

# devon

Rec: 9-10-2004  
PMESD-426535117  
Susp: 9-30-04

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

September 9, 2004

Mr. Michael Stogner  
New Mexico OCD  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Re: Kurland 6 Federal #2  
API# 30-015-33238

Dear Mr. Stogner;

Per our earlier conversation, I am attaching a copy of our calculations of the maximum possible horizontal displacement in this well along with the lease map.

Our calculations reveal a maximum displacement of 490.77'. If you assume the worst case scenario the results would still not exceed the distance to the nearest outer boundary line, which in this case would be 610'. Therefore, we do not believe that the displacement "triggers" the requirement in the rules to need to run a directional survey. However, the Artesia office has requested such under 19.15.3.111.B(2). I discussed this with Bryan Arrant and as I mentioned on the phone, he suggested I contact you with my concerns. If it is not necessary, I would obviously prefer to not have to spend those resources on a survey.

Additionally for your information, we have a NSL order #4974 as well as Order DHC-3323 for commingling the Burton Flat-Morrow and Undesignated Alacran Hills-Atoka pools.

Thank you for your assistance in clarifying the interpretation of this requirement for me. Please contact me at 405 228-8209 if I can provide any additional information.

Sincerely,



Linda Guthrie  
Regulatory Specialist

Linda.guthrie@  
dun.com

2004 SEP 10 PM 6 34

KURLAND 6 FEL #2

SEC 6, 21S, 27E

Eddy County, New Mexico

LEASE & WELL

(Give Unit, Section, Township and Range)

OPERATOR

DEVON ENERGY 20 N BROADWAY, SUITE 1500 OKLAHOMA CITY, OK 73102

DRILLING CONTRACTOR

NABORS DRILLING USA, LP

The Undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

| DEGREES @ DEPTH  | DEGREES @ DEPTH  | DEGREES @ DEPTH  | DEGREES @ DEPTH |
|------------------|------------------|------------------|-----------------|
| <i>Ft</i>        | <i>Ft</i>        | <i>Ft</i>        |                 |
| 1 3.97 228       | 2 17.44 5405     | 2 3/4 4.46 8320  |                 |
| 1 5.42 539       | 1 1/2 14.47 5958 | 3 6.64 8447      |                 |
| 3/4 6.40 1028    | 2 16.33 6426     | 2 1/4 9.69 8694  |                 |
| 4 1/4 36.90 1526 | 3 1/4 28.34 6926 | 2 8.72 8944      |                 |
| 5 3/4 9.21 1618  | 4 11.92 7097     | 3 13.03 9193     |                 |
| 5 3/4 9.41 1712  | 3 1/2 7.75 7224  | 3 3/4 16.41 9444 |                 |
| 5 1/4 8.69 1807  | 4 6.20 7313      | 3 1/2 15.20 9693 |                 |
| 4 1/2 7.53 1903  | 3 1/2 4.33 7384  | 3 13.34 9948     |                 |
| 3 1/2 11.78 2096 | 4 8.64 7508      | 3 9.57 10131     |                 |
| 2 1/2 17.18 2490 | 5 3/4 12.72 635  | 3 27.11 10649    |                 |
| 1 1/4 9.07 2908  | 5 1/4 8.60 7729  | 1 1/2 6.96 10915 |                 |
| 1 8.72 3406      | 5 1/2 8.72 7820  |                  |                 |
| 1 8.88 3915      | 4 3/4 7.70 7913  |                  |                 |
| 1 8.56 4406      | 4 6.55 8007      |                  |                 |
| 2 17.41 4905     | 3 11.51 8227     |                  |                 |

Cum  
Totals

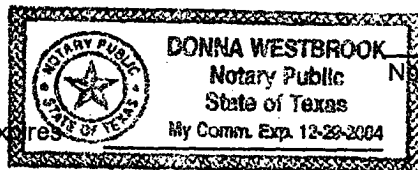
Drilling Contractor

Nabors Drilling USA, LP

By

Don Nelson-District Drilling Superintendent

Subscribed and sworn to before me this 21 day of April, 2004



My Commission Expires

My Comm. Exp. 12-28-2004

MIDLAND

County

TEXAS

41 stations  
20-5'

135.14 = 490.77' cum Displacement  
9206  
8/19/04

OXY Clarbelle  
ST.

State

4 (Maralo, Inc)

012015 Fasken  
Maralo-Fed

34

E.A. Manson  
Fed-McBride  
TD120

Manson-Fed

U.S.

David Fasken  
(Maralo, Inc)

OXY  
(Cit. Serv)

K 261 3.7 Mil

0 2015 AVALON (DEL.) UNIT  
EXXON (OPER.)

35

OXY Battleson St.  
Newbourne Oil -36

VB-530  
Yates Fed  
MWJ-St  
Del Disc  
PIS

Yates Fed  
MWJ-St  
Del Disc  
PIS

Yates Fed  
MWJ-St  
Del Disc  
PIS

Yates Fed  
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# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

August 25, 2004

Devon Energy Production Company  
20 N. Broadway, Suite 1500  
Oklahoma City, OK 73102-8260

Attn: Ms. Linda Guthrie or To Whom It may Concern:

**RE: Devon Energy Production Company, L.P. well: The Kurland '6' Federal #2, located in Lot 12, 3000' FNL & 610' FWL of Section 6 in Township 21 South, Range 27 East in Eddy County, New Mexico.  
API # 30-015-33238**

Dear Ms. Linda Guthrie or To Whom It May Concern:

In regards to the above referenced well, a directional survey shall be ran immediately in order to establish the bottom hole location and the producing interval per New Mexico Oil Conservation Division Rule 111.B.(2). The cumulative displacement of 490.77' supports the requirement of this rule although a NSL # 4974 for said well has been issued. I have provided a part of NMOCD Rule 111 that pertains to this matter for your reference.

19.15.3.111 DEVIATION  
TESTS AND DIRECTIONAL WELLS:

(2) Excessive Deviation. When the deviation averages more than five degrees in any 500-foot interval, the operator shall include the calculations of the maximum possible horizontal displacement of the hole. When the maximum possible horizontal displacement exceeds the distance to the nearest outer boundary line of the appropriate unit, the operator shall run a directional survey to establish the location of the producing interval(s).

Please call if you have any questions regarding this matter,

Bryan G. Arrant  
PES

Cc: Tim Gum- District Supervisor, Artesia  
Michael Stogner-Chief Hearing Examiner, Santa Fe  
Well File