

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

RECEIVED
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
OCT 28 2005

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Devon Louisiana Corporation 20 North Broadway OKC, OK 73102-8260		² OGRID Number 169355	
³ Property Code 23456		⁴ API Number 30-015-30003	
⁵ Property Name Parkway West Unit 28		⁶ Well No. 3	
⁹ Proposed Pool 1 Parkway Strawn		¹⁰ Proposed Pool 2 West 82640	

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	19S	29E		1310	South	1310	West	Eddy

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3297'
¹⁶ Multiple N	¹⁷ Proposed Depth 11,800'	¹⁸ Formation Morrow	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: _____				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	350'	500	Surface
12 1/2"	8 5/8"	32#	3200'	1500	Surface
7 7/8"	5 1/2"	17#	11500'	750	8500'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Devon Energy Production Company, LP requests approval to re-complete to the Strawn zone as follows:

1. MIRU PU and WL unit, POOH with existing completion. Set CIBP at approximately 11,000' above morrow formation. Dump bail minimum of 35 feet cement on top of CIBP.
2. RIH with perforating guns and perforate Strawn formation from 10236-46, 10265-85, 10330-34, and 10404-16 at 3spf 120 degree phasing.
3. RIH with packer and tubing setting packer at approximately 10200', swab test perforations.
4. If necessary, acidize Strawn formation, swab back acid, turn to sales.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Stephanie A. Ysasaga
Title: Senior Engineering Technician
E-mail Address: Stephanie.Ysasaga@dvn.com
Date: 10/06/05

Phone: (405)-552-7802

NSL-3936
OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: NOV 09 2005

Expiration Date: NOV 09 2006

Conditions of Approval:

Please submit BOP plan
prior to re-entry

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer 110, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-30003	Pool Code 82640	Pool Name Strawn
Property Code	Property Name Parkwest West Unit 28	Well Number 3
OGRID No. 169355	Operator Name Devon Louisiana Corporation	Elevation 3297

Surface Location

UL or lot No. M	Section 28	Township 19 S	Range 29 E	Lot Idn	Feet from the 1310	North/South line SOUTH	Feet from the 1310	East/West line WEST	County EDDY
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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 320 LD	Joint or Infill 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

				OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Stephanie A. Ysasaga Printed Name Senior Engineering Technician Title 10/09/05 Date	
				SURVEYOR CERTIFICATION <i>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.</i> DECEMBER 16, 1997 Date Surveyed Signature & Seal of Professional Surveyor P.O. Num. 97-1152017 Certificate No. RONALD J. EIDSON, 3239 PROFESSIONAL SURVEYOR EIDSON, 12841 RONALD J. EIDSON, 12185	



Devon Energy Production Company
Regulatory Affairs
20 North Broadway – Suite 600
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7802
Fax (405)-552-4553
Stephanie.Ysasaga@devon.com

October 18th, 2005

Bryan Arrant
Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

**Re: Parkway West Unit 28 #3
H2S Contingency Plan & BOP Plan**

Dear Mr. Arrant:

Sources at Devon Energy Production Co., LP have relayed information to me that they believe there will not be enough H2S found from the surface through the Strawn formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Also, a 5000 psi BOP will be used for this re-completion.

Should we need to provide additional information, please call me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Stephanie A. Ysasaga
Senior Engineering Technician ☺

SY

RECEIVED
OCT 19 2005
OCD-ARTESIA



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2046 South Pacheco Street
Santa Fe, New Mexico 87606
(505) 827-7131

February 12, 1998

UMC Petroleum Corporation
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Corrected Administrative Order NSL-3936

Dear Mr. Bruce:

Reference is made to your application dated January 20, 1998 on behalf of the operator, UMC Petroleum Corporation, for approval to drill the Parkway West Unit "28" Well No. 3 at an unorthodox gas well location to test both the Undesignated West Parkway-Strawn Gas Pool and the Undesignated West Parkway-Morrow Gas Pool 1310 feet from the South and West lines (Unit M) of Section 28, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 28 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for both intervals.

It is our understanding that the subject well is to be drilled to a depth sufficient to test the Morrow formation; however, the shallower Strawn formation is the primary zone of interest. The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the West Parkway-Strawn Gas Pool than a well drilled at a location considered to be standard (see Rule 4 of the "Special Rules and Regulations for the West Parkway-Strawn Gas Pool and West Parkway-Atoka Gas Pool," as promulgated by Division Order No. R-4638, as amended).

Further, that area comprising all of Sections 20, 21, 22, 27, 28, and 29 of said Township 19 South, Range 29 East, NMPM, in Eddy County, New Mexico is the Parkway West Unit Area operated by UMC Petroleum Corporation; therefore, there are no affected offsets to the subject 320-acre tract other than UMC.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery".
Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 19, 1998

UMC Petroleum Corporation/Ocean Energy, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504-1056

RE: Division Administrative Order NSL-3936

Dear Mr. Bruce:

The subject order, as corrected, see copies attached, authorized UMC Petroleum Corporation to drill its Parkway West Unit "28" Well No. 3 (API No. 30-025-30003) to test both the Undesignated West Parkway-Strawn Gas Pool and the Undesignated West Parkway-Morrow Gas Pool within a standard 320-acre gas spacing and proration unit that comprises the S/2 of Section 28, Township 19 South, Range 29 East, NMPM, ^{Eddy} Lea County, New Mexico, at an unorthodox gas well location 1310 feet from the South and West lines (Unit M) of said Section 28.

It was recently called to my attention that the required notice to affected [see Division statewide Rule 104.F(3)] offsets was inadequate in this instance. After reviewing this matter further, I concur.

I sincerely apologize for not catching this error prior to the release of said Administrative Order NSL-3936, and truly regret any inconvenience my oversight may cause. However, to correct this oversight please provide notice to the required party(ies) in Section 32, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico.

UMC Petroleum Corporation/Ocean Energy, Inc. shall have 30 days from the date of this letter to responde, after which the provisions of said order shall be terminated and Administrative Order NSL-3936 will be placed in abeyance.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
File: NSL-3936

*Received
May 20 1998
for
the
10-98*

(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

- (a) Adjoining and diagonal spacing units shall be defined as those immediately adjacent existing spacing units in the same pool(s) as the proposed unorthodox well and towards which the unorthodox well location encroaches. [2-9-66...2-1-96]
- (b) Affected parties shall be defined as those parties who own interests in leases or operate wells on adjoining or diagonal spacing units and include:
 - (i) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed well;
 - (ii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed well; and
 - (iii) in the absence of an operator or lessee, all owners of record of unleased mineral interests in the same pool(s) as the proposed well. [2-9-66...2-1-96]

(4) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A)(5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application. [2-9-66...2-1-96]

(5) The Division Director may set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the actual location of the producing interval(s). [1-1-82...2-1-96]

104.G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location. [1-1-50...2-1-96]

104.H. If the drilling tract is within an allocated oil pool or is

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

JUN 11 1998
OIL CONSERVATION DIVISION

June 10, 1998

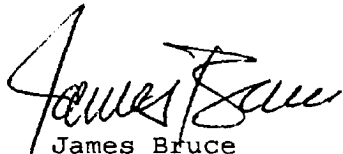
Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative Order NSL-3936

Dear Mr. Stogner:

Pursuant to your request, I notified OXY (the only offset operator) of the unorthodox location application. Ocean Energy, Inc. (successor to UMC Petroleum Corporation) has agreed to provide well information to OXY in return for a waiver of objection by OXY. A copy of my letter to OXY, together with the fax confirmation sheet, is attached. As a result, Ocean requests that the above order be affirmed.

Very truly yours,



James Bruce

Attorney for Ocean Energy, Inc.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

June 8, 1998

Via Fax and U.S. Mail

Richard E. Foppiano
OXY USA Inc.
P.O. Box 50250
Midland, Texas 79710

Re: Application for administrative approval
of an unorthodox gas well location
Parkway West Unit 28 Well No. 3
1310 feet FSL & FWL
SW 28-19S-29E
Eddy County, New Mexico

Operator: Ocean Energy, Inc. ("Ocean")

Dear Rick:

As we discussed, Ocean accepts OXY's offer to waive objection to the above well location in return for Ocean providing well data (logs, etc.) to OXY. By copy of this letter, I am requesting Ocean to mail the data to you at the above address. Please call me if you have any questions. Best regards.

Very truly yours,



James Bruce

Attorney for Ocean Energy, Inc.

cc: Marcia Kehl

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

May 29, 1998

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative Order NSL-3936

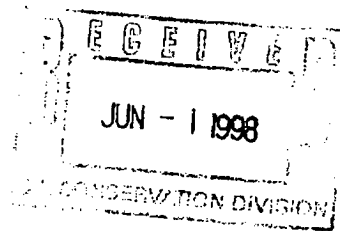
Dear Mr. Stogner:

I received your letter of May 19 (copy enclosed). The records reveal that OXY USA Inc. is the only offset, and I have this day notified OXY of the application. A copy of the notice letter is enclosed. Please call if you have any questions.

Very truly yours,


James Bruce

Attorney for Ocean Energy, Inc.



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

May 29, 1998

Certified Mail
Return Receipt Requested

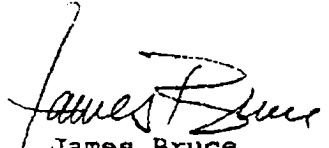
Richard E. Foppiano
OXY USA Inc.
P.O. Box 50250
Midland, Texas 79710

Re: Application for administrative approval
Parkway West Unit 28 Well No. 3
1310 feet FSL & FWL
S# 28-19S-29E
Eddy County, New Mexico

Dear Mr. ^{Rick}Foppiano:

Ocean Energy, Inc. (formerly UMC Petroleum Corporation) has requested approval of the above unorthodox well location from the Oil Conservation Division. The well will test the Strawn and Morrow formations. OXY is operator of the Morrow well unit covering the E½ of Section 32, and the Division has requested that Ocean Energy, Inc. notify the offsets. If OXY objects to the location, please notify the Division in writing no later than Thursday, June 18, 1998 (2040 Pacheco Street, Santa Fe, New Mexico 87505; Attention: Michael E. Stogner). Please call me if you have any questions.

Very truly yours,


James Bruce

Attorney for Ocean Energy, Inc.