



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 21, 2004

Devon Energy Production Company, L.P.

20 North Broadway, Suite 1500

Oklahoma City, OK 73102

Attn: Linda Guthrie, Regulatory Specialist

**RE: Old Ranch Canyon '7' #4, located in Section 7 of Township 22 South, Range 24 East.
Surface location: 1599' FSL and 1248' FWL in Eddy County, New Mexico**

Dear Ms. Guthrie,

This letter is to inform and remind you that the above noted well, located on Federal minerals, has been in non-compliance with the New Mexico Oil Conservation Division's Rules and Regulations. Regulatory reports show that the directionally drilled re-completion to the Upper Pennsylvanian formation was completed on 10/18/2003. Our office has just received this information on 7/19/2004. Please refer to NMOCD Rule 1105.A concerning submitting well data. As you can see, the compliance for this particular rule is over 8 to 9 months late. I have provided a copy of this rule for your convenience.

In addition, I see that your company plans to re-complete this well to a non standard location to the Bone Spring formation. Please note that until an approved NSL is issued, this well cannot be produced as a Bone Spring oil well. As always, please feel free to call if you have any questions on this or other matters.

Respectfully yours,

Bryan G. Arrant

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19.15.13.1105 WELL
COMPLETION OR RECOMPLETION
REPORT AND LOG (Form C-105):

A. Within 20 days following the completion or recompletion of any well, the operator shall file form C-105 with the division. It must be filed in quintuplicate and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radio-activity logs run on the well must be filed with form C-105. If the form C-105 with attached log(s) and summaries is not received by the division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with.

E-Mail: Mark Fesmire, Division Director-Santa Fe
Tim Gum, District Supervisor-Artesia
Michael Stogner, Chief Hearing Examiner- Santa Fe