

1-18-11 SUSPENSE ENGINEER DKB LOGGED IN 1-19-11 TYPE NSL APP NO. 1101943622

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon 6137
Sirius 17 Fed # 24

ADMINISTRATIVE APPLICATION CHECKLIST

6338

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]

Eddy

Fed.

[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

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[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

Date

jamesbruc@aol.com
e-mail Address

1/13/11

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

January 13, 2011

Hand delivered

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

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. 2H
<u>Surface location:</u>	1590 feet FNL & 340 feet FEL
<u>Penetration point:</u>	Same as surface location
<u>Bottom hole location:</u>	1660 feet FNL & 340 feet FWL
<u>Well unit (project area):</u>	S½N½ of Section 17, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

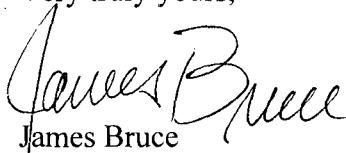
Applicant proposes to drill the well to test the Bone Spring formation (Northwest Hackberry-Bone Spring Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The well was moved north of an orthodox location because of a fence line at 1660 feet from the north line (Exhibit B), and south of the fence there are surface drainage problems affecting a well location. The well will not be perforated until the wellbore is at least 1650 feet from the north line of Section 17.

The well encroaches on the N½N½ of Section 17. However, the N½ of Section 17 is comprised of Federal Lease NM 99040 (Exhibit C), which has common ownership. Therefore, notice of this application was not given to the interest owners in the N½N½ of Section 17.

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.

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 & 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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-38494		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SIRIUS "17" FED.		⁶ Well Number 2H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3467.0

¹⁰ Surface Location

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	19 S	31 E		1590	NORTH	340	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	19 S	31 E		1660	NORTH	340	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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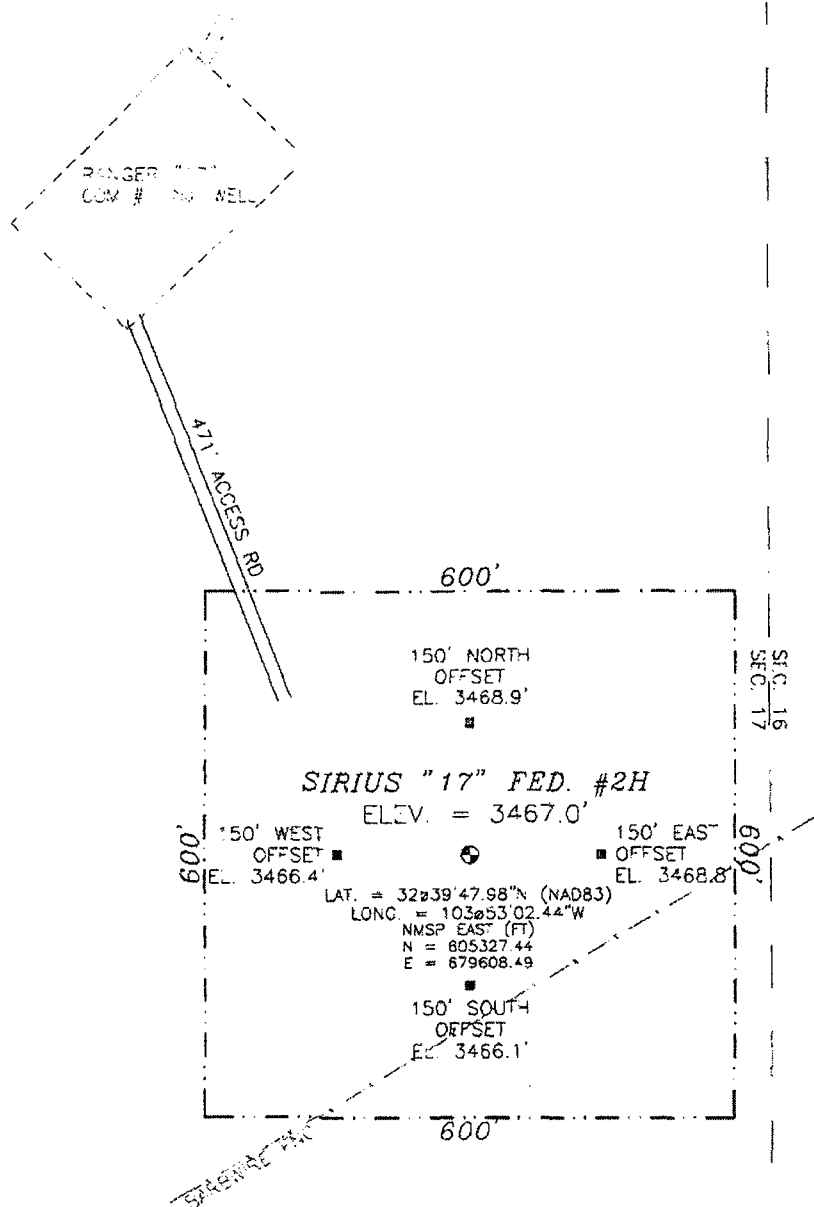
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 17 LAT. = 32°40'03.82"N LONG. = 103°54'00.28"W NMSP EAST (FT) N = 606887.83 E = 674656.73</p> <p>1660'</p> <p>BOTTOM OF HOLE</p> <p>340'</p> <p>BOTTOM OF HOLE LAT. = 32°39'47.21"N LONG. = 103°53'56.24"W NMSP EAST (FT) N = 605229.78 E = 675008.60</p> <p>SW CORNER SEC. 17 LAT. = 32°39'11.38"N LONG. = 103°54'00.09"W NMSP EAST (FT) N = 601607.32 E = 674694.79</p>	<p>NE CORNER SEC. 17 LAT. = 32°40'03.72"N LONG. = 103°52'58.51"W NMSP EAST (FT) N = 606919.54 E = 679938.30</p> <p>1590'</p> <p>SURFACE LOCATION</p> <p>340'</p> <p>SIRIUS "17" FED. #2H ELEV. = 3467.0' LAT. = 32°39'47.98"N (NAD83) LONG. = 103°53'02.44"W NMSP EAST (FT) N = 605327.44 E = 679608.49</p> <p>SE CORNER SEC. 17 LAT. = 32°39'11.46"N LONG. = 103°52'58.37"W NMSP EAST (FT) N = 601638.62 E = 679972.34</p>	<p>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 released 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 hereinafter entered by the division.</p> <p>Signature _____ Date _____ Printed Name _____</p> <p>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.</p> <p>OCTOBER 12, 2010 Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor Certificate Number: 61100017, JARAMILLO, PLS 12797 SURVEY NO. 271</p>
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EXHIBIT

A

SECTION 17, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO



020 100 200 400

SCALE 1" = 200'

DIRECTIONS TO LOCATION

FROM CR. 222 AND CR. 248 GO NORTHWEST ON CR. 222 0.7 MILES
TURN LEFT ON CALICHE LEASE ROAD AND GO WEST 0.45 MILES TURN
LEFT AND GO SOUTH 0.4 MILES BEND RIGHT AND GO WEST 0.5
MILES TO THE EXIST. RANGER "17" COM #3 WELL AND FROM THE SE
PAD CORNER FOLLOW ROAD SURVEY SE 471' TO THE NW PAD
CORNER FOR THIS LOCATION

DEVON ENERGY PRODUCTION COMPANY, L.P.

SIRIUS "17" FED. #2H

LOCATED 1590 FT. FROM THE NORTH LINE

AND 340 FT. FROM THE EAST LINE OF

SECTION 17, TOWNSHIP 19 SOUTH,

RANGE 31 EAST, N.M.P.M.

EDDY COUNTY, STATE OF NEW MEXICO

OCTOBER 12, 2010

SURVEY NO. 271

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

EXHIBIT

B

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

Run Time 12:43 PM

Page 1 of 2

Run Date: 01/13/11

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
480.000

Serial Number
NMNM-- - 099040

Serial Number: NMNM-- - 099040

Name & Address	Int Rel	% Interest
DEVON ENERGY PROD CO LP 20 N BROADWAY #1500	OKLAHOMA CITY OK 73102	LESSEE 50.000000000
NEARBURG EXPL CO LLC 3300 N A ST #120	MIDLAND TX 79705	LESSEE 50.000000000

Serial Number: NMNM-- - 099040

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0190S 0310E 017	ALIQ		NE.W2:	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 099040

Act Date	Code	Action	Action Remark	Pending Office
07/15/1997	387	CASE ESTABLISHED	9707052	
07/16/1997	191	SALE HELD		
07/16/1997	267	BID RECEIVED	\$288000.00;	
07/16/1997	392	MONIES RECEIVED	\$960.00;	
07/29/1997	392	MONIES RECEIVED	\$287040.00;	
08/07/1997	237	LEASE ISSUED		
08/07/1997	974	AUTOMATED RECORD VERIF	LBO	
08/14/1997	600	RECORDS NOTED		
09/01/1997	496	FUND CODE	05;145003	
09/01/1997	530	RLTY RATE - 12 1/2%		
09/01/1997	868	EFFECTIVE DATE		
09/10/1997	084	RENTAL RECEIVED BY MMS	\$720.00;11/MULTIPLE	
09/26/1997	140	ASGN FILED	PENWELL/NEARBURG	
10/07/1997	139	ASGN APPROVED	EFF 10/01/97;	
10/07/1997	974	AUTOMATED RECORD VERIF	MV/MV	
11/20/1997	575	APD FILED		
01/05/1998	577	APD WDN/TERM/CANC	#1 RANGER 17 FED	
01/20/1998	575	APD FILED		
02/19/1998	576	APD APPROVED	#1 RANGER "17" FED	
06/03/1998	963	CASE MICROFILMED		
06/05/1998	650	HELD BY PROD - ACTUAL		
07/13/1998	084	RENTAL RECEIVED BY MMS	\$720.00;21/0000000022	
10/21/1998	643	PRODUCTION DETERMINATION		
10/21/1998	658	MEMO OF 1ST PROD-ACTUAL		
01/25/1999	899	TRF OF ORR FILED		
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	ANN	
03/12/2001	246	LEASE COMMITTED TO CA	NMNM106829;	
08/16/2001	817	MERGER RECOGNIZED	CONCHO RES/DEVON ENE	

EXHIBIT 

Line Nr	Remarks	Serial Number: NMNM-- - 099040
0002	OPERATOR BONDED	

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

Run Time 12:43 PM

Page 2 of 2

Run Date: 01/13/11

0003	CONCHO RESOURCES INC - NM2611 - S/W
0005	EFFECTIVE 05/02/2001, 1ST PRODUCTION INFORMATION HAS
0006	BEEN CLASSIFIED "CONFIDENTIAL" MATERIAL PURSUANT TO
0007	43 CFR 3162.8(A)(1) AND MAINTAINED SEPARATELY FROM
0008	THIS FILE IN NM930 FLUIDS ADJUDICATION TEAM 3.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, January 26, 2011 2:51 PM
To: 'jamesbruc@aol.com'
Subject: Devon - Sirius 17 Fed #2H; NSL Application

Dear Jim

I have the referenced application in hand.

It seems that, in addition to the encroachment toward the N/2 N/2 of Section 17, this location encroaches, pursuant to our diagonal encroachment interpretation, toward the NW/4 NW/4 of Section 16. We do not show any Bone Spring wells in that unit, though Yates operates a Morrow well there. Please address ownership issues in that unit.

Sincerely

David

Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Thursday, January 27, 2011 12:25 PM
To: Brooks, David K., EMNRD
Subject: Re: Devon - Sirius 17 Fed #2H; NSL Application

David: Devon and Yates own the state lease (V-4567-1) on the N/2 of Sec. 16, so I will send notice to Yates, and copy you.

Jim

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

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Sent: Wed, Jan 26, 2011 2:51 pm
Subject: Devon - Sirius 17 Fed #2H; NSL Application

Dear Jim

I have the referenced application in hand.

It seems that, in addition to the encroachment toward the N/2 N/2 of Section 17, this location encroaches, pursuant to our diagonal encroachment interpretation, toward the NW/4 NW/4 of Section 16. We do not show any Bone Spring wells in that unit, though Yates operates a Morrow well there. Please address ownership issues in that unit.

Sincerely

David

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

January 27, 2011

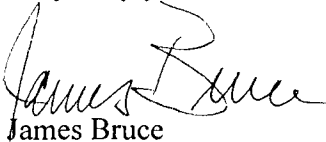
Certified Mail – Return Receipt Requested

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

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 the S½N½ of 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 N½ of Section 16. 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.

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2011 JAN 28 P 1:12

Re:

Well:

Surface location:

Penetration point:

Bottom hole location:

Well unit (project area):

Sirius 17 Federal Well No. 2H

1590 feet FNL & 340 feet FEL

Same as surface location

1660 feet FNL & 340 feet FWL

S½N½ of Section 17, Township 19 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico

(Devon)

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.

10 Records Found

Displaying Screen 1 of 1

<input type="radio"/>	API Number	ULSTR	Footages
<input type="radio"/>	3001505763	N -16-19S-31E	660 FSL & 1980 FWL
	Well Name & Number: PRE-ONGARD WELL No. 001		
	Operator: PRE-ONGARD WELL OPERATOR		
<input type="radio"/>	3001510528	P -16-19S-31E	660 FSL & 660 FEL
	Well Name & Number: PRE-ONGARD WELL No. 001		
	Operator: PRE-ONGARD WELL OPERATOR		
<input type="radio"/>	3001520069	A -16-19S-31E	660 FNL & 660 FEL
	Well Name & Number: RUDOLPH ATX STATE No. 001		
	Operator: YATES PETROLEUM CORPORATION		
<input type="radio"/>	3001520084	D -16-19S-31E	990 FNL & 990 FWL
	Well Name & Number: PRE-ONGARD WELL No. 001		
	Operator: PRE-ONGARD WELL OPERATOR		
<input type="radio"/>	3001525775	O -16-19S-31E	660 FSL & 1980 FWL
	Well Name & Number: B B STATE No. 001		
	Operator: EL RAN INC		
<input type="radio"/>	3001525878	N -16-19S-31E	660 FSL & 1780 FWL
	Well Name & Number: B B STATE No. 002		
	Operator: EL RAN INC		
<input type="radio"/>	3001527090	P -16-19S-31E	800 FSL & 560 FEL
	Well Name & Number: LUSK B No. 001		
	Operator: RAY WESTALL		
<input type="radio"/>	3001530938	D -16-19S-31E	660 FNL & 990 FWL
	Well Name & Number: RUDOLPH ATX STATE No. 002		
	Operator: YATES PETROLEUM CORPORATION		
<input type="radio"/>	3001534390	O -16-19S-31E	990 FSL & 1980 FEL
	Well Name & Number: TOP DOLLAR STATE COM No. 001		
	Operator: MARBOB ENERGY CORP		
<input type="radio"/>	3001537997	M -16-19S-31E	330 FSL & 660 FWL
	Well Name & Number: RUDOLPH ATX STATE COM No. 003H		
	Operator: YATES PETROLEUM CORPORATION		

*N 1/2
Marion
well*

10 Records Found

Displaying Screen 1 of 1

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

12 Records found.

Lease Number:

V0-4567-0001

Company name: DEVON ENERGY PRODUCTION CO.
Company ID: 166111
Assigned from: V0-4567-0000
Total acres: 480.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 1/6th ROYALTY
Issue date: 2/1/1995
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: DEVON ENERGY PRODUCTION CO.
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 480.00
Last bill date: 1/6/2011
Next bill date: 2/1/2012
Escalation: 0.00

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
16	19S	31E	A			40.00
			B			40.00
			C			40.00
			D			40.00
			E			40.00
			F			40.00
			G			40.00
			H			40.00
			I			40.00
			J			40.00
			K			40.00
			L			40.00