

NSL 3/23/98

Devon 16

**devon**

**ENERGY CORPORATION**

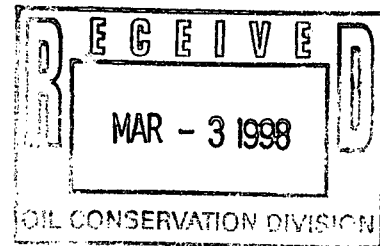
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Telephone 405/235-3611  
FAX 405/552-4550

March 2, 1998

**VIA OVERNIGHT DELIVERY**

Michael E. Stogner  
State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505



Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Devon Energy Corporation (Nevada) ("Devon") applies for administrative approval of an unorthodox oil well location for the following well:

Carter Collier 5 Federal #9  
330' FNL & 2360' FEL  
SW/4 NE/4, Section 5-T18S-R27E  
Eddy County, New Mexico

The well will be drilled to test the San Andres formation (Red Lake-Queen-Grayburg-San Andres Pool). The pool is subject to statewide rules, with 40 acre well units, and wells to be located no closer than 330 feet to a quarter-quarter section line. Attached as Exhibit A is a Form C-102 for the well.

The original location proposed by Devon was at an orthodox location 330' FNL & 2310' FEL. The current location is non-standard due to topographic reasons.

Attached, as Exhibit B is a topographic map, which shows the proximity of the location of the Carter Collier 5 Federal #9 to the county road. Due to this feature, the Bureau of Land Management required Devon to move the well to the proposed location.

Attached, as Exhibit C is a land plat of the area. Offset operators in the subject pool include

SDX  
Nearburg

Midland, Texas  
Midland, Texas

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State of New Mexico  
Energy, Minerals and Natural Resources Dept.  
Oil Conservation Division

They have been notified of this application by certified mail, and a copy of the notice letter is attached also as Exhibit D.

The lease on which the proposed well is located, and the offsetting leases, are both federal leases, and there is no effect on the royalty owners.

Directional drilling to an orthodox location is not feasible because it would add 40% to the cost of the well, and increase operational costs by 30%. Because these wells are not prolific producers (averaging 40 BOPD), the added costs would make the well uneconomic.

The subject pool is continuous across this area, trending in a northeast-southwest direction. Thus, geology is not a factor in this well location. Although no decision has yet been made, Devon is considering the possibility of a future waterflood for this pool, and the proposed well fits into a waterflood pattern. (A well at an orthodox location would be better for a waterflood pattern but the BLM will not allow a well at the location we desire.)

Based on the foregoing, we request approval of the above location. Please call me at (405) 552-4509 if you need anything further on this matter.

Very truly yours,

DEVON ENERGY CORPORATION (NEVADA)



E. L. Buttross, Jr.  
District Engineer

ELB\dk  
Enclosures

cc: Jim Bruce

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**EXHIBIT A** ☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Red Lake (Q-GB-SA)
Property Code	Property Name	Well Number
	Carter Collier 5 Federal	9
OGRID No.	Operator Name	Elevation
	Devon Energy Corporation	3474'

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 2	5	18 S	27 E		330	North	2360	East	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	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <u>E.L. Buttross Jr.</u> Signature E.L. Buttross, Jr. Printed Name District Engineer Title November 14, 1997 Date
	<b>SURVEYOR CERTIFICATION</b>  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.  October 30, 1997 Date Surveyed
	<u>[Signature]</u> Signature & Seal of Professional Surveyor W.O. No. 7576g Certificate No. Gary L. Jones 7977
	BASIN SURVEYS





Carter Collier 5 Fed #9  
NSC

'36' 1  
BIG BOGGY ST 1X



SDX  
Resources

Group  
3

Group 2

Dvn-part  
\*

Group 2

Fred  
Turner

Exxon

ST BZ 2



HEARD ST 2

Dvn-part

BRECK ST 1



Wearburg

Marbob



ST BZ 2



HEARD ST 2

Dvn-part

BRECK ST 1



Wearburg

Marbob



ST BZ 2



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Wearburg

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# EXHIBIT D

**devon**

ENERGY CORPORATION

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Telephone 405/555-1234  
FAX 405/555-1234

February 27, 1998

**Certified Mail No. P 397 639 547**

Nearburg Producing Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, TX 79705-5421

RE: Non-Standard Location Approval  
Proposed 2800' San Andres Test  
Carter Collier 5 Federal #9  
330' FNL & 2360' FEL  
Sec. B-5-18S-27E  
Eddy County, New Mexico

Gentlemen:

Devon Energy Corporation (Nevada) has applied for "Non-Standard Location" approval for the referenced well. This unorthodox location is necessary due to the standard location being too close to the county road. (see attached topography map). The proposed wellsite offsets the following lease which our records indicate you operate in the south half of the SE/4 of Section 32-T17S-R27E.

Carter Collier 5 Federal #9  
Non-Standard Location Approval  
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Nearburg Producing Company

The NMOCD Non-Standard Location Approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please contact Ernie Buttross, Jr., at (405) 235-3611, X4509.

Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)

A handwritten signature in black ink, appearing to read "Diana Keys". The signature is fluid and cursive, with the first name "Diana" being more prominent than the last name "Keys".

Diana Keys  
Engineering Tech.

/dk

cc: Oil Conservation Division - Santa Fe, NM



ENERGY CORPORATION

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma  
73102-8260

Telephone  
405/235-3611  
FAX 405/552-4550

February 27, 1998

**Certified Mail No. Z 397 639 548**

SDX  
511 West Ohio  
Suite 601  
Midland, TX 79701

RE: Non-Standard Location Approval  
Proposed 2800' San Andres Test  
Carter Collier 5 Federal #9  
330' FNL & 2360' FEL  
Section B-5-T18S-R27E  
Eddy County, New Mexico

Gentlemen:

Devon Energy Corporation (Nevada) has applied for "Non-Standard Location" approval for the referenced well. This unorthodox location is necessary due to the standard location being too close to the county road. (see attached topography map). The proposed wellsite offsets the following property which our records indicate you operate in Section 5-T18S-R27E.

Chalk Federal #1  
Chalk Bluff Draw Unit #1

The NMOCD Non-Standard Location Approval process requires that we notify offset lease holders and submit Proof of Notice.



Carter Collier 5 Federal #9  
Non-Standard Location Approval  
February 27, 1998  
Page Two

SDX Resources

Please accept this certified letter as notification. If you have any questions, please contact Ernie Buttross, Jr., at (405) 235-3611, X4509.

Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)

A handwritten signature in black ink that reads "Diana Keys". The signature is written in a cursive, flowing style.

Diana Keys  
Engineering Tech.

/dk

cc: Oil Conservation Division - Santa Fe, NM