate agent in the State of Connecticut and in Houston, Texas. This corporate agent has been served the well proposal, notice of our application for the NSL, and a notice of our intent to compulsory pool its interest. Hope this helps.

Thanks,

Brett

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Tuesday, January 09, 2007 10:20 AM  
**To:** Hudson, Brett  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Dear Mr. Hudson

Thanks for the information.

I do, however, have another question. One of the parties you indicate was notices was Tenneco Oil Company. Tenneco Oil Company no longer exists. I assume that, as operator of a well to which this working interest pertains, you are in communication with the successor owner. Can you advise as to who was given notice with reference to this interest?

Sincerely

David K. Brooks  
Assistant General Counsel  
505-476-3450

---

**From:** Hudson, Brett [mailto:Brett.Hudson@dvn.com]  
**Sent:** Tuesday, January 09, 2007 7:48 AM  
**To:** Brooks, David K., EMNRD  
**Cc:** Gray, Ken (OKC)  
**Subject:** NSL for the ARCO 20 Fed Com #2

Mr. Brooks:

In response to your attached faxed received by Devon on 1/4/2007 concerning Devon's application for Administrative approval of a NSL location for the Arco 20 Federal

1/9/2007

Com #2 located at 1320' FSL & 2323' FWL Section 20-T21S-R26E, Eddy County, New Mexico Devon and our attorney Jim Bruce in Santa Fe could not find a copy of the original approved NSL for the above well in our files. However since the Morrow is at a legal bottom hole location there may not have ever been an approved NSL for this well originally. The calculated horizontal of the Delaware is 51 N 38.5 W at 1 1/4°. The Perfs in the Delaware are going to be at the following intervals:  
3140'-46'

3158' -65'  
3175' -80'  
3780' -88'  
3866' -78'  
3882' -86'  
4458' -72'

If any additional information is required please contact the undersigned at your earliest convenience.

Thanks,

Brett A. Hudson  
Devon Energy Production Company, L.P.  
Petroleum Landman  
Western Division  
Office: 405.228.8589  
Cell: 405.204.3144  
20 North Broadway  
Oklahoma City, Oklahoma 73102

---

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**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Tuesday, January 09, 2007 4:32 PM  
**To:** 'Hudson, Brett'  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Mr. Hudson

When I looked at your e-mail more closely I realized that I still do not have the information I need to write this order. I need to be able to state the horizontal location in the Delaware in terms of footages from the section lines. Does your statement "51 N 38.5 W" mean that the Delaware location is 51 feet north and 38.5 feet west of the surface location of this well? If so, I can convert that. If not, what does it mean? and how does it convert to footages FSL and FWL of this section?

Thanks for your continuing assistance with this.

David K. Brooks  
Assistant General Counsel  
505-476-3450

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**Cc:** Gray, Ken (OKC)  
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Thanks,

1/9/2007

Brett A. Hudson  
Devon Energy Production Company, L.P.  
Petroleum Landman  
Western Division  
Office: 405.228.8589  
Cell: 405.204.3144  
20 North Broadway  
Oklahoma City, Oklahoma 73102

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**Brooks, David K., EMNRD**

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**To:** Hudson, Brett

**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Dear Mr. Hudson

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Assistant General Counsel  
505-476-3450

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**Sent:** Tuesday, January 09, 2007 7:48 AM  
**To:** Brooks, David K., EMNRD  
**Cc:** Gray, Ken (OKC)  
**Subject:** NSL for the ARCO 20 Fed Com #2

Mr. Brooks:

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Thanks,

Brett A. Hudson

1/9/2007

Devon Energy Production Company, L.P.  
Petroleum Landman  
Western Division  
Office: 405.228.8589  
Cell: 405.204.3144  
20 North Broadway  
Oklahoma City, Oklahoma 73102

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**Brooks, David K., EMNRD**

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**From:** Hudson, Brett [Brett.Hudson@dvn.com]  
**Sent:** Tuesday, January 09, 2007 7:48 AM  
**To:** Brooks, David K., EMNRD  
**Cc:** Gray, Ken (OKC)  
**Subject:** NSL for the ARCO 20 Fed Com #2  
**Attachments:** Hudson, Brett (hudsob) - 01-08-07 - X7M33S7.pdf

Mr. Brooks:

In response to your attached faxed received by Devon on 1/4/2007 concerning Devon's application for Administrative approval of a NSL location for the Arco 20 Federal Com #2 located at 1320' FSL & 2323' FWL Section 20-T21S-R26E, Eddy County, New Mexico Devon and our attorney Jim Bruce in Santa Fe could not find a copy of the original approved NSL for the above well in our files. However since the Morrow is at a legal bottom hole location there may not have ever been an approved NSL for this well originally. The calculated horizontal of the Delaware is 51 N 38.5 W at 1 1/4°. The Perfs in the Delaware are going to be at the following intervals:

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Thanks,

Brett A. Hudson  
 Devon Energy Production Company, L.P.  
 Petroleum Landman  
 Western Division  
 Office: 405.228.8589  
 Cell: 405.204.3144  
 20 North Broadway  
 Oklahoma City, Oklahoma 73102

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1/9/2007

**Brooks, David K., EMNRD**

---

**From:** Ysasaga, Stephanie [Stephanie.Ysasaga@dvn.com]  
**Sent:** Wednesday, January 17, 2007 3:16 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Hudson, Brett  
**Subject:** NSL for the ARCO 20 Fed Com #2  
**Attachments:** Arco 20 Federal Com 2\_Revised C-102.pdf

David,

Attached is the revised C-102 for the Delaware completion. ☺

*Stephanie A. Ysasaga*

Sr. Staff Engineering Technician  
(405)-552-7802 Phone  
(405)-552-8113 Fax  
Corporate Tower 03.056  
[Stephanie.Ysasaga@dvn.com](mailto:Stephanie.Ysasaga@dvn.com)

---

**From:** Hudson, Brett  
**Sent:** Thursday, January 11, 2007 5:05 PM  
**To:** Gray, Ken (OKC)  
**Subject:** FW: NSL for the ARCO 20 Fed Com #2

I just got off the phone with Jim Bruce and he filed the pooling for NE/SW of Section 20, Township 21 South, Range 26 East, Eddy County, New Mexico.

---

**From:** Gray, Ken (OKC)  
**Sent:** Thursday, January 11, 2007 7:37 AM  
**To:** Hudson, Brett  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Stephanie handles that but call Jim Bruce 505-9822043 first to see which 40 he filed for so Stephanie will know which 40 to designate on the c-102

---

**From:** Hudson, Brett  
**Sent:** Wednesday, January 10, 2007 4:23 PM  
**To:** Gray, Ken (OKC)  
**Subject:** FW: NSL for the ARCO 20 Fed Com #2

Does Stephanie handle this??

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, January 10, 2007 10:55 AM  
**To:** Hudson, Brett  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Mr. Hudson

1/26/2007

I have one more question regarding this application. You did not submit a C-102 for the Delaware completion. In the Delaware this would be a 160-acre gas unit or a 40-acre oil unit. Which do you contemplate?

---

**From:** Hudson, Brett [mailto:Brett.Hudson@dvn.com]  
**Sent:** Wednesday, January 10, 2007 6:37 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

Yes sir that it means that the Delaware is 51 feet North and 38.5 feet west of the surface location of this well. Sorry for the confusion.

Brett

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Tuesday, January 09, 2007 5:32 PM  
**To:** Hudson, Brett  
**Subject:** RE: NSL for the ARCO 20 Fed Com #2

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Assistant General Counsel  
505-476-3450

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**Cc:** Gray, Ken (OKC)  
**Subject:** NSL for the ARCO 20 Fed Com #2

Mr. Brooks:

In response to your attached faxed received by Devon on 1/4/2007 concerning Devon's application for Administrative approval of a NSL location for the Arco 20 Federal Com #2 located at 1320' FSL & 2323' FWL Section 20-T21S-R26E, Eddy County, New Mexico Devon and our attorney Jim Bruce in Santa Fe could not find a copy of the original approved NSL for the above well in our files. However since the Morrow is at a legal bottom hole location there may not have ever been an approved NSL for this well originally. The calculated horizontal of the Delaware is 51 N 38.5 W at 1 1/4°. The Perfs in the Delaware are going to be at the following intervals:  
3140' -46'

3158' -65'  
3175' -80'  
3780' -88'

1/26/2007

3866' -78'  
3882' -86'  
4458' -72'

If any additional information is required please contact the undersigned at your earliest convenience.

Thanks,

Brett A. Hudson  
Devon Energy Production Company, L.P.  
Petroleum Landman  
Western Division  
Office: 405.228.8589  
Cell: 405.204.3144  
20 North Broadway  
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