



Devon Energy Production Company, LP
20 North Broadway -- Suite 1100
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7802
Fax (405)-552-4553
Stephanie.Ysasaga@dvn.com

July 13th, 2006

City of Carlsbad
Harry Burgess
P.O. Box 1569
Carlsbad, NM 88221-1569

30 - 015 - 34941

**Re: City of Carlsbad - Wellhead Protection Area Use Application
Request / Petition for Variance Hearing Date
Ocotillo 6 State 1 Sec 6-T23S-R26E
660' FNL & 1020' FEL
Eddy County, New Mexico**

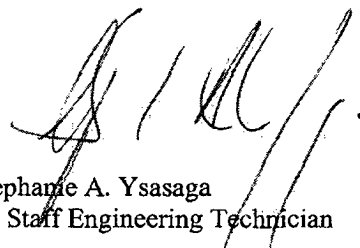
Dear Harry Burgess:

Devon Energy Production Company, L.P. respectfully requests appeal to your review of the decision to deny our application for the Sheep Draw Wellhead Protection Area permit per Ordinance 2000-13 Section 4 B 2d. Per Dave Hennards' (RESPEC) correspondence dated July 11th, Devon requests a variance per Ordinance 2000-13 Section 5 B 3 b 1 c to set intermediate casing string at 1,500 feet below ground surface in the above reference well. As per Ordinance 2000-13, Section 3, paragraph P defines the Sheep Draw Wellhead Protection Area as extending to 2,500 feet below the surface of the ground. Dave Hennard's recommendation to City Council to protect the aquifer is to set intermediate casing string per Devon's approved drilling permit.

Should you have any questions or require additional information, please call me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Stephanie A. Ysasaga
Sr. Staff Engineering Technician

Enclosure

cc: OCD	RESPEC	COC Environmental Servs Mngr
Bryan Arrant	Environmental Div Manager	Richard Aguilar
1301 W. Grand Ave	Dave Hennard	101 N. Halagueno
Artesia, NM 88210	4775 Indian School Road	Carlsbad, NM 88220
	NE, St 300	
	Albuquerque, NM 87110-3927	



July 11, 2006

Ms. Stephanie Ysasaga
Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Dear Ms. Ysasaga:

Re: Denial of Permit Application for Devon Energy Production Company's Ocotillo 6 State #001 Well

Devon Energy Production Company's application for a permit to drill the Ocotillo 6 State #001 Well is denied because the drilling program does not meet criteria for City of Carlsbad Regulation 2000-13, Section 3, Part P. I have been informed by Mr. Richard Aguilar with the City of Carlsbad that Devon Energy will need to file for appeal per Ordinance 2000-13 Section 4 B 2d to request a variance to set the intermediate casing string at 1,500 feet below ground surface, as required by the Oil Conservation Division of the State of New Mexico in the above-referenced well. The City regulation defines the area as extending to 2,500 feet below ground surface in the Sheep Draw Wellhead Protection Area.

The appeal must be filed with the City of Carlsbad within 30 days of the receipt of this denial notification. The appeal must be made and submitted to the City Administrator. The City Council will then schedule a hearing within 60 days from the date of the appeal. During the time allowed for the appeal, Devon Energy may need to provide additional information to complete the permit review. We will contact you if such information is needed.

If you have any questions or need anything further, please do not hesitate to contact me at 505-268-2661.

Sincerely,

Dave Henard
Project Geologist

DAH: pas

cc: Mr. Richard Aguilar, Environmental Manager, City of Carlsbad
Mr. Bryan Arrant, Geologist, NMOCD, Artesia, NM
Project Central File 1520 -- Category K