

3/25/08 DATE IN	SUSPENSE	Brooks ENGINEER	3/25/08 LOGGED IN	NSL TYPE	PKURO808539937 APP NO
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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 Energy Production Company LP
Falcon 3K Federal #27

ADMINISTRATIVE APPLICATION CHECKLIST 5818

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 _____

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[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 *- Rife 4/15*
- [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

James Bruce

 Signature

Attorney for Applicant

 Title

3/24/08

 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)

jamesbruc@aol.com

March 24, 2008

Hand delivered

Mark E. Fesmire
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 oil well location for the following well:

<u>Well:</u>	Falcon 3K Federal Well No. 27
<u>Location:</u>	1895 feet FSL & 1410 feet FWL
<u>Well unit:</u>	NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to test the Red Lake Queen-Grayburg-San Andres Pool and the Red Lake Glorieta-Yeso Pool. The pools are spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. The Form C-102 for the well is attached as **Exhibit A**.

The application is based on engineering and topographical reasons. Applicant has had an ongoing development program in this area for a number of years, and generally drills 3 or 4 wells per well unit to produce all reserves.¹ The Falcon 3K Federal Well No. 15 (2360 feet FSL & 1700 feet FWL) and Falcon 3K Federal Well No. 16 (1850 feet FSL & 2120 feet FWL) are currently located on the well unit. Applicant desires to move the proposed well away from the existing wells to prevent interference. In addition, the surface is federally owned, and the Bureau of Land Management requires operators to locate wells near existing roads to minimize surface

¹ In Case No. 13185 applicant presented evidence that drainage in the offsetting Northeast Red Lake Glorieta-Yeso Pool is about 12 acres.

disturbance. **Exhibit B.** In addition, there are existing gas and water pipelines in the area which restrict surface locations.

The well encroaches on the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3. Attached as **Exhibit C** is a listing of interest owners in the well unit for the proposed well, and in the offsetting well unit. Notice has been given to the non-common owners. **Exhibit D.**

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, looping initial "J".

James Bruce

Attorney for Devon Energy Production Company, L.P.

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36314	Pool Code	Pool Name <i>Red Lake Queen - GB-5A</i> <i>Red Lake Glorita Yeso</i>
Property Code	Property Name FALCON "3K" FEDERAL	Well Number 27
OGRID No.	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3565'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	3	18 S	27 E		1895	SOUTH	1410	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								
<table border="1"> <tr> <td>Dedicated Acres</td> <td>Joint or Infill</td> <td>Consolidation Code</td> <td>Order No.</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>										Dedicated Acres	Joint or Infill	Consolidation Code	Order No.				
Dedicated Acres	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>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 28, 2007</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p>
	<p>SURFACE LOCATION Lat - N32°46'28.90" Long - W104°16'13.22" SPC- N.: 645569.900 E.: 560701.169 (NAD-83)</p>
	<p>EXHIBIT A</p>
<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	

SECTION 3, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

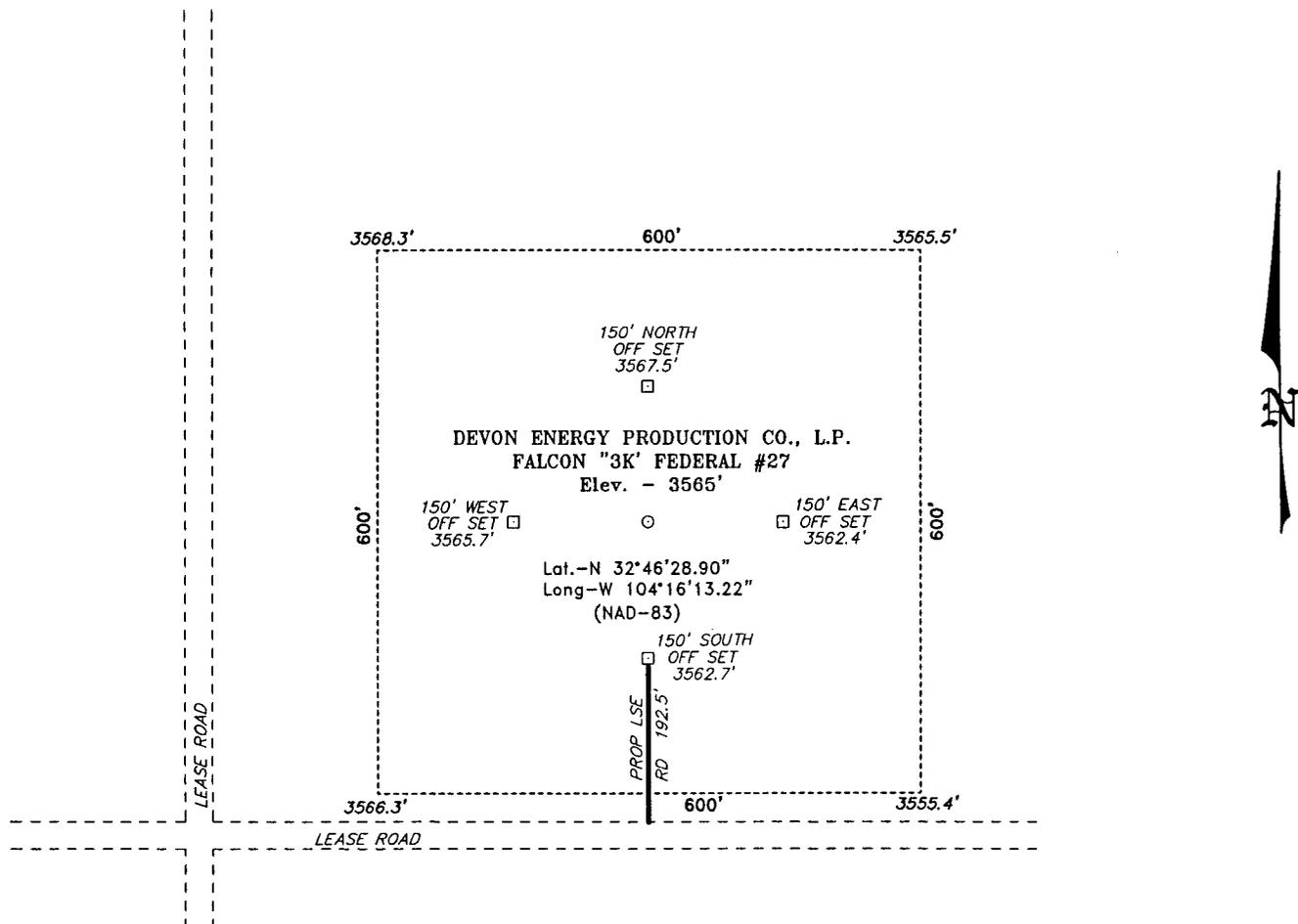
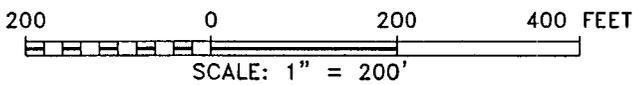


EXHIBIT **B**



Directions to Location:

FROM THE JUNCTION OF LITTLE DIAMOND AND EMPIRE, GO WEST 0.9 MILES TO LEASE ROAD, ON LEASE ROAD TURN LEFT AND TO 0.2 MILES TO LEASE ROAD, ON LEASE ROAD TURN LEFT AND GO 0.1 MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 18952 Drawn By: J. M. SMALL

Date: 01-04-2008 Disk: 18952W JMS

DEVON ENERGY PROD. CO., L.P.	
REF: FALCON "3K" FEDERAL #27 / WELL PAD TOPO	
THE FALCON "3K" FEDERAL #27 LOCATED 1895'	
FROM THE SOUTH LINE AND 1410' FROM THE WEST LINE OF	
SECTION 3, TOWNSHIP 18 SOUTH, RANGE 27 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 12-28-2007	Sheet 1 of 1 Sheets

Interest Owner Respondents – Unorthodox Location Application

Falcon 3K Federal 27
1895' FSL & 1410' FWL of Section 3-T18S-R27E
Eddy County, New Mexico

Lease - USA NM LC-065478-B – NE/4SW/4

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

Minerals Management Service
Royalty Management Program
P.O. Box 5810
Denver, CO 80217

Occidental Permian LP
Attn: David R. Evans
6 Desta Drive, Suite 600
Midland, Texas 79705

OXY USA WTP LP
Attn: David R. Evans
6 Desta Drive, Suite 600
Midland, Texas 79705

Occidental Permian LP
Attn: Joint Venture Manager
P.O. Box 50250
Midland, TX 79710

OXY USA WTP LP
Attn: Joint Venture Manager
P.O. Box 50250
Midland, TX 79710

Scott E. Wilson and Wife
4601 Mirador Drive
Austin, Texas 78735-1554

Richard K. Barr and Wife
206 Swede Creek
Boerne, Texas 78006-5976

Lease - USA NM LC-061783-B- NW/4SW/4

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

Minerals Management Service
Royalty Management Program
P.O. Box 5810
Denver, CO 80217

Occidental Permian Ltd. Partnership
Attn: David R. Evans
6 Desta Drive, Suite 600
Midland, Texas 79705

Occidental Permian Ltd. Partnership
Attn: Joint Venture Manager
P.O. Box 50250
Midland, Texas 79705

Ann Z. Bradford Living Trust
UDO December 5, 2002
1036 Bell Street
Edmonds, WA 98020-2903

Robert H. Ziegler, Jr.
P.O. Box 8621
Ketchikan, AK 99901

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

March 24, 2008

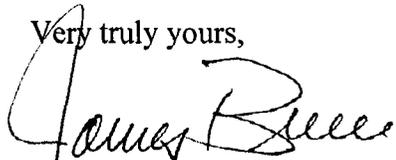
Certified Mail – Return Receipt Requested

To: Persons on Exhibit A

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 Red Lake Queen-Grayburg-San Andres Pool and the Red Lake Glorieta-Yeso Pool in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the offsetting NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3. 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 later date.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

EXHIBIT **D**

EXHIBIT A

Occidental Permian Ltd.
P.O. Box 50250
Midland, Texas 79710

Ann Z. Bradford Living Trust
1036 Bell Street
Edmonds, Washington 98020

Robert H. Ziegler, Jr.
P.O. Box 8621
Ketchikan, Alaska 99901

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected.

The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

4 Records Found

Displaying Screen 1 of 1

- | API Number | ULSTR | Footages |
|---|--------------|---------------------|
| <input type="radio"/> 3001501210 | K -3-18S-27E | 1650 FSL & 2310 FWL |
| Well Name & Number: EMPIRE ABO UNIT No. 010C | | |
| Operator: BP AMERICA PRODUCTION COMPANY | | |
| <input type="radio"/> 3001529164 | K -3-18S-27E | 2360 FSL & 1700 FWL |
| Well Name & Number: FALCON 3 K FEDERAL No. 015 | | |
| Operator: DEVON ENERGY PRODUCTION COMPANY, LP | | |
| <input type="radio"/> 3001529574 | K -3-18S-27E | 1850 FSL & 2120 FWL |
| Well Name & Number: FALCON 3 K FEDERAL No. 016 | | |
| Operator: DEVON ENERGY PRODUCTION COMPANY, LP | | |
| <input type="radio"/> 3001536314 | K -3-18S-27E | 1895 FSL & 1410 FWL |
| Well Name & Number: FALCON 3 K FEDERAL No. 027 | | |
| Operator: DEVON ENERGY PRODUCTION COMPANY, LP | | |

4 Records Found

Displaying Screen 1 of 1

[Continue](#)[Go Back](#)