

DATE IN 10/4/07	SUSPENSE	D. BRUCKS ENGINEER	LOGGED IN 10/4/07	TYPE NSL	APP NO. TDS0727759033
--------------------	----------	-----------------------	----------------------	-------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Devon
 Arena Rijo Fed U#4*

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 _____

RECEIVED
 2007 OCT 4 PM 3:43

[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
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Signature

James Bruce

Attorney for Applicant
 Title Date

jamesbruc@aol.com
 e-mail Address

10/4/07

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

October 4, 2007

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

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

<u>Well:</u>	Arena Roja Federal Unit Well No. 4
<u>Location:</u>	2300 feet FSL & 660 feet FEL
<u>Well unit:</u>	S½ of Section 15, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Wildcat Morrow). Applicant requests approval of an unorthodox location in the Morrow, Atoka (Undesignated Arena Roja-Pennsylvanian (Atoka) Gas Pool), and Strawn (Undesignated Talco-Strawn Gas Pool) formations. The formations are spaced on 320 acres, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line.

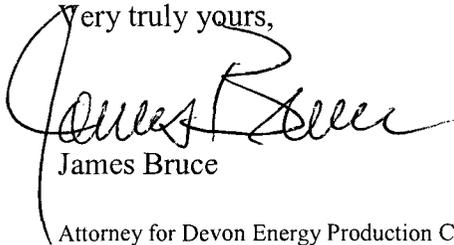
The location is based on geophysical reasons in the Strawn formation. Attached as Exhibit A is a seismic isopach of the Strawn formation. The Strawn formation at the proposed location is approximately 100 feet thicker than at the nearest orthodox location, 1980 feet from the north line. Attached as Exhibit B is a Strawn structure map, showing that moving the well to the north of an orthodox location also places the well at a better structural position.

The proposed well will be drilled to a depth of 15,800 feet, and will cost approximately \$6,500,000. Therefore, applicant desires to drill it at a location which will maximize its chances to drill an economic well.

Attached as Exhibit C is a land plat outlining the Arena Roja Federal Unit. Applicant and Chesapeake Exploration Corporation are 50-50 working interest owners in the unit. All of Section 15 is covered by Federal Lease NM 96256 (serial register attached as Exhibit D), which has common ownership. Thus, encroaching on the N½ of Section 15 does not affect any interest owner. In addition, offsetting Section 14 is covered by Federal Lease NM 95683 (serial register attached as Exhibit E), owned by applicant and Chesapeake Exploration Corporation. Thus, there is no adversely affected offset owner, and no one has been notified of this application.

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

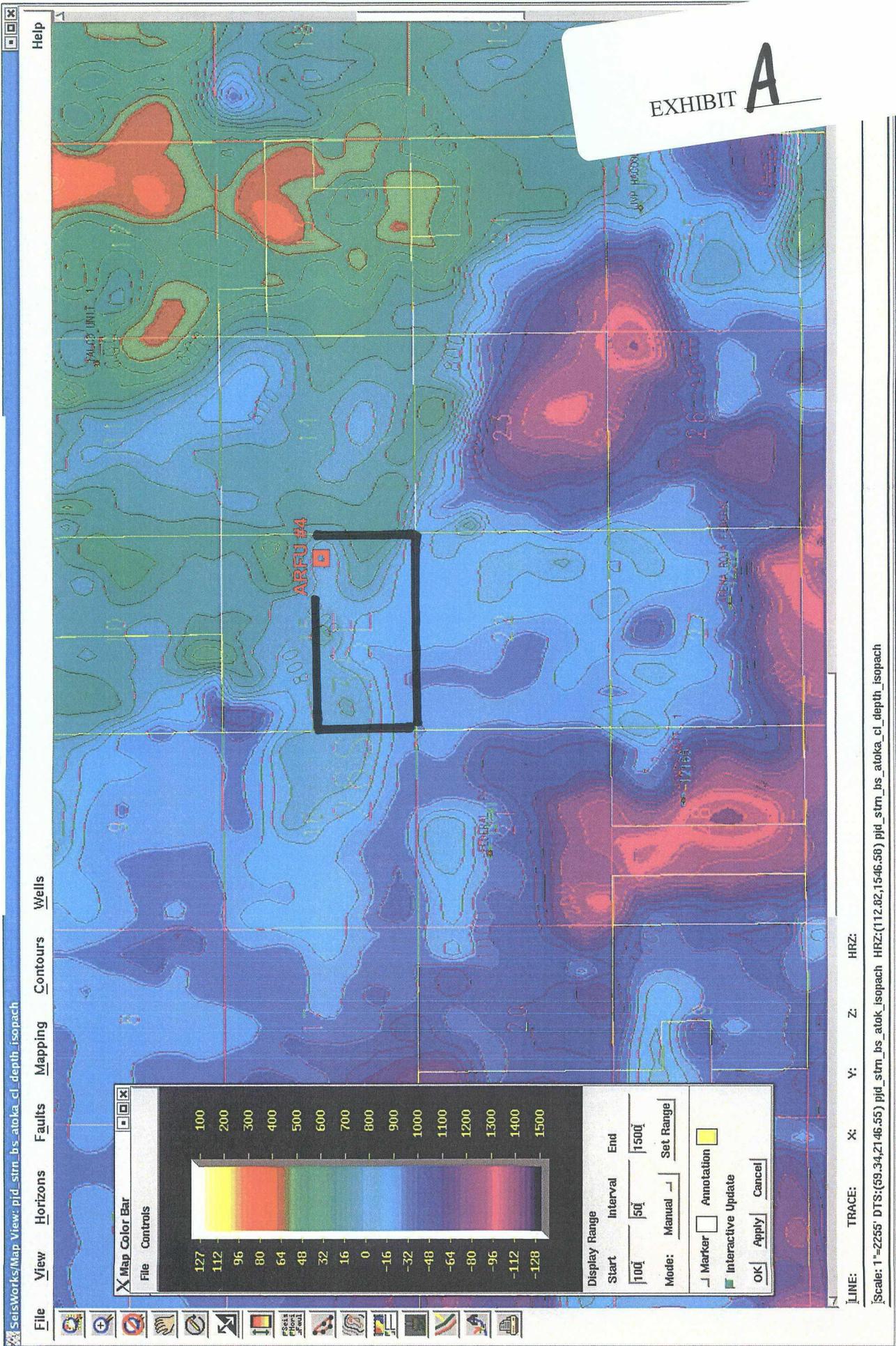
Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive style with a large initial "J".

James Bruce

Attorney for Devon Energy Production Company, L.P.

Arena Roja STRN Isopach Map





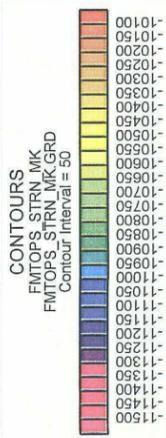
Lea County, New Mexico

Arena Roja Field

Top of Strawn Structure Map

POSTED WELL DATA
Well Label

ISOCHORE[MK] (FT) • FMTOPS - STRN[MK]



WELL SYMBOLS

- Location Only
- Gas Well
- Dry Hole
- Service Well
- Plugged and Abandoned
- Suspended Gas Well

REMARKS

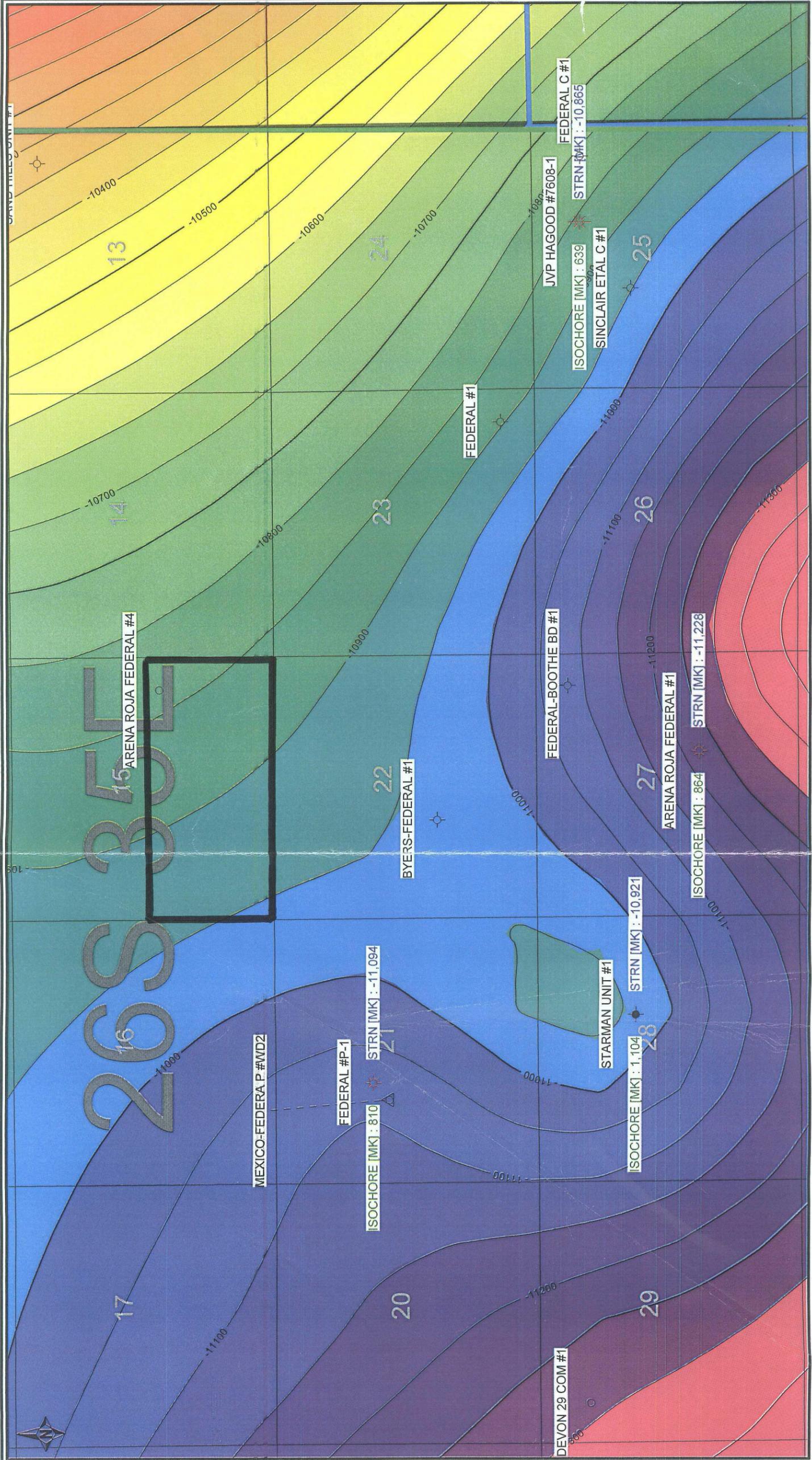
Contour depths are subsea.

By: Mel Klinger

MAP PROJECTION
State Plane: New Mexico East (NAD27)
Transverse Mercator Projection
XY Units : FEET
Ellipsoid: Clarke 1866
Central Meridian : -104.333333
Latitude of Origin : 31.000000
False Northing : 0.0
False Easting : 152400.3
Scale Factor At Origin : 0.9999

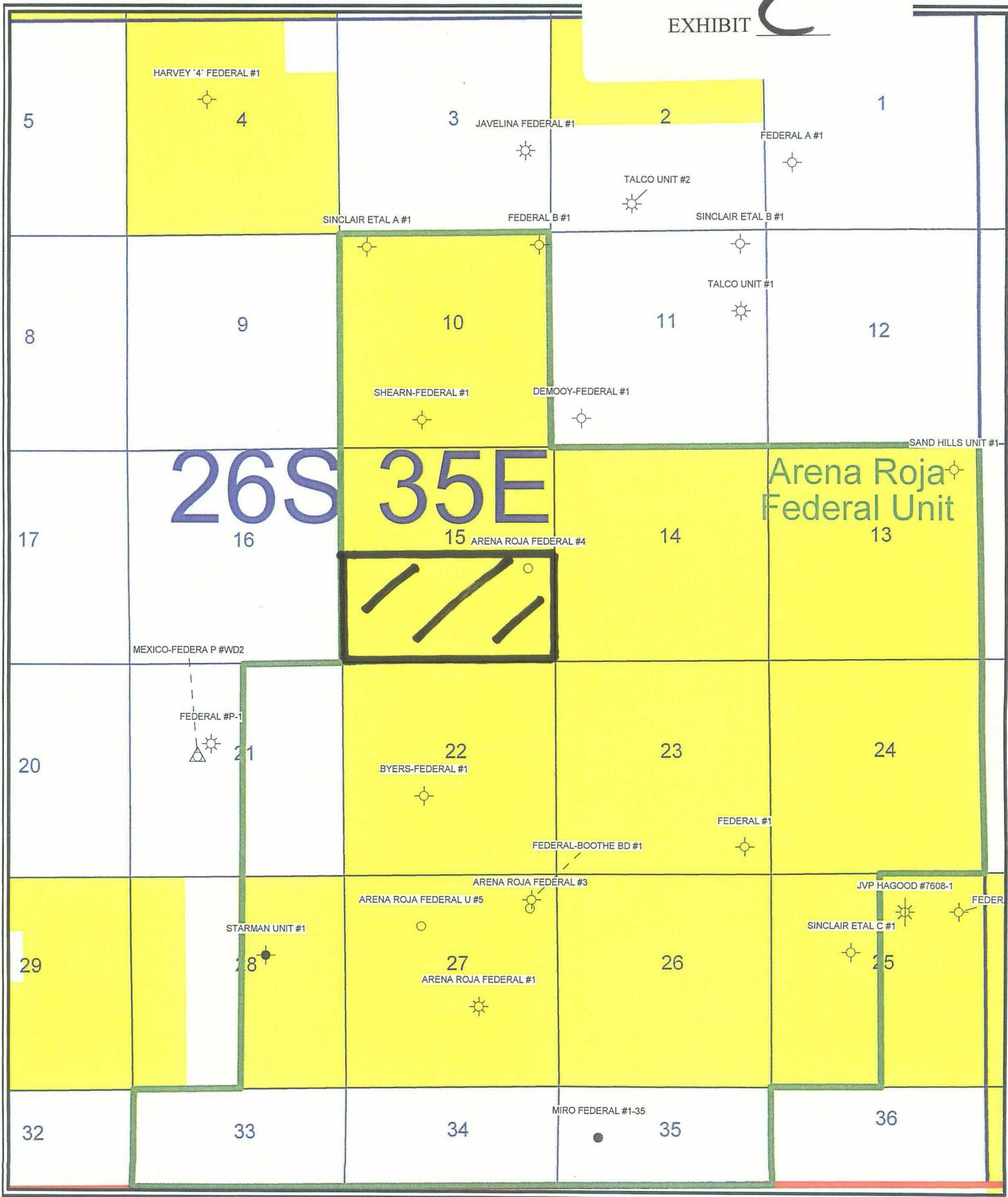


October 1, 2007



PIETRA 10/1/2007 3:49:45 PM

EXHIBIT C



26S 35E

Arena Roja Federal Unit

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 10/04/07 10:50 AM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
640.000

Serial Number
NMNM-- - 096256

Serial Number: NMNM-- - 096256

Name & Address

Int Rel % Interest

DEVON ENERGY PROD CO LP 20 N BROADWAY #1500 OKLAHOMA CITY OK 73102 LESSEE 100.000000000

Serial Number: NMNM-- - 096256

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0260S	0350E	015	ALL	ENTIRE SECTION	CARLSBAD FO	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 096256
 Pending Office

Act Date	Code	Action	Action Remarks
01/17/1996	387	CASE ESTABLISHED	9601124;
01/18/1996	191	SALE HELD	
01/18/1996	267	BID RECEIVED	\$83200.00;
01/18/1996	392	MONIES RECEIVED	\$1280.00;
01/29/1996	392	MONIES RECEIVED	\$81920.00;
02/12/1996	237	LEASE ISSUED	
02/12/1996	974	AUTOMATED RECORD VERIF	GSB
02/20/1996	600	RECORDS NOTED	
03/01/1996	496	FUND CODE	05;145003
03/01/1996	530	RLTY RATE - 12 1/2%	
03/01/1996	868	EFFECTIVE DATE	
03/11/1996	084	RENTAL RECEIVED BY MMS	\$960.00;11/MULTIPLE
06/12/1996	963	CASE MICROFILMED	
01/16/1997	084	RENTAL RECEIVED BY MMS	\$960.00;21/0000000060
01/21/1998	084	RENTAL RECEIVED BY MMS	\$960.00;21/0000000102
01/25/1999	899	TRF OF ORR FILED	
01/26/1999	084	RENTAL RECEIVED BY MMS	\$960.00;21/0000000038
02/10/1999	140	ASGN FILED	PENWELL/CONCHO
03/12/1999	139	ASGN APPROVED	EFF 03/01/99;
03/12/1999	974	AUTOMATED RECORD VERIF	LR
02/07/2000	084	RENTAL RECEIVED BY MMS	\$960.00;21/117
02/12/2001	084	RENTAL RECEIVED BY MMS	\$1280;21/206
08/16/2001	817	MERGER RECOGNIZED	CONCHO RES/DEVON ENE
04/19/2005	232	LEASE COMMITTED TO UNIT	NMNM112744X;ARENAROJA
01/31/2006	651	HELD BY PROD - ALLOCATED	UA NM112744X
07/26/2006	235	EXTENDED	BY PROD;
08/04/2006	791	TERMINAT'N NOTICE ISSUED	CLASS II;
08/14/2006	643	PRODUCTION DETERMINATION	UA NM112744X
08/14/2006	658	MEMO OF 1ST PROD-ACTUAL	UA NM112744X
08/24/2006	792	TERMINATION VACATED	
08/24/2006	974	AUTOMATED RECORD VERIF	BTM
08/28/2006	042	CASE SENT TO	JVIGIL;

EXHIBIT 

Line Nr Remarks

Serial Number: NMNM-- - 096256

NO WARRANTY IS MADE BY BLM
 FOR USE OF THE DATA FOR
 PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

RunDate/Time: 10/04/07 10:50 AM

Page 2 of 2

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
640.000

Serial Number
NMNM-- - 096256

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 10/04/07 10:38 AM

Page 1 of 2

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
2,520.000

Serial Number
NMNM-- - 094863

Serial Number: NMNM-- - 094863

Name & Address

Int Rel % Interest

DEVON ENERGY PROD CO LP 20 N BROADWAY #1500 OKLAHOMA CITY OK 73102 LESSEE 100.000000000

Serial Number: NMNM-- - 094863

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0260S	0350E	014	ALL		ENTIRE SECTION	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0260S	0350E	024	ALIQ		E2NE,SWNE,W2,SE;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0260S	0350E	025	ALL		ENTIRE SECTION	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0260S	0350E	026	ALL		ENTIRE SECTION	CARLSBAD FO	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 094863

Act Date	Code	Action	Action Remarks	Pending Office
04/18/1995	387	CASE ESTABLISHED	9504047	
04/19/1995	191	SALE HELD		
04/19/1995	267	BID RECEIVED	\$226800.00;	
04/19/1995	392	MONIES RECEIVED	\$5040.00;	
05/02/1995	392	MONIES RECEIVED	\$221760.00;	
05/03/1995	974	AUTOMATED RECORD VERIF		JLR
05/16/1995	237	LEASE ISSUED		
05/16/1995	974	AUTOMATED RECORD VERIF	SSP	
05/19/1995	600	RECORDS NOTED		
05/25/1995	084	RENTAL RECEIVED BY MMS	\$3780.00;21/MULTIPLE	
06/01/1995	496	FUND CODE	05;145003	
06/01/1995	868	EFFECTIVE DATE		
06/14/1995	963	CASE MICROFILMED		PAR
05/06/1996	084	RENTAL RECEIVED BY MMS	\$3780.00;21/000000005	
06/01/1996	530	RLTY RATE - 12 1/2%		
05/06/1997	084	RENTAL RECEIVED BY MMS	\$3780.00;21/000000005	
05/04/1998	084	RENTAL RECEIVED BY MMS	\$3780.00;21/000000006	
05/05/1999	084	RENTAL RECEIVED BY MMS	\$3,780.00;21/000000000	
07/01/1999	940	NAME CHANGE RECOGNIZED	SF ENE RES/SF SNYDER	
07/01/1999	974	AUTOMATED RECORD VERIF	JLV	
05/04/2000	084	RENTAL RECEIVED BY MMS	\$5040;21/75	
10/11/2000	940	NAME CHANGE RECOGNIZED	SANTA FE/DEVON SFS	
10/11/2000	974	AUTOMATED RECORD VERIF	AT	
05/03/2001	084	RENTAL RECEIVED BY MMS	\$5040;21/87	
12/12/2002	817	MERGER RECOGNIZED	DEVONSFS/DEVONENEPD	
03/01/2005	676	SUS OPS & PROD/NO PMT		
03/31/2005	673	SUS OPS/PROD APLN FILED		
04/19/2005	232	LEASE COMMITTED TO UNIT	NMNM112744X;ARENAROJA	FLUIDS TEAM
04/25/2005	974	AUTOMATED RECORD VERIF	BCO	
07/01/2005	678	SUSP LIFTED		

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

EXHIBIT **E**

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

RunDate/Time: 10/04/07 10:38 AM

Page 2 of 2

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
2,520.000

Serial Number
NMNM-- - 094863

09/30/2005	235	EXTENDED	THRU 09/30/2007;
01/31/2006	651	HELD BY PROD - ALLOCATED	UA NM112744X
08/11/2006	643	PRODUCTION DETERMINATION	UA NM112744X
08/11/2006	658	MEMO OF 1ST PROD-ACTUAL	UA NM112744X
10/23/2006	974	AUTOMATED RECORD VERIF	BCO
11/03/2006	974	AUTOMATED RECORD VERIF	ANN

Line Nr Remarks

Serial Number: NMNM-- - 094863