

DATE IN <u>8/5/09</u>	SUSPENSE	ENGINEER <u>Bruce</u>	LOGGED IN <u>8/5/09</u>	TYPE <u>NSL</u>	APP NO. <u>0921738493</u>
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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



30-015-36970
Condon 7 Fed Com 3H
Devon (6137)

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

Signature

Attorney for Applicant
 Title

jamesbruc@aol.com
 e-mail Address

Date

8/9/09

RECEIVED OGD
 2009 AUG -5 A 4: 34

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

August 4, 2009

Hand delivered

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

Dear Mr. Fesmire:

Pursuant to Division Rules, Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Condor 7 Federal Well No. 3H
<u>Surface location:</u>	1585 feet FNL & 2225 feet FWL
<u>Bottom hole location:</u>	1650 feet FNL & 330 feet FEL
<u>Well unit (project area):</u>	SE $\frac{1}{4}$ NW $\frac{1}{4}$ and S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 7, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Applicant proposes to drill the well to test the Glorieta-Yeso formation (Red Lake Glorieta-Yeso Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A portion of the APD for the well, with a Form C-102, is attached as Exhibit A.

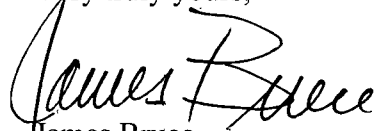
The well is located in an area of high relief (see Exhibit A), and the surface location is unorthodox due to topography and the desire to expand and use an existing wellpad. There is an arroyo to the south and east of the surface location which applicant seeks to avoid. In addition, the surface location is the only one to which the Bureau of Land Management would agree.

Due to the unorthodox surface location, the well encroaches on acreage to the north of the horizontal well. The E $\frac{1}{2}$ NW $\frac{1}{4}$ is a single fee lease, operated by Devon Energy, so notice was not given to the owners in the NE $\frac{1}{4}$ NW $\frac{1}{4}$. Likewise, the E $\frac{1}{2}$ NE $\frac{1}{4}$ is a single federal lease, operated by Devon Energy, so notice was not given to the owners in the NE $\frac{1}{4}$ NE $\frac{1}{4}$. The NW $\frac{1}{4}$ NE $\frac{1}{4}$,

operated by Occidental Permian L.P., is a different lease from the SW $\frac{1}{4}$ NE $\frac{1}{4}$. Therefore, notice of this application was given only to Occidental Permian L.P. Exhibit B.

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.

OPERATOR'S COPY

Form 3160-3
(April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. **NM118703**
NM118703

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Condor 7 Federal Com 3 H

2. Name of Operator
Devon Energy Production Company, LP

9. API Well No.

3a. Address **20 North Broadway
Oklahoma City, Oklahoma City 73102-8260**

3b. Phone No. (include area code)
405-552-8198

10. Field and Pool, or Exploratory
Red Lake; Glorieta-Yeso, NE

4. Location of Well (Report location clearly and in accordance with any State requirements)
At surface **1585 FNL & 2225 FWL, Unit F**
At proposed prod. zone **1650 FNL & 330 FEL, Unit H**

**UNORTHODOX
LOCATION**

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 7, T18S R27E, Unit F; Unit H

14. Distance in miles and direction from nearest town or post office*
Approximately 7 miles southeast of Artesia, NM

12. County or Parish
Eddy County

13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)
330'

16. No. of acres in lease
40 acres in each lease

17. Spacing Unit dedicated to this well
120 acres

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.
101'

19. Proposed Depth
5231' MD 2790' TVD

20. BLM/BIA Bond No. on file
CO-1104

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3290' GL

22. Approximate date work will start*
11/30/2008

23. Estimated duration
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Title

Sr. Staff Eng. Tech

Name (Printed/Typed)

Norvella Adams

Date

10/27/2008

Approved by (Signature)

Title

FIELD MANAGER

Name (Printed/Typed)

/s/ Don Peterson

Date

2/9/09

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

ROSWELL CONTROLLED WATER BASIN

SEE ATTACHE
CONDITIONS

EXHIBIT

A

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

PRIVATE SURFACE OWNER AGREEMENT

OPERATOR: Devon Energy Production Company, LP

WELL NAME: Condor 7 Federal Com 3H

SECTION: 7 TOWNSHIP: 18-S RANGE: 27E

LOCATION: 1585 FNL 2225 FWL

COUNTY: Eddy STATE: NM

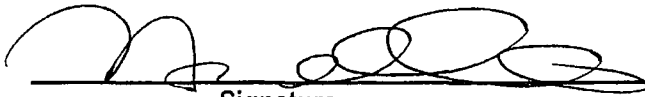
LEASE NUMBER: SL: NM118703 & BHL: NM118703 *BA*

STATEMENT OF SURFACE USE

The surface to the subject land is owned by Mr. Kenneth Benally.

The surface owner has been contacted regarding the drilling of the subject well, and an agreement for surface use has been negotiated.

CERTIFICATION: I hereby certify that the statements made in this statement are to the best of my knowledge, true and correct.


Signature

NAME: Norvella Adams

DATE: December 22, 2008

TITLE: Sr. Staff Engineering Technician

To expedite your Application to Drill please fax the completed form to the
Bureau of Land Management (505) 234-5927 or (505) 885-9264
Attention: Legal Instruments Examiner
620 E. Green Street
Carlsbad, NM 88220

The original document with signature should be mailed as soon as possible. Thank you for your cooperation.

RECEIVED

DEC 24 AM 10:13

BUREAU OF LAND MGMT
CARLSBAD OFFICE

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	Pool Code	Pool Name Yeso
Property Code	Property Name CONDOR "7" FEDERAL COM	Well Number 3H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3290'

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	7	18 S	27 E		1585	NORTH	2225	WEST	EDDY

Bottom Hole Location If Different From Surface

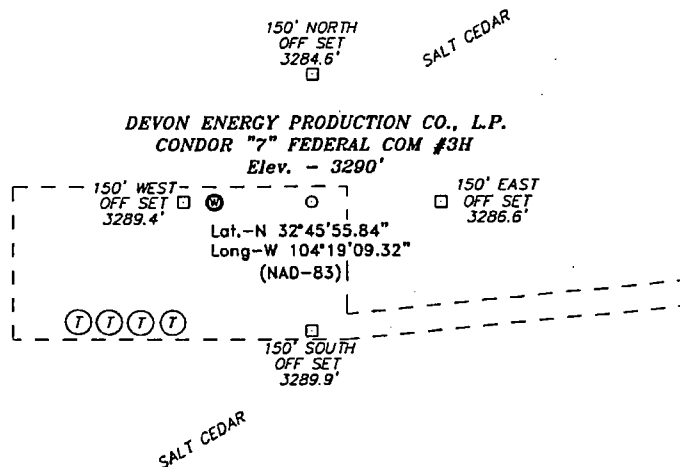
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	7	18 S	27 E		1650	NORTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120			

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

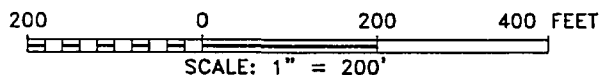
<p>N: 643776.648 E: 543439.141 LAT: 32°45'11.194" LONG: -104°19'35.385"</p> <p>1585'</p> <p>2225'</p> <p>3440.4'</p> <p>SURFACE LOCATION Lat - N32°45'55.84" Long - W104°19'09.32" SPC- N.: 642154.867 E.: 545665.078 (NAD-83)</p> <p>N: 638493.387 E: 543446.990 LAT: 32°45'18.915" LONG: -104°19'35.297"</p>	<p>N: 643685.605 E: 548773.495 LAT: 32°45'10.285" LONG: -104°18'32.908"</p> <p>1650'</p> <p>330'</p> <p>BOTTOM HOLE LOCATION Lat - N32°45'54.14" Long - W104°18'29.87" SPC- N.: 642041.163 E.: 549103.365 (NAD-83)</p> <p>N: 641057.673 E: 548773.421 LAT: 32°45'44.281" LONG: -104°18'32.916"</p> <p>N: 638418.539 E: 548770.361 LAT: 32°45'18.167" LONG: -104°18'32.959"</p>	<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><i>[Signature]</i> 10/27/08 Signature Date</p> <p>Norvella Adams 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>JUNE 27, 2008 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>W. J. [Signature] Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
---	---	--

SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF HWY 82 AND HILLTOP, GO SOUTH ON HILLTOP 0.1 MILES TO EMPIRE, ON EMPIRE TO SOUTHWESTERLY 2.1 MILES TO LITTLE DIAMOND, ON LITTLE DIAMOND GO WESTERLY 2.3 MILES TO CHALK BLUFF, ON CHALK BLUFF GO NORTH 0.6 MILES TO LEASE ROAD, ON LEASE ROAD GO WEST 1.2 MILES TO LEASE ROAD, GO SOUTH 1.0 MILES TO LEASE ROAD, ON LEASE ROAD GO WEST TO PROPOSED LOCATION.



DEVON ENERGY PROD. CO., L.P.

REF: CONDOR "7" FEDERAL COM #3H / WELL PAD TOPO

THE CONDOR "7" FEDERAL COM #3H LOCATED 1585' FROM

THE NORTH LINE AND 2225' FROM THE WEST LINE OF

SECTION 7, 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: 19913

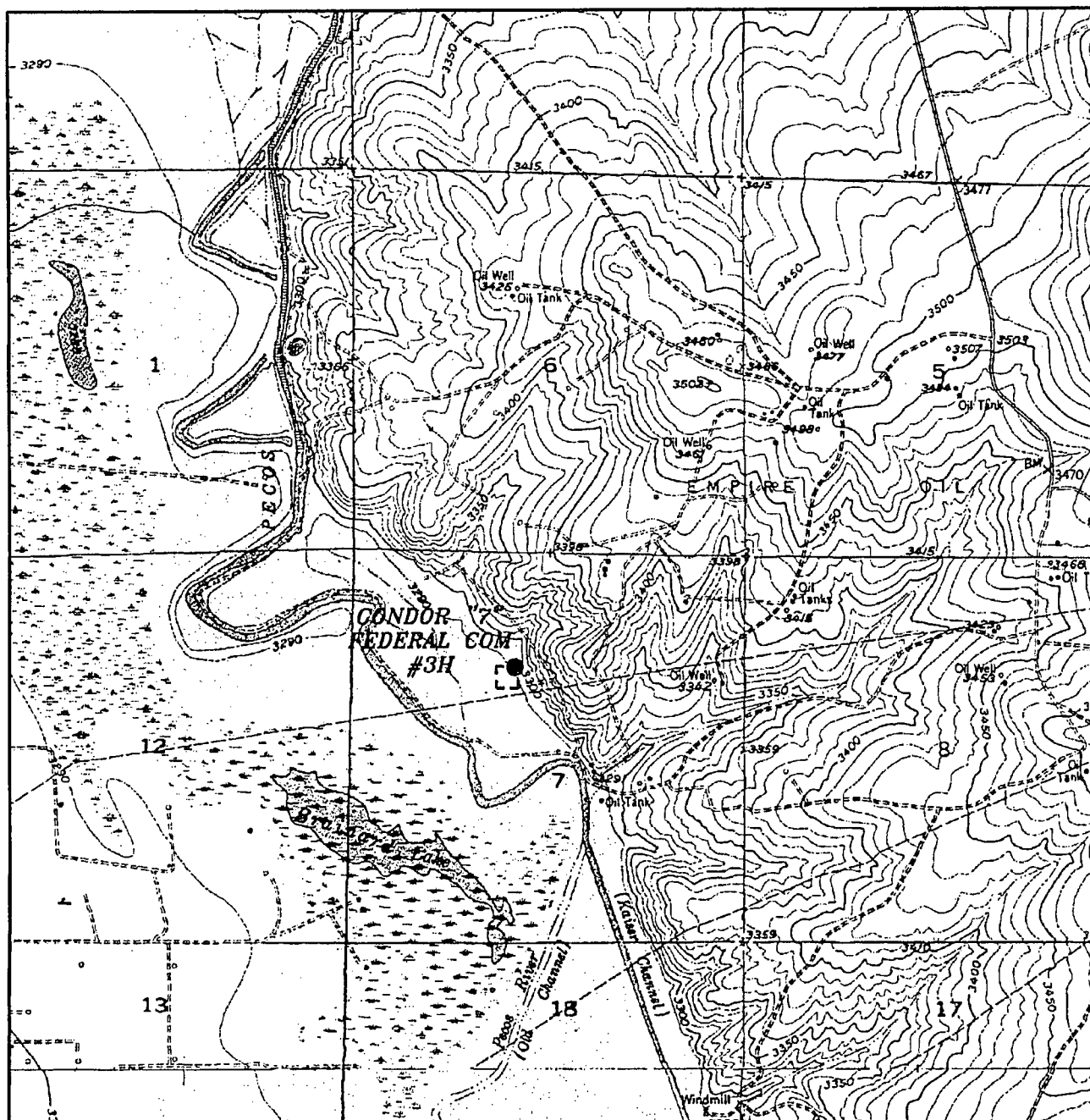
Drawn By: J. M. SMALL

Date: 06-28-2008

Disk: 19913 JMS

Survey Date: 06-27-2008

Sheet 1 of 1 Sheets



CONDOR "7" FEDERAL COM #3H
 Located at 1585' FNL AND 2225' FWL
 Section 7, Township 18 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

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

W.O. Number: JMS 19913

Survey Date: 06-27-2008

Scale: 1" = 2000'

Date: 06-30-2008

DEVON ENERGY
 PROD. CO., L.P.

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

August 4, 2009

Certified Mail – Return Receipt Requested

Occidental Permian Ltd.
5 Greenway Plaza
Houston, Texas 77046

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 Glorieta-Yeso Pool in Section 7, 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 NW¼NE¼ of Section 7. 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

B

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, August 21, 2009 2:06 PM
To: jamesbruc@aol.com
Subject: Devon; Condor 7 Fed Com #3H; NSL Application

Dear Jim

We need the footage location of the point of penetration of the Yeso for this well.

Also, with respect to the NE/NE and NE/NW, is working interest ownership identical in those units to that in the units of the project area that those units adjoin?

Thanks

David

Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Monday, August 24, 2009 10:14 AM
To: Brooks, David K., EMNRD
Subject: Re: Devon; Condor 7 Fed Com #3H; NSL Application

David: I'm waiting for word from my client on the point of entry.

As to your second question, the E/2NE/4 is a single lease with common ownership, and the E/2NW/4 is a single (different) lease with common ownership.

Jim

-----Original Message-----

From: Brooks, David K., EMNRD <david.brooks@state.nm.us>
To: jamesbruc@aol.com
Sent: Fri, Aug 21, 2009 2:05 pm
Subject: Devon; Condor 7 Fed Com #3H; NSL Application

Dear Jim

We need the footage location of the point of penetration of the Yeso for this well.

Also, with respect to the NE/NE and NE/NW, is working interest ownership identical in those units to that in the units of the project area that those units adjoin?

Thanks

David

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Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Monday, August 24, 2009 3:00 PM
To: Brooks, David K., EMNRD
Subject: Re: Devon; Condor 7 Fed Com #3H; NSL Application

The geologist estimates the wellbore to penetrate the Glorieta-Yeso at approximately 1598' FNL & 2760'FWL.

-----Original Message-----

From: Brooks, David K., EMNRD <david.brooks@state.nm.us>
To: jamesbruc@aol.com
Sent: Fri, Aug 21, 2009 2:05 pm
Subject: Devon; Condor 7 Fed Com #3H; NSL Application

Dear Jim

We need the footage location of the point of penetration of the Yeso for this well.

Also, with respect to the NE/NE and NE/NW, is working interest ownership identical in those units to that in the units of the project area that those units adjoin?

Thanks

David

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