

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
 Revised January 26, 2007
 Instructions on back
 Submit to Appropriate District Office
 5 Copies
 AMENDED REPORT



I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator Name and Address Devon Louisiana Corporation 20 N. Broadway, Suite 1500 Oklahoma City, OK 73102-8260		² OGRID Number 6137	
⁴ API Number 30-015-36577		⁵ Pool Name Bone Spring	
⁷ Property Code		⁸ Property Name Guardian 25 State Com	
³ Reason for Filing Code Request Test Period Extension		⁴ Pool Code	
⁶ Well Number 1			

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 FEB - 5 2010
 NMOCD ARTESIA

II. Surface Location

UI or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
F	25	19S	27E		1980	North	1980	West	Eddy

Bottom Hole Location

UI or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
F	25	19S	27E		1980	North	1980	West	Eddy
¹² Lse Code S	¹³ Producing Method Code F		¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date			

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
015694	Navajo Refining PO Box 129 Artesia, New Mexico 88211		O	
9171	DCP Midstream P.O. Box 50020 Midland, Texas 79710-0020		G	

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBDT	²⁹ Perforations	³⁰ DHC, DC, MC
10/21/2008	1/15/2010	11,150	11,048'	7978' - 8020'	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17 1/2"	13 3/8"	458'	600 sx Poz C		
12 1/4"	9 5/8"	3255'	1200 sx Cl C		
8 3/4"	7"	10080'	1175 Cl H		
6 1/8"	4 1/2"	11150'	130 sx Cl H		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg Pressure	⁴⁰ Csg Pressure
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method Flowing

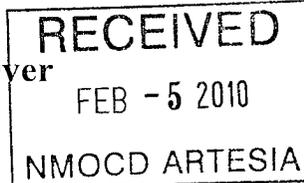
⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with, and that the information given above is true and complete to the best of my knowledge and belief

Signature: *[Signature]* Approved by: *[Signature]*
 Printed Name: Stephanie A. Ysasaga Title: DIST II Supervisor
 Date: 02/04/2010 Approval Date: 02/08/2010
 Phone: 405-552-7802

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

**Verbal Permission for Extended Test Period and to Produce Over
SWR Allowable for the Guardian 25 State 1:**



Devon verbally and formally requests from the District NMOCD office permission for an extended period of time to test and exceed the allowable for the Guardian 25 State 1 (API # 30-015-36577) for at least a month or until our hearing date. We will be producing with a fixed choke of 10/64th to evaluate production decline during this time period.

Recompletion papers could be filed at this time but current monitoring suggests the well performance has not stabilized. Well was initially spud 10/21/2008 in the Morrow, and then recompleted in the Bone Spring 01/12/2010. The Morrow (10,872'-10,882') is currently shut-in.

Devon has filed the appropriate paperwork to apply for new pool rules to produce at current rates; the hearing has been set for March 4th, 2010. Current perforations in the Bone Spring are at 7978'-8020'. Our current gas oil ratio is about 10,000:1; current classification as an "oil" well.

Current Statewide Rules for the Bone Spring producing GOR above 8000' = 2000:1 and 40 acre spacing unit are the following:

- Oil allowable of 187 bbl oil/day
- Gas allowable of 374,000 mcf/day

At hearing we anticipate requesting the following:

- Increase in GOR
- Increase in spacing unit

Hearing would allow us to produce at an increased allowable with a larger spacing unit of 80 acres, and bring Devon into allowable producing parameters for current production rates.

Initial well production was on 01/12/2010. Oil and gas production has been on a steady constant decline. The oil allowable may not be an issue within another week or so if oil production continues to decline steadily; and would be put on rod pump at a later date. Current gravity is 52.5°. Oil production has ranged from 219 bbls to 91 bbls of oil per day; gas production has ranged from 2.9 – 1.1 mmcf per day over a 21 day period. Tubing pressure initially started at 2100#, but now is 1625# psig. Gas analysis tests denote BTU of 1,226. Gas to oil ration was 17,500 on 01/15/2010.

Please advise if "verbal" approval can be granted to produce over assigned allowable for "long term evaluation and testing" or if Form C-104 can be sent; with the "**Reason for Filing Code**": "Request permission for extended test period" or "Request permission to exceed allowable until hearing". Or if Form C-104, Form C-103 & Form C-105 should be sent at this time. Please advise how to proceed.