



Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260  
Fax 405-552-8113

March 22, 2006

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

RE: North Pure Gold 4 Federal #2  
Section 4-T23S-R31E  
Eddy County, New Mexico

30 - 015 - 34756

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as Operator, intends to drill the referenced horizontal Delaware well to a total vertical depth of 7,458' with a total measured depth of 12,556'. Devon is electing to drill this horizontal well due to the inability to obtain a vertical APD due to Potash restrictions. As reflected on the attached C-102, the well has been permitted at a surface location of 840' FWL and 1,140' FNL of Section 9 with a permitted bottom hole location of 600' FWL and 1650' FNL of Section 4, all in Township 23 South, Range 31 East. The initial portion of the open hole (and potentially productive) horizontal section of the well will be located 480' FWL and 330' FSL of said Section 4. The NMOCD Artesia office has requested that Devon file this application for the reason that Devon will penetrate the top of the Delaware Mountain group with the vertical portion of the wellbore, notwithstanding the fact that the vertical portion of this well is being drilled within approximately 200' of an existing producing Delaware well and Devon does not intend to produce the well from the vertical portion of the well.

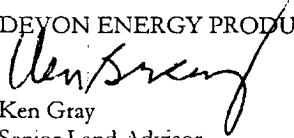
Even though the initial portion of the open hole horizontal section of the referenced well appears to be located at a standard location in accordance with Division rules, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F) (3) with regard to the vertical unorthodox portion of the well as requested by Artesia NMOCD. This unorthodox location affects the leasehold owner in Unit letters C, E & F. Devon is the owner of 100% Record Title of Federal Lease NM 77046 which covers Unit letters C, E & F, among other lands. Therefore, no additional notification of this application should be required as this unorthodox location will affect Devon leasehold only.

Attached for your review you will find a land plat reflecting Devon as the only affected party, a structure map covering the Lower Brushy Canyon, a State of New Mexico form C-102, and a Well Profile Report prepared by Baker Hughes.

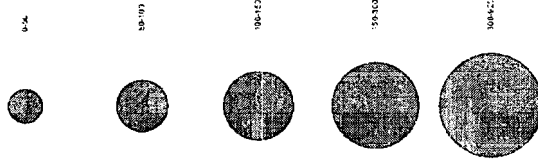
Feel free to contact the undersigned at (405) 552-4633 if there are any concerns or questions regarding this application.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

  
Ken Gray  
Senior Land Advisor  
KG\NPG 4 #2 UL  
Enclosure

Delaware EURs - CEO\_EUR study  
 4/10/06 10:11:14 ECL Desktop



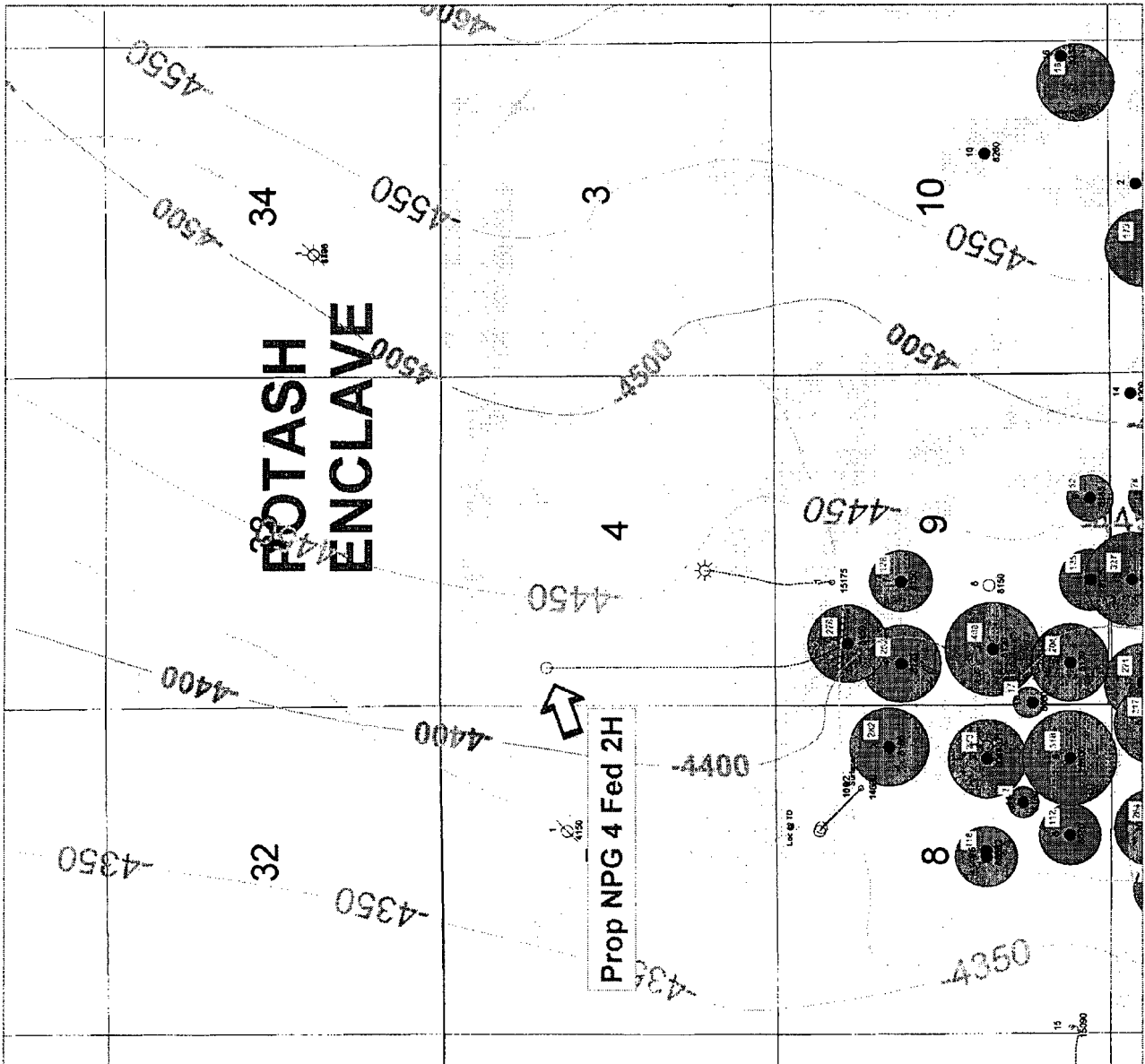
*devon*

Top Lower Brushy Canyon D Sand

Date:  
22 March 2006

Author:

Scale:  
<scale>



## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

## DISTRICT II

811 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Quahada Ridge; Delaware
Property Code	Property Name NORTH PURE GOLD "4" FEDERAL	Well Number 2
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3348'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	23-S	31-E		1140	NORTH	840	WEST	EDDY

## 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
E	4	23-S	31-E		1650	NORTH	600	WEST	EDDY
Dedicated Acres 120	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

<p>LAT. 32°19'23.2"N LONG. 103°47'19.2"W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>[Signature]</i> Stephanie A. Ysasaga</p> <p>Printed Name: Sr. Staff Engineering Tech</p> <p>Title: 1/05/06</p> <p>Date:</p>
	<p><b>SURVEYOR CERTIFICATION</b></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>DECEMBER 1, 2005</p> <p>Date Surveyed: J. JONES</p> <p>Signature &amp; Seal: <i>[Signature]</i> Professional Surveyor</p> <p>W.O. No. 602</p> <p>Certificate No. Gogx L Jones 7977</p> <p>BASIN SURVEYS</p>
	<p>SCALE 1" = 2000'</p>
	<p>10</p>