



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

September 19, 2006

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: Janet Wooldridge, CPL

Case 13800

James Bruce, Legal Counsel for Devon Energy Production Company, L.P.
P. O. Box 1056
Santa Fe, New Mexico 87504

RE: *Administrative application reference No. pTDS0-605929523*
Northeast Blanco Unit #233
(API No. 30-045-32800)
1400' FNL & 1' FWL (E) Sec. 23-T31N-R7W

Ms. Wooldridge and Mr. Bruce:

This application, originally received by the New Mexico Oil Conservation Division's office in Santa Fe on February 23, 2006, is still pending. On March 15, 2006, I requested additional information and explanation to support the well location and Devon's actions in drilling, completing, and waiting so long to seek the necessary regulatory relief concerning this well. Also, on May 9, 2006, I met with Mr. Bruce concerning this application. To date Devon has not provided this data even though the well is producing without first obtaining such rule exception order.

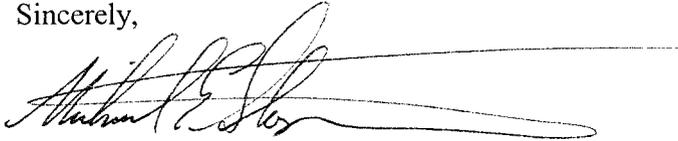
This application will be set for hearing before a Division Hearing Examiner on the next available docket scheduled for October 26, 2006. In order to expatiate this matter, I have taken the liberty and prepared the following advertisement:

"Application of Devon Energy Production Company, L. P. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an exception to Division Rule 104.C (3) for its Northeast Blanco Unit Well No. 233 (API No. 30-045-32800) drilled to and completed in the South Los Pinos Fruitland Sand-Pictured Cliffs Pool (80690) from a surface location 1400 feet from the North line and 1 foot from the West line (Unit E) of Section 23, Township 31 North, Range 7 West, which is located approximately seven (7) miles north-northeast of the Navajo Dam on the San Juan River at the Navajo Reservoir. Applicant will submit proper evidence at the hearing, pursuant to Division Rule 111.B (4), to adequately show which acreage will be dedicated to this well in order to form a standard 160-acre gas spacing unit, either: (i) the NW/4 of Section 23; or (ii) the NE/4 of Section 22, Township 31 North, Range 7 West."

All future applications, statewide, for exceptions to Division Rule 104 by Devon shall be set for hearing until further notice.

Should you have any questions, please contact the Division's Chief Engineer, Mr. Richard Ezeanyim at (505) 476-3467. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Engineering Assistant to the Division Director

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Stogner, Michael, EMNRD

From: Wooldridge, Jan [Jan.Wooldridge@dvn.com] **Sent:** Mon 3/20/2006 9:01 AM
To: Stogner, Michael, EMNRD
Cc: Gray, Ken (OKC); Jim Bruce; Hayden, Steven, EMNRD; Williford, Jeff
Subject: RE:
Attachments:

Mr. Stogner:

Thank you for your E-Mail. Today is my first day back in the office after having been out all last week. I am gathering the requested information and will provide it to you just as quickly as possible.

Thank you.

Jan Wooldridge

Devon Energy Production Company, L.P.

405-552-4626

From: Stogner, Michael, EMNRD [mailto:michael.stogner@state.nm.us]
Sent: Wednesday, March 15, 2006 9:13 AM
To: Wooldridge, Jan
Cc: Gray, Ken (OKC); Jim Bruce; Hayden, Steven, EMNRD
Subject:

Devon Energy Production Company, L.P.

20 North Broadway

Oklahoma City, Oklahoma 73102-8260

Attention: Janet Wooldridge, CPL

Sr. Landman

jan.wooldridge@dvn.com

RE: Administrative application reference No. pTDS0-605929523

Northeast Blanco Unit #233

(API No. 30-045-32800)

1400' FNL & 1' FWL (E) Sec. 23-T31N-R7W

Ms. Wooldridge:

So the Division may move forward on possibly granting conditional approval of this application, please provide the following:

- (1) The current land plat of the NEBU Fruitland (Sand)-Pictured Cliffs Participating Area;
- (2) A land plat of the NEBU that separately depicts federal, state, and fee lands;
- (3) The directional survey of this well with a wellbore schematic;
- (4) An explanation why the well pad for Devon's NEBU #434A (**API No. 30-045-33006**) in Unit D of Section 23 could not have been utilized;
- (5) An explanation why Devon waited almost one year (spud date – 5/20/05) to seek an exception to Division Rule 104.C (3) for this well;
- (6) In order to impress upon Devon that the Division's well spacing and well location rules, rather by special pool rules or under Division Rule 104, are serious matters for the purpose of orderly development of New Mexico's valuable oil and gas resources, and to not get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues; please provide the Division with a narrative explaining why this application and **all such future applications** for well location exceptions should not be set for hearing until further notice.

cc: Ken Gray, ken.gray@dvn.com

James Bruce, Legal Counsel for Devon Energy Production Company, L. P., jamesbruc@aol.com

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Stogner, Michael, EMNRD

From: Hayden, Steven, EMNRD **Sent:** Wed 3/15/2006 9:34 AM
To: Stogner, Michael, EMNRD
Cc:
Subject: RE: NEBU #233
Attachments:

Mike

I held the C-104 for both an NSL order and a directional survey since they were so close to the section line. To date I have not gotten a directional survey from Devon, so I am not sure the bottom hole is even in Section 23.

Thanks
 Steve Hayden steven.hayden@state.nm.us
 District Geologist 505-334-6178 ext 14
 NM OCD District II 505-320-0545 Cell
 1000 Rio Brazos Rd 505-334-6170 FAX
 Aztec, NM 87410

From: Stogner, Michael, EMNRD
Sent: Wed 3/15/2006 8:13 AM
To: Janet Wooldridge
Cc: Ken Gray; Jim Bruce; Hayden, Steven, EMNRD
Subject:

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: Janet Wooldridge, CPL
 Sr. Landman
jan.wooldridge@dvn.com

RE: Administrative application reference No. pTDS0-605929523
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 (API No. 30-045-32800)
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application and **all such future applications** for well location exceptions should not be set for hearing until further notice.

cc: Ken Gray, *ken.gray@dvn.com*
James Bruce, Legal Counsel for Devon Energy Production Company, L. P., *jamesbruc@aol.com*

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Case 13800

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.

 Print or Type Name Signature Title Date

e-mail Address

devon

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Janet Wooldridge, CPL
Senior Landman
405-552-4626
405-552-4554 (Fax)
jan.wooldridge@dvn.com

February 22, 2006

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: APPLICATION FOR APPROVAL
ADMINISTRATIVE UNORTHODOX LOCATION EXCEPTION
NORTHEAST BLANCO UNIT NO. 233
LOS PINOS FRUITLAND SAND/PICTURED CLIFFS WELL
SECTION 23-T31N-R7W
SAN JUAN COUNTY, NEW MEXICO
File 018948-010**

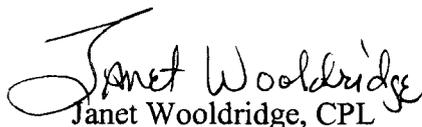
2006 FEB 27 PM 1 39

Dear Mr. Stogner:

Devon Energy Production Company, L.P. ("Devon"), as operator of the Northeast Blanco Unit ("NEBU"), has drilled and completed the NEBU 233 Pictured Cliffs well at a location 1400' FNL and 1' FWL of Section 23-T31N-R7W, San Juan County, New Mexico. The spacing unit for this well is the Northwest Quarter (NW/4) of Section 23. Due to topographic difficulties and in keeping with the BLM's focus of using existing wellpads to prevent additional surface disruption, Devon placed the surface location of this well on the same pad with the NEBU 325 (a Mesaverde/Dakota completion) and the NEBU 434A (a Fruitland Coal completion). It was originally planned that the NEBU 233 well be a directional well with a bottom hole in excess of 10' from the section line boundary. Subsequent to the original plans the well was staked and drilled as a straight hole.

Devon respectfully requests your administrative approval of this unorthodox location. Section 23-T31N-R7W is surrounded by the Unit therefore it is not necessary for Devon, as Unit Operator to notify offset owners. I have included a copy of the NEBU 233 form C-102 with attached topographic and pad layout plan plats. Devon recognizes their error in drilling this well 9' too close to the section line and especially in not having received your approval for this unorthodox location in advance. Should you have any questions, please don't hesitate to contact me at 405-552-4626 or you may contact me by E-Mail at jan.wooldridge@dvn.com.

Sincerely,


Janet Wooldridge, CPL

District I
 PO Box 1980, Hobbs NM 88241-1980
 District II
 PO Drawer KK, Artesia, NM 87211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

2005 JAN 3 PM 2 02 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30045-32800		1 Pool Code 80690		1 Pool Name OTO FARM Pictured Cliffs Gas Pool	
4 Property Code 19041		4 Property Name NEBU			4 Well Number # 233
7 OGRID No. 6137		4 Operator Name Devon Energy Production Company, L.P.			4 Elevation 6420

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
E	23	31 N	7 W		1400	NORTH	1	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

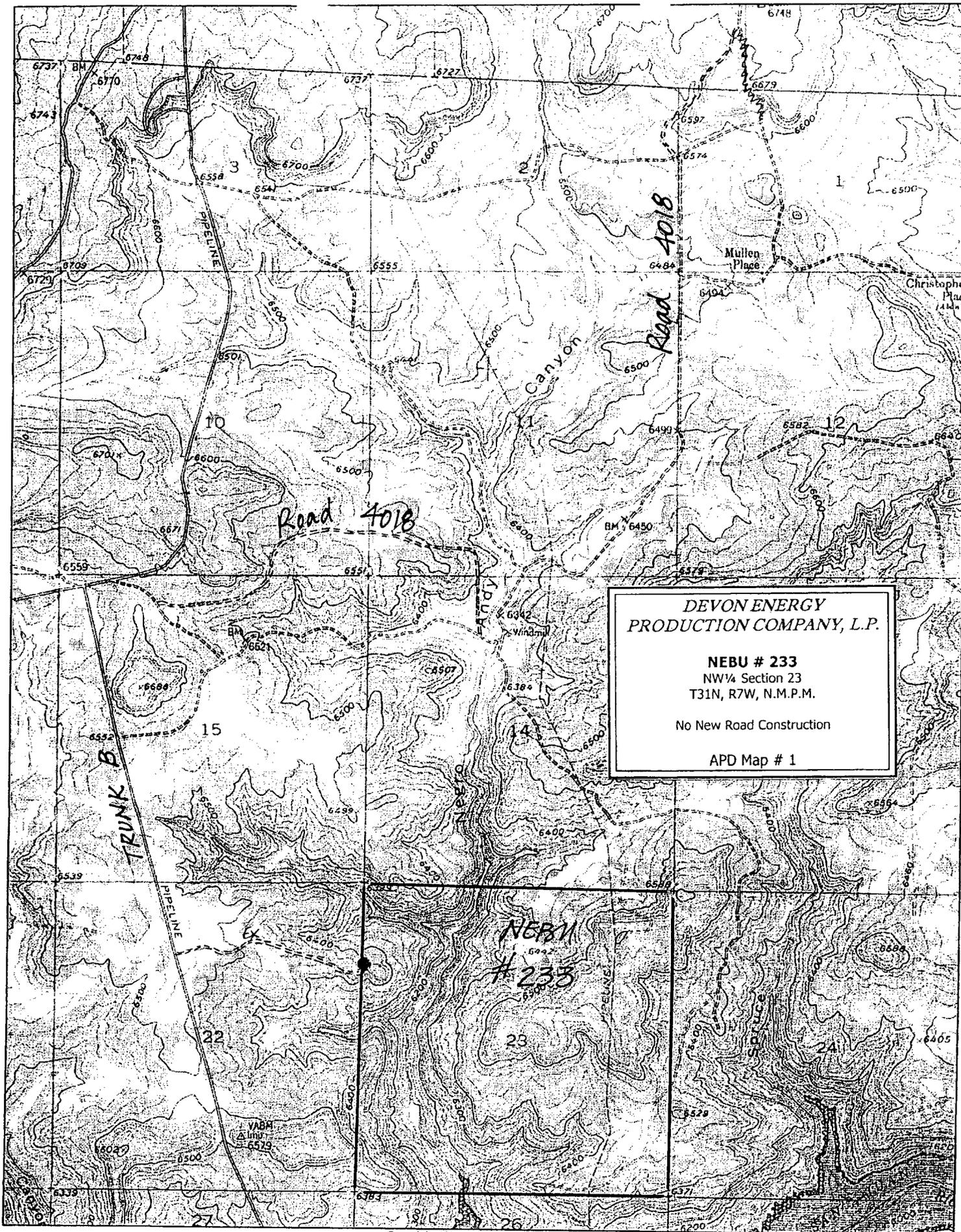
7 UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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>16</p> <p>5280 (R)</p> <p>1400'</p> <p>23</p> <p>5280 (R)</p> <p>5276 (R)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>W.S. Zi</i> Signature Melisa Zimmerman Printed Name Sr. Operations Technician Title 12-15-04 Date</p>
	<p>18 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>October 15, 2004 Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number</p>	

(R) - BLM Record

*Standard 640-acre
 Section*



DEVON ENERGY
PRODUCTION COMPANY, L.P.

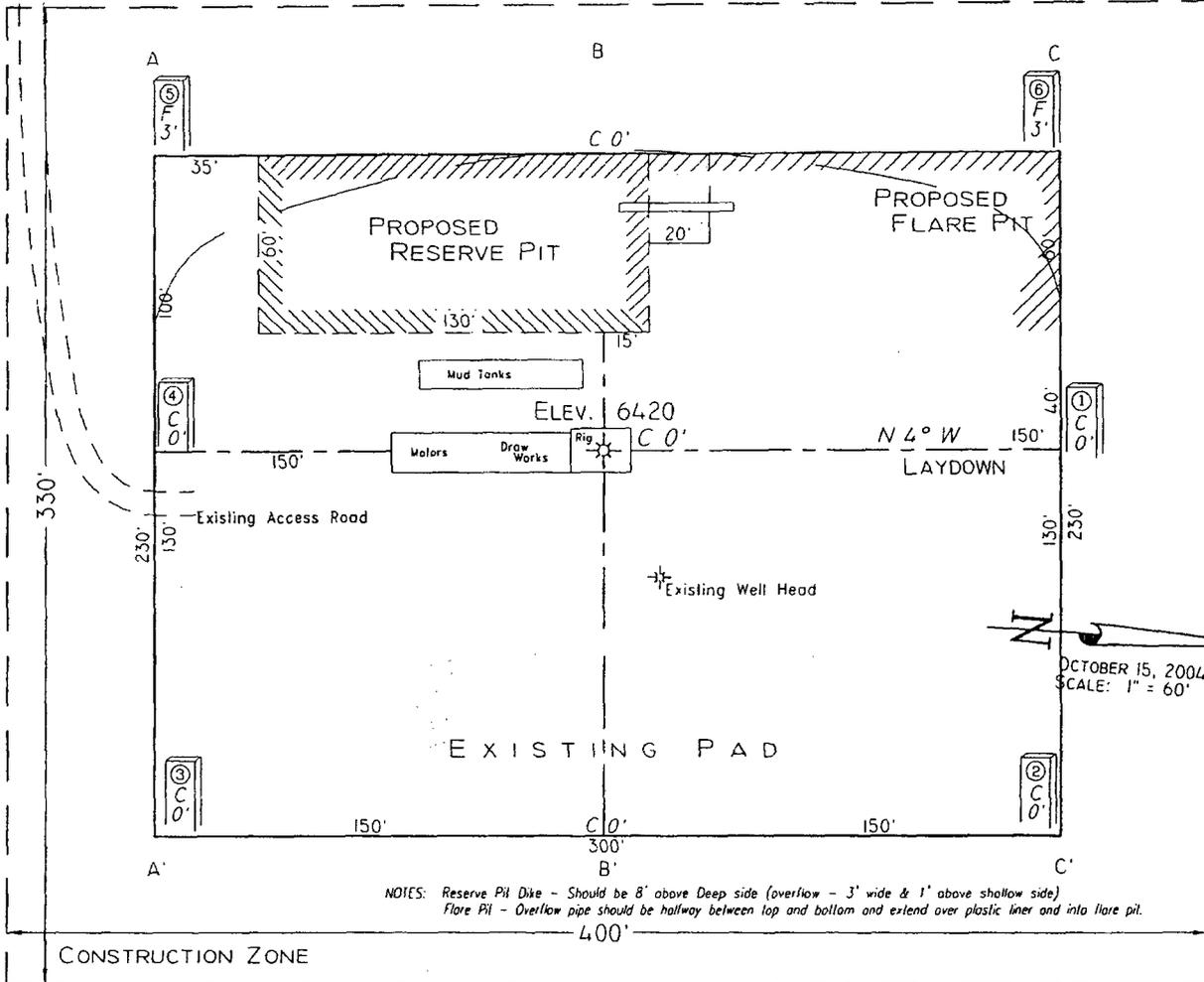
NEBU # 233
NW 1/4 Section 23
T31N, R7W, N.M.P.M.

No New Road Construction

APD Map # 1

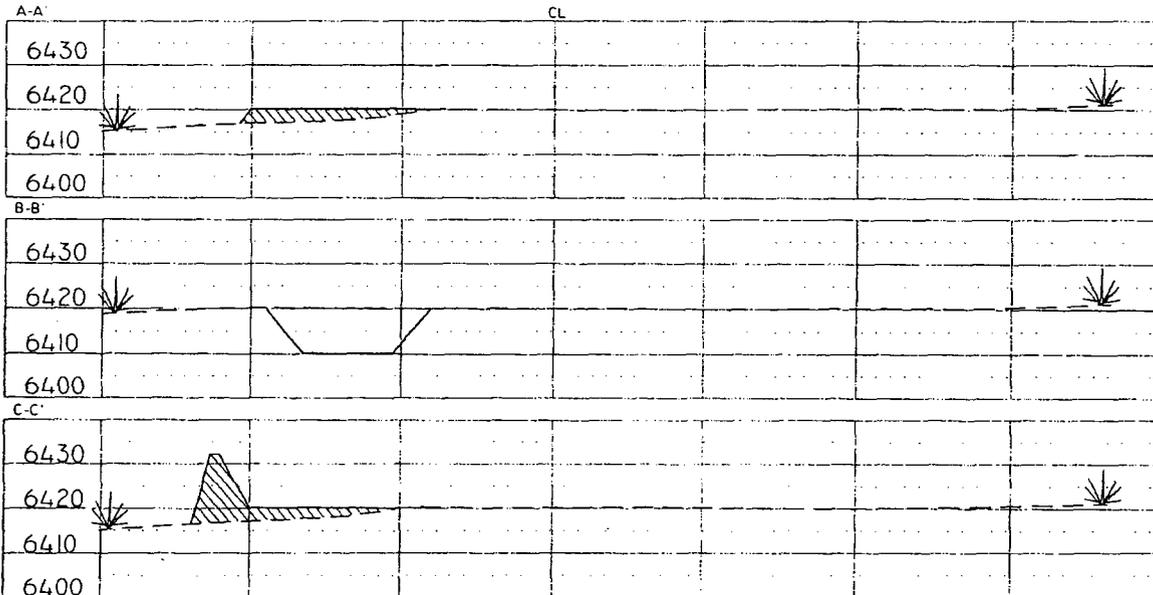
000017
 PAD LAYOUT PLAN & PROFILE
 DEVON ENERGY PRODUCTION COMPANY, L.P.
 Nebu # 233
 1400' F/NL 1' F/WL
 SEC. 23, T31N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°53'18"
 Long: 107°32'58"



Area of Construction Zone - 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.
 1"=40'-VERT.

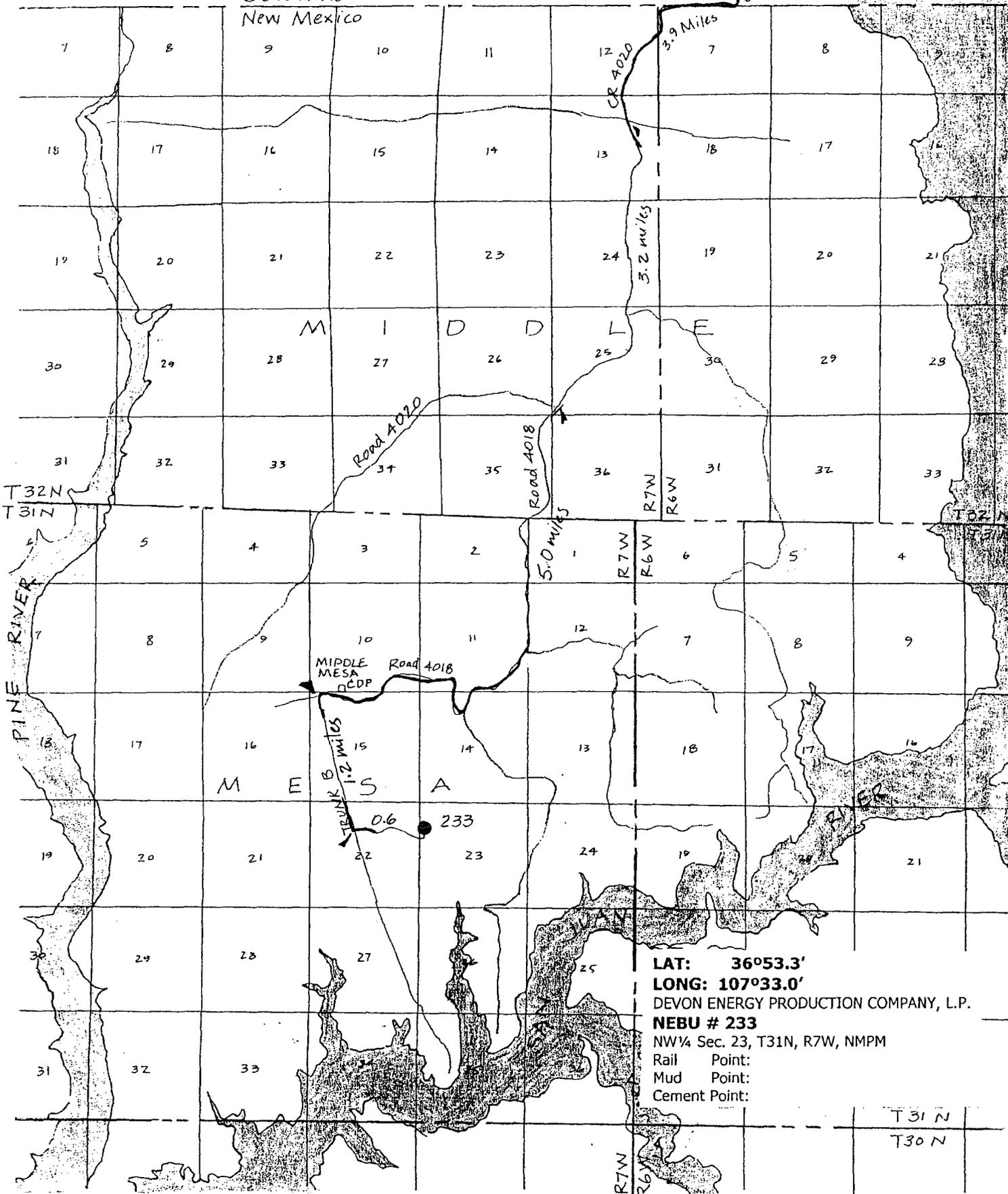


NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

Colorado
New Mexico



LAT: 36°53.3'
LONG: 107°33.0'
 DEVON ENERGY PRODUCTION COMPANY, L.P.
NEBU # 233
 NW¼ Sec. 23, T31N, R7W, NMPM
 Rail Point:
 Mud Point:
 Cement Point:

T31 N
T30 N

devon.

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Fax

To:	Michael Stogner New Mexico Oil Conservation	From:	Janna Koehn
Fax:	505-476-3462	Fax:	
Phone:	505-476-3465	Phone:	405-228-8873
Date:	2/23/2006	Email:	Janna.Koehn@devon.com
Subject:	Application for Approval		

Comments:



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Janet Wooldridge, CPL
Senior Landman
405-552-4626
405-552-4554 (Fax)
janet.wooldridge@dvn.com

February 22, 2006

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: APPLICATION FOR APPROVAL
ADMINISTRATIVE UNORTHODOX LOCATION EXCEPTION
NORTHEAST BLANCO UNIT NO. 233
LOS PINOS FRUITLAND SAND/PICTURED CLIFFS WELL
SECTION 23-T31N-R7W
SAN JUAN COUNTY, NEW MEXICO
File 018948-010**

Dear Mr. Stogner:

Devon Energy Production Company, L.P. ("Devon"), as operator of the Northeast Blanco Unit ("NEBU"), has drilled and completed the NEBU 233 Pictured Cliffs well at a location 1400' FNL and 1' FWL of Section 23-T31N-R7W, San Juan County, New Mexico. The spacing unit for this well is the Northwest Quarter (NW/4) of Section 23. Due to topographic difficulties and in keeping with the BLM's focus of using existing wellpads to prevent additional surface disruption, Devon placed the surface location of this well on the same pad with the NEBU 325 (a Mesaverde/Dakota completion) and the NEBU 434A (a Fruitland Coal completion). It was originally planned that the NEBU 233 well be a directional well with a bottom hole in excess of 10' from the section line boundary. Subsequent to the original plans the well was staked and drilled as a straight hole.

Devon respectfully requests your administrative approval of this unorthodox location. Section 23-T31N-R7W is surrounded by the Unit therefore it is not necessary for Devon, as Unit Operator to notify offset owners. I have included a copy of the NEBU 233 form C-102 with attached topographic and pad layout plan plats. Devon recognizes their error in drilling this well 9' too close to the section line and especially in not having received your approval for this unorthodox location in advance. Should you have any questions, please don't hesitate to contact me at 405-552-4626 or you may contact me by E-Mail at janet.wooldridge@dvn.com.

Sincerely,


Janet Wooldridge, CPL

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OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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Revised February 21, 1994
Instructions on back
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State Lease - 4 Copies
Fee Lease - 3 Copies

2005 JAN 3 PM 2:02 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN

* API Number 30-045-32800		* Pool Code 80690	* Pool Name OTO FARM II Pictured Cliffs	* Well Number Los Pinos FS/PC GAS Pool # 233
* Property Code 19041	* Property Name NEBU			* Elevation 6420
* OGRID No. 4137	* Operator Name Devon Energy Production Company, L.P.			

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
E	23	31 N	7 W		1400	NORTH	1	WEST	SAN JUAN

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

* 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

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

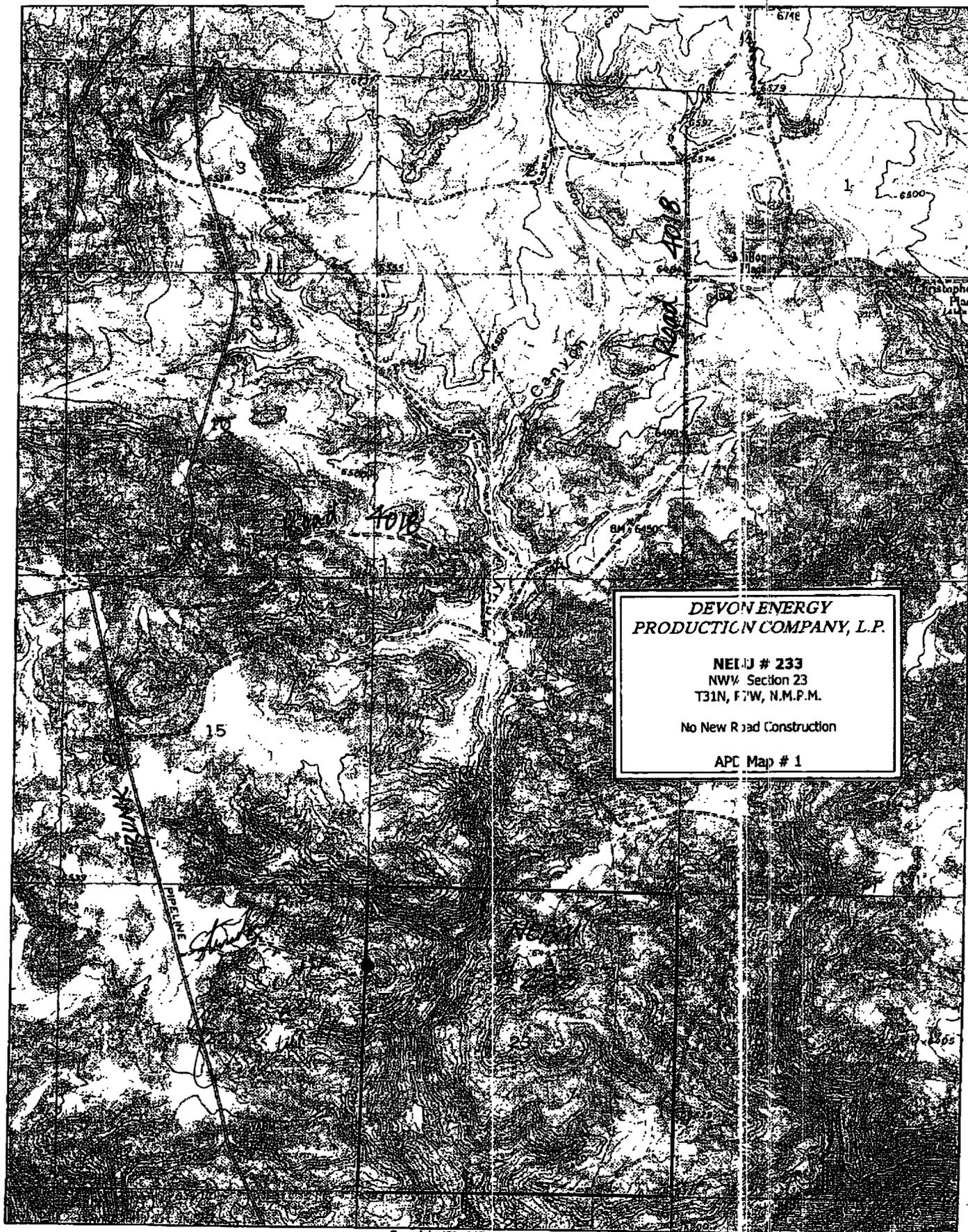
Signature: *W.S. Zimmerman*
Printed Name: **Wesley Zimmerman**
Title: **Sr. Operations Technician**
Date: **10-15-04**

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plot 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.

Date of Survey: **October 15, 2004**
Signature and Seal of Professional Surveyor:
SARY D. VANN
REGISTERED PROFESSIONAL SURVEYOR
7016
Certificate Number

(R) - BLM Record

Standard 640-acre Section



DEVON ENERGY
PRODUCTION COMPANY, L.P.

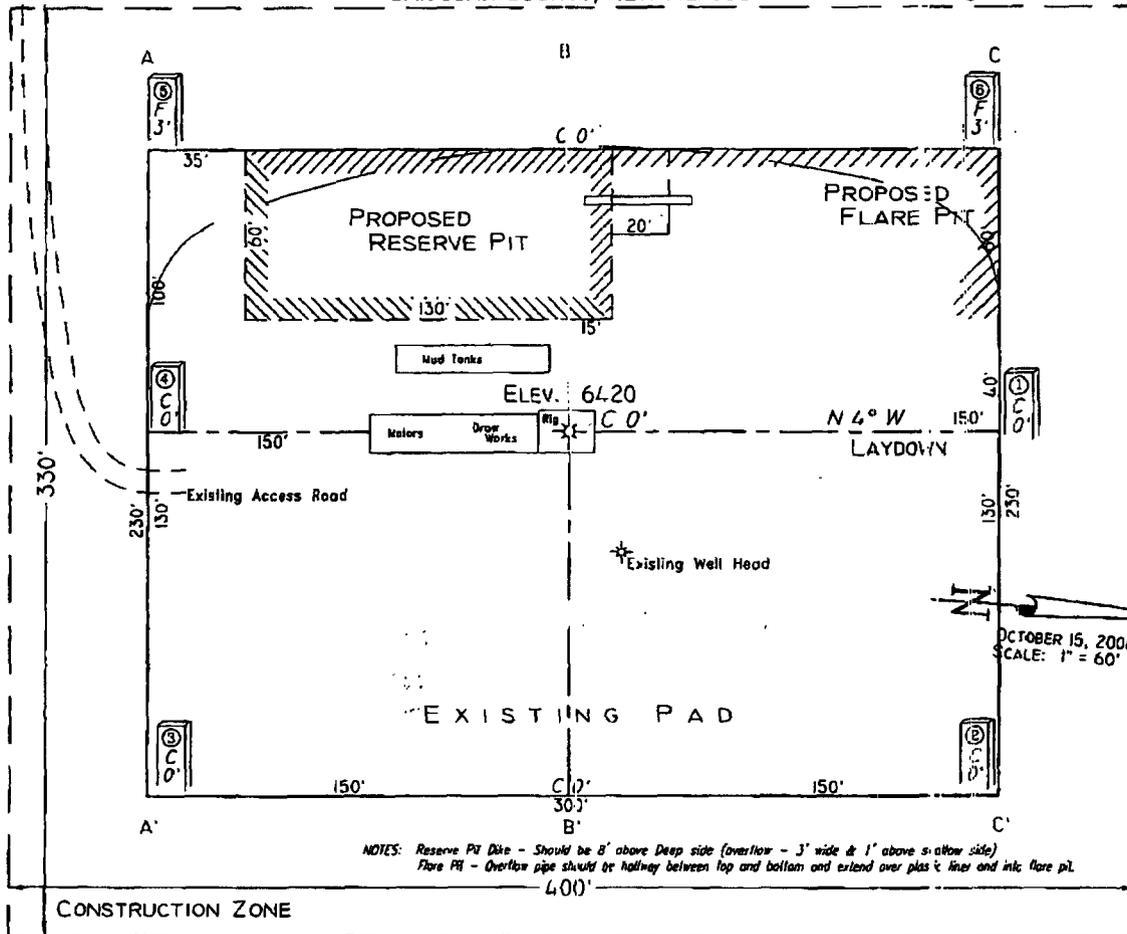
NE 1/4 # 233
NW 1/4 Section 23
T31N, R7W, N.M.P.M.

No New Road Construction

APC Map # 1

000017
 PAD LAYOUT PLAN & PROFILE
 DEVON ENERGY PRODUCTION COMPANY, L.P.
 Nebu # 233
 1400' F/NL 1' F/WL
 SEC. 23, T31N, R7W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°53'18"
 Long: 107°32'58"



NOTES: Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
 Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plus & line and into flare pit.

Area of Construction Zone - 330' x 400' or 103 acres, more or less.

SCALE: 1"=60'-HORIZ.
 1"=60'-VERT.

A-A'		CL	
6430			
6420			
6410			
6400			
B-B'		CL	
6430			
6420			
6410			
6400			
C-C'		CL	
6430			
6420			
6410			
6400			

NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

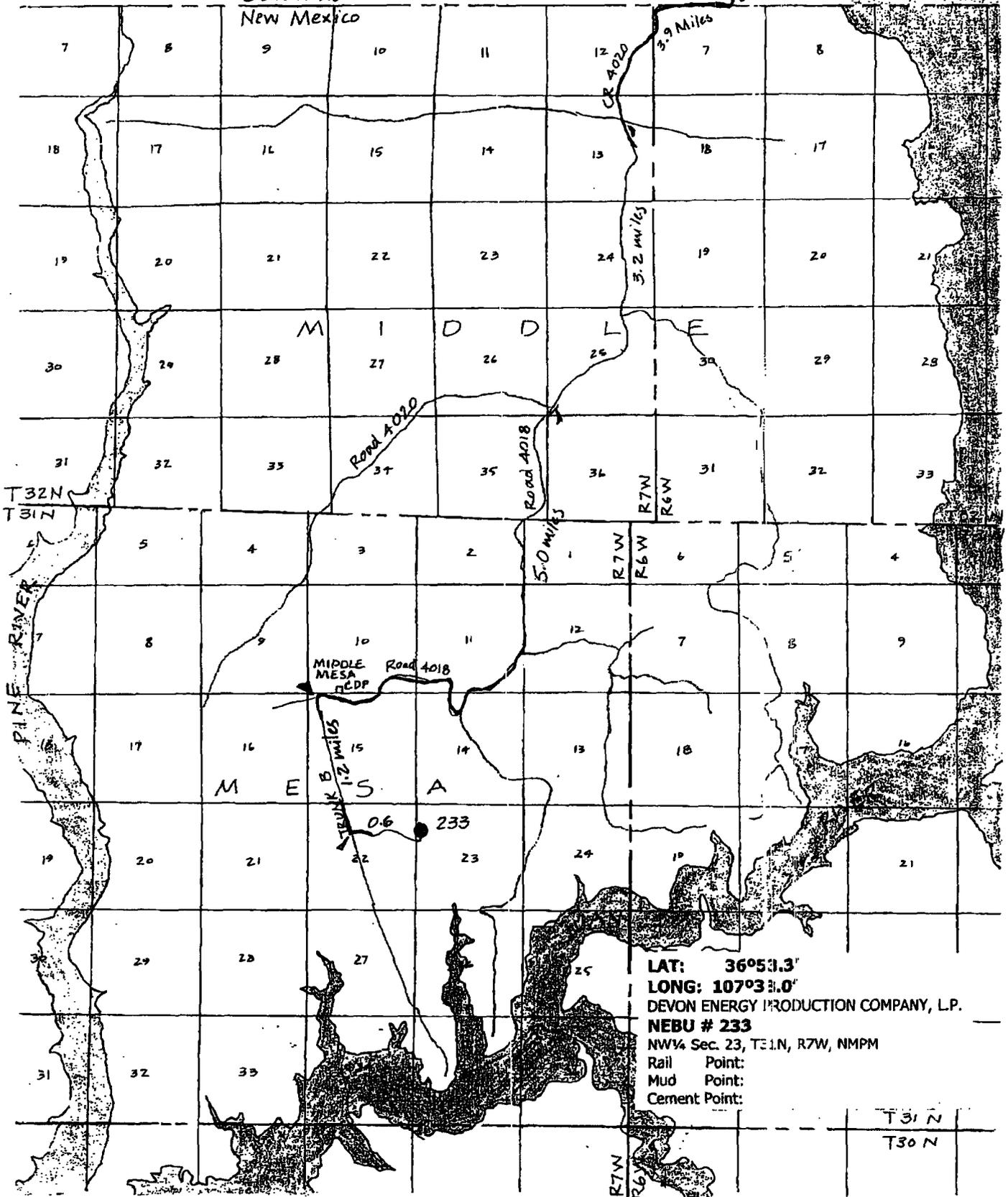
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VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

000018

State Hwy 151
TO ARBOLES →

Colorado
New Mexico



LAT: 36°53.3'
LONG: 107°33.0'
 DEVON ENERGY PRODUCTION COMPANY, L.P.
NEBU # 233
 NW¼ Sec. 23, T31N, R7W, NMPM
 Rail Point:
 Mud Point:
 Cement Point:

T 31 N
T 30 N

TRANSACTION REPORT

P. 01

FEB-23-2006 THU 01:28 PM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-23	01:24 PM		3' 30"	6	RECEIVE	OK		
