

DATE IN <i>D11/10</i>	SUSPENSE	ENGINEER <i>DKB</i>	LOGGED IN <i>10/11/10</i>	TYPE <i>NSL</i>	APP NO. <i>1028436448</i>
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*PTGW*

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Devan*

*Sirius 17 Feb 11*

**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

*6291*

**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

RECEIVED OGD  
 2010 OCT -8 P 2:19

[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  
 Print or Type Name

*James Bruce*  
 Signature

Attorney  
 Title

*10/8/10*  
 Date

jamesbruc@aol.com  
 c-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](mailto:jamesbruc@aol.com)

October 8, 2010

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 NMAC 19.15.15.13, Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Sirius 17 Federal Well No. 1H
<u>Surface location:</u>	450 feet FNL & 200 feet FEL Section 18
<u>Bottom hole location:</u>	450 feet FNL & 660 feet FEL Section 17
<u>Well unit (project area):</u>	N½N½ of Section 18, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

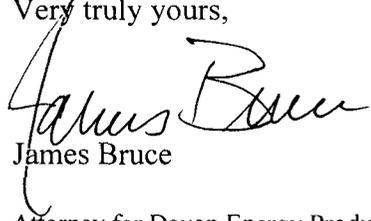
Applicant proposes to drill the well to test the Bone Spring formation (Northwest Hackberry-Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A portion of the APD for the well, with a Form C-102, is attached as Exhibit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

The surface location is unorthodox because the operator is using the same wellpad for the proposed well and its proposed Arcturus 18 Fed. Well No. 1H. Exhibit B. This will minimize surface disturbance and reduce costs. The top of the Bone Spring will be penetrated at an unorthodox location about 240 feet from the west line of Section 17, but the well will not penetrate the productive zone until it is at an orthodox location approximately 440 feet from the west line of Section 17.

The working interest owners in the NE¼NE¼ of Section 18 are listed on Exhibit C. Notice of this application was given to the interest owners by the letter marked 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, prominent initial "J".

James Bruce

Attorney for Devon Energy Production Company, L.P.

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

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM LC 069464-A
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Co., LP		7. If Unit or CA Agreement, Name and No.
3a. Address 20 North Broadway OKC, OK 73102		8. Lease Name and Well No. Sirius 17 Federal 1H
3b. Phone No. (include area code) (405)-552-7802		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NENE 450' FNL & 200' FEL Lot A Sec 18 At proposed prod. zone NENE 450' FNL & 660' FEL Lot A Sec 17		10. Field and Pool, or Exploratory Hackberry; Bone Spring, NW
14. Distance in miles and direction from nearest town or post office* Approximately 12 miles southeast of Loco Hills, NM.		11. Sec., T. R. M. or Blk. and Survey or Area Sec 18 T19S-R31E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 200'	16. No. of acres in lease 480	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 160	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. SL: 50' BHL: 310'	19. Proposed Depth TVD 8,855' MD 13,430'	20. BLM/BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3440.6' GL	22. Approximate date work will start* 09/15/2010	23. Estimated duration 45 days

24. Attachments

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

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO- must be filed with the appropriate Forest Service Office).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the BLM.</li> </ul> |
|---|---|

25. Signature	Name (Printed/Typed) Stephanie A. Ysasaga	Date 07/28/2010
Title Sr. Staff Engineering Technician		

Approved by (Signature)	Name (Printed/Typed)	Date
Title 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.

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)

EXHIBIT **A**

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 87410  
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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office

AMENDED REPORT

*or Benson BC  
both on  
state spacing*

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number <b>30-015 - 38238</b>		2 Pool Code <b>97020</b>		3 Pool Name <b>under HACKBERRY; BONE SPRING, NW (O)</b>	
4 Property Code		5 Property Name <b>SIRIUS 17 FEDERAL</b>		6 Well Number <b>1H</b>	
7 OGRID No. <b>6137</b>		8 Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>		9 Elevation <b>3440.6</b>	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	19S	31 E		450	NORTH	200	EAST	EDDY

11 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
A	17	19S	31 E		450	NORTH	660	EAST	EDDY

12 Dedicated Acres <b>160</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.

**PENETRATION POINT: 440' FNL & 440' FWL; SEC 17**

PRODUCING AREA       PROJECT AREA

NMLC 069464-A      NM 99040

NW CORNER SEC. 18 LAT. = 32°40'03.42"N LONG. = 103°55'00.97"W NNWSP EAST (FT) N = 608348.48 E = 569457.90	SURFACE LOCATION 200'	NW CORNER SEC. 17 LAT. = 32°40'03.62"N LONG. = 103°54'00.28"W NNWSP EAST (FT) N = 608387.82 E = 674656.73	360' 450' BOTTOM OF HOLE
SIRIUS "17" FED. #1H ELEV. = 3440.6 LAT. = 32°39'59.165"N (NAD83) LONG. = 103°54'02.605"W NNWSP EAST (FT) N = 608438.24 E = 674459.88		BOTTOM OF HOLE NW CORNER SEC. 17 LAT. = 32°39'59.22"N LONG. = 103°53'08.22"W NNWSP EAST (FT) N = 606425.43 E = 679281.20	NE CORNER SEC. 17 LAT. = 32°40'03.72"N LONG. = 103°52'58.51"W NNWSP EAST (FT) N = 606918.54 E = 679938.30
SEC. 18, T.19S., R.31E.		SEC. 17, T.19S., R.31E.	
SW CORNER SEC. 18 LAT. = 32°39'11.17"N LONG. = 103°55'01.01"W NNWSP EAST (FT) N = 601564.84 E = 689485.12		SW CORNER SEC. 17 LAT. = 32°39'11.38"N LONG. = 103°54'00.09"W NNWSP EAST (FT) N = 601607.32 E = 674894.79	SE CORNER SEC. 17 LAT. = 32°39'11.46"N LONG. = 103°52'58.37"W NNWSP EAST (FT) N = 601636.62 E = 679972.34

**17 OPERATOR CERTIFICATION**

*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 or has a right to drill this well at this 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.*

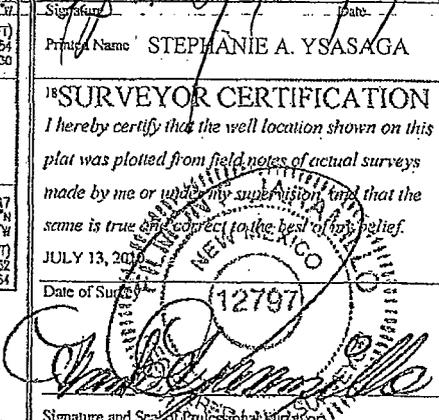
*Stephanie A. Ysasaga*      07/27/2010  
 Signature      Date

Principal Name: **STEPHANIE A. YSASAGA**

**18 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.*

JULY 13, 2010  
 Date of Survey



Signature and Seal of Professional Surveyor

Certificate Number: **FILIMON F. JARAMILLO, PLS 12797**

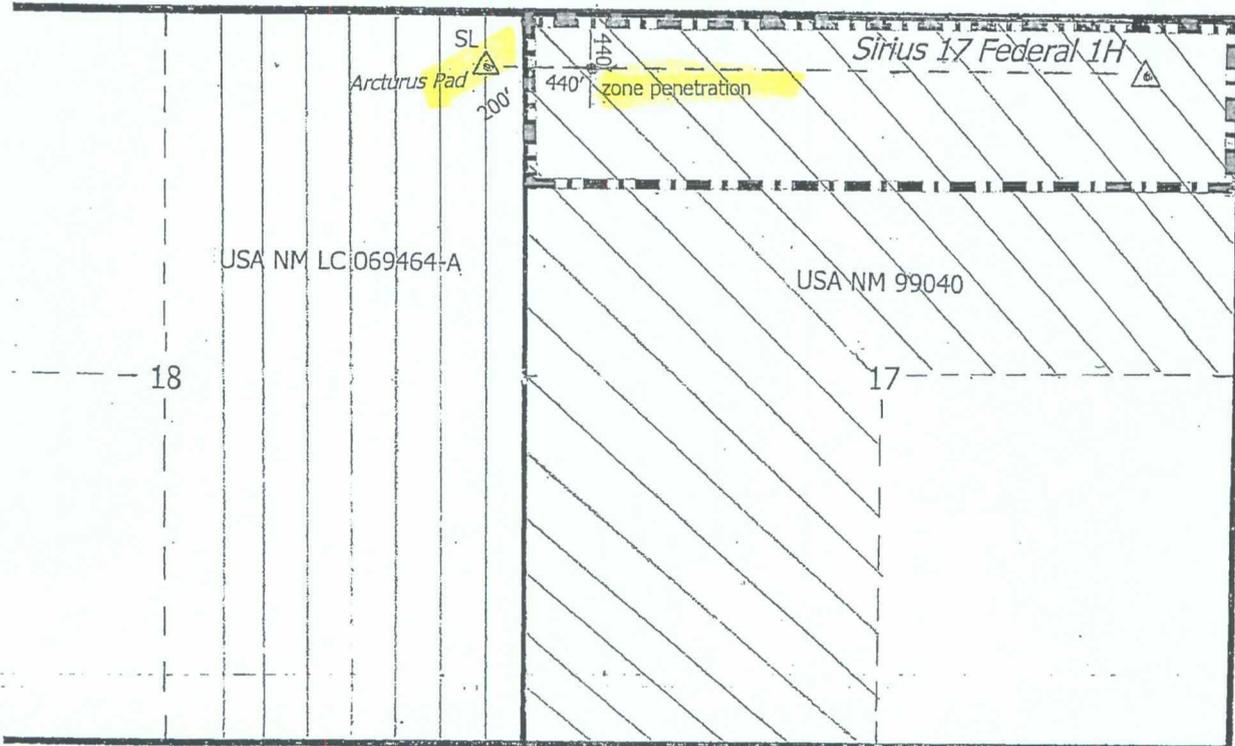
SURVEY NO. 151

SECTION PLAT

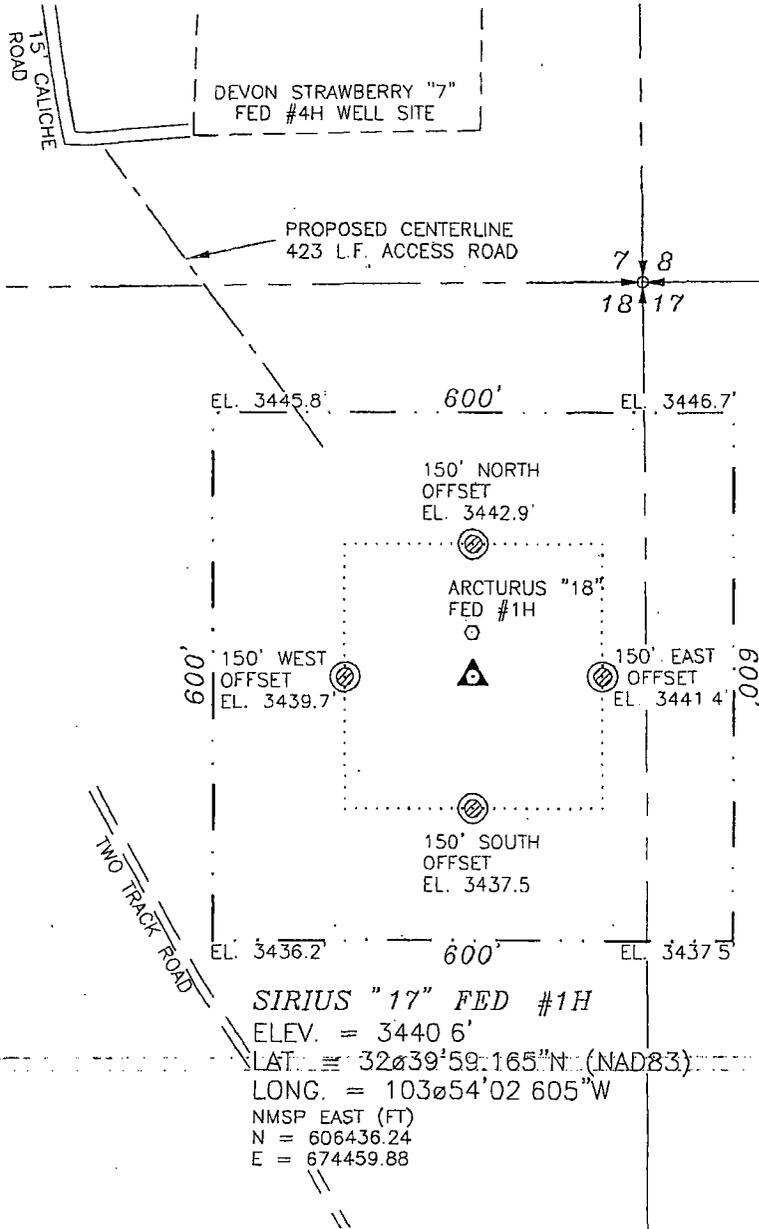
Eddy County, State of New Mexico

Section 17 & 18 Township 19S Range 31E

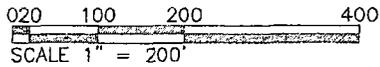
NORTH



SECTION 18, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N M P M  
EDDY COUNTY, STATE OF NEW MEXICO



**SIRIUS "17" FED #1H**  
 ELEV. = 3440.6'  
 LAT. = 32°39'59.165"N (NAD83)  
 LONG. = 103°54'02.605"W  
 NMSP EAST (FT)  
 N = 606436.24  
 E = 674459.88



**DIRECTIONS TO LOCATION**  
 FROM STATE HWY 82 (SHUGART ROAD) AND CR# 222 GO SOUTH ON 222 8.5 MILES, TURN RIGHT ON CALICHE ROAD AND GO WEST-SOUTHWEST 2.6 MILES, BEND LEFT AND GO 0.1 MILES, TURN LEFT ON CALICHE ROAD AND FOLLOW WINDING ROAD SOUTHEAST APPROX 1.4 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS SOUTHEAST 423' TO THE NW CORNER OF PROPOSED PAD FOR THIS LOCATION.

**DEVON ENERGY PRODUCTION COMPANY, L.P.**  
**SIRIUS "17" FED #1H**  
 LOCATED 450 FT FROM THE NORTH LINE  
 AND 200 FT FROM THE EAST LINE OF  
 SECTION 18, TOWNSHIP 19 SOUTH,  
 RANGE 31 EAST, N M P M  
 EDDY COUNTY, STATE OF NEW MEXICO

JULY 13, 2010

SURVEY NO 151  
**MADRON SURVEYING, INC** 301 SOUTH CANAL (575) 867-5830 CARLSBAD, NEW MEXICO

EXHIBIT **B**

Devon Energy Production Company, LP  
20 North Broadway  
Oklahoma City, OK 73102

Khody Land & Minerals Company  
3817 NW Expressway, Suite 950  
Oklahoma City, OK 73112

W/K Land Company  
911 Kimbark Street  
Longmont, CO 80501

Cannon Exploration Company  
3608 S. County Rd. 1184  
Midland, TX 79706

Roger T Elliott and Holly L. Elliott  
Family Limited Partnership LP  
4105 Baybrook Drive  
Midland, TX 79707

Constance B. Cartwright,  
Trustee U/W/O  
George F Bauerdorf  
River House  
435 East 52<sup>nd</sup> Street, Apt. 5-B  
New York, NY 10022

Cimarex Energy Company  
600 N. Marienfeld Street, Suite 600  
Midland, TX 79701

EXHIBIT

C

**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](mailto:jamesbruc@aol.com)

October 8, 2010

Certified Mail – Return Receipt Requested

To: Persons on Exhibit 1

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 Bone Spring formation in Section 17, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the offsetting NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 18. 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

Devon Energy Production Company, LP  
20 North Broadway  
Oklahoma City, OK 73102

Khody Land & Minerals Company  
3817 NW Expressway, Suite 950  
Oklahoma City, OK 73112

W/K Land Company  
911 Kimbark Street  
Longmont, CO 80501

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Trustee U/W/O  
George F Bauerdorf  
River House  
435 East 52<sup>nd</sup> Street, Apt. 5-B  
New York, NY 10022

Cimarex Energy Company  
600 N. Marienfeld Street, Suite 600  
Midland, TX 79701

EXHIBIT

1