

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
SUNDRY NOTICES AND REPORTS ON WELLS

OCD-ARTESIA

FORM APPROVED  
OMB NO. 1004-0135  
EXPIRES: NOVEMBER 30, 2000Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE



1a. Type of Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well	<input type="checkbox"/> Other
2. Name of Operator	Devon Energy Production Co. LP		
3. Address and Telephone No.	20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-552-7802		
4. Location of Well (Report location clearly and in accordance with Federal requirements)*	Sec 26 - T23S R31E 660' FNL & 660' FWL		

5. Lease Serial No.	NMNM0418220A
6. If Indian, Allottee or Tribe Name	
7. Unit or CA Agreement Name and No.	
8. Well Name and No.	Todd 26D Federal 21
9. API Well No.	30-015-35077
10. Field and Pool, or Exploratory	Ingle Wells; Delaware
12. County or Parish	Eddy
13. State	NM

## CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change to Original APD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Co., LP respectfully requests permission to deviate from the Drilling Conditions of Approval regarding Casing section II, that 5 1/2" production string to be circulated to surface. Per Order No. R-12513 Devon has been granted a variance exception to tie back to the 8 5/8" casing. The APD previously submitted will require no revisions as our cementing programs top of cement was designed to reach above the 8 5/8" casing seat @ 4400'. Original drilling stipulations and Order No. 12513 are attached for your review.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Name Stephanie A. Ysasaga  
Title Sr. Staff Engineering Technician Date 9/28/2006  
(This space for Federal or State Office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any: \_\_\_\_\_

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations in any matter within its jurisdiction.

\*See Instruction on Reverse Side

APPROVED

OCT 6 2006

WESLEY W. INGRAM  
PETROLEUM ENGINEER

**Todd 26d Federal 21  
Devon Energy Production Co. LP**

**Conditions of Approval  
October 6, 2006**



**As per Order No. R-12513:**

- 1. The cement must extend a minimum of 500' into the 8-5/8" casing string.**
- 2. Reminder: Perform steps 3 and 5 under "IT IS THEREFORE ORDERED THAT:"**

**Wesley W. Ingram  
Petroleum Engineer**

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Devon Energy Production Company, L.P.  
Well Name & No. Todd 26D Federal # 21  
Location: 660' FNL, 660' FWL, Section 26, T. 23 S., R. 31 E., Eddy County, New Mexico  
Lease: NM-0418220A

### II. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:
- A. Well spud
  - B. Cementing casing: 13-3/8 inch 8-5/8 inch 5-1/2 inch
  - C. BOP tests
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15-day time frame.
4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
5. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface; cable speed not to exceed 30 feet per minute.

### II. CASING:

1. The 13-3/8 inch surface casing shall be set at approximately 850 feet in the top of the Rustler anhydrite and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is to be sufficient to circulate to the surface.
3. The minimum required fill of cement behind the 5-1/2 inch production casing is to be sufficient to circulate to the surface.
4. Whenever a casing string is cemented in the R-111-P Potash Area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

### III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- The tests shall be done by an independent service company.
  - The results of the test shall be reported to the appropriate BLM office.
  - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
  - Testing must be done in a safe workman-like manner. Hard line connections shall be required.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 13580  
ORDER NO. R-12513

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR AN  
EXCEPTION TO DIVISION ORDER NO. R-111-P, EDDY COUNTY, NEW  
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 20, 2005, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 1<sup>st</sup> day of March, 2006, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

1. Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.
2. Division Order No. R-111, dated November 9, 1951, as amended by Order Nos. R-111-A through R-111-O, established the "Potash Area," which "*represents the area in various parts of which potash mining operations are now in progress, or in which core tests indicate commercial potash reserves.*" Furthermore, Division Order No. R-111-P established "*The Rules and Regulations Governing the Exploration and Development of Oil and Gas in Certain Areas Herein Defined, Which Are Known To Contain Potash Reserves (Potash Area).*"
3. Division Order No. R-111-P established rules for all wells drilled in the "Potash Area". Section D of said rule established Drilling and Casing Program specifications, which specified coverage of cement during casing operations for all casing strings, but with differing requirements if the well is to be drilled below 5,000 feet - called the "deep zone". As detailed below, deep zone wells must be designed in order to have two strings of fully cemented casing completely covering the salt interval.

(a) Section D (3) of this order **requires** the installation in deep zone wells of a fully cemented "salt protection string".

(b) Section D (4) of this order gives the operator **the option** of also installing for deep zone wells a fully cemented "intermediate string".

(c) If the operator chose to install a fully cemented intermediate string then Section D (5) of this order only requires the operator to cement the production casing such that the casing is protected and the producing interval is covered.

(d) However; if the operator chose NOT to install a fully cemented intermediate string, then Section D (5) of this order requires cement to be circulated on any production casing string.

4. The applicant, Devon Energy Production Company, L.P. ("Devon" or "applicant"), is the operator of United States Oil and Gas Lease NM 041822-A, which covers the N/2 NW/4 of Section 26 and all of Section 27, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

5. Sections 26 and 27 are within the boundaries of lands included in the Potash Area and as such are subject to Division Order R-111-P Section (D).

6. Devon seeks approval for future "deep zone" wells drilled within this lease targeting the Delaware or Bone Spring to drill those wells without an intermediate casing and without cementing the production casing of those wells to the surface.

7. No other party entered an appearance in this case or opposed this application.

8. Devon presented land and engineering testimony at the hearing as follows;

(a) there are many Delaware oil wells in this immediate area and most are not in compliance with the cementing requirements of R-111-P. The BLM did not require cement to be circulated to the surface and the Division also has not enforced the cementing rule;

(b) based on a 1993 map, the closest mine workings are approximately 6 miles to the northeast;

(c) the southern half of Section 27 is outside the Potash Enclave. The remainder of lands in this lease is inside the Potash Enclave;

(d) this lease is approximately 4 miles south of the Waste Isolation Pilot Project ("WIPP");

(e) the nearest federal potash lease is over a mile to the west;

(f) Devon notified only the BLM with this application and not any potash leaseholder;

(g) Devon intends to drill the salt protection hole with salt-based mud, cease drilling after the last salt and above the Delaware and cement the salt protection pipe with 100 percent excess cement to ensure circulation to the surface;

(h) Devon does not intend to install intermediate casing; and

(i) Devon intends to drill the production hole with fresh water based mud and watch for lost circulation zones. If significant mud is lost while drilling, Devon would add a diverter/stage tool into the production casing. If the hole seems stable while drilling, Devon would cement in one stage with enough cement to enter the salt protection casing by approximately 500 feet.

9. Devon did not testify to which formations below the salt have H<sub>2</sub>S concentrations in the hydrocarbons. However, Devon testified that no casing problems have been found in other wells in this area cemented in the fashion requested.

10. Devon presented adequate justification to allow an exception to the casing requirements of Division Order No. R-111-P for wells drilled within this federal lease covering all of Section 27 and the N/2 NW/4 of Section 26.

11. Approval of Devon's application for an exception to the casing cementing requirements of Order R-111-P will prevent waste and protect correlative rights.

12. This application should be approved.

**IT IS THEREFORE ORDERED THAT:**

1. Devon Energy Production Company, L.P. ("Devon") is hereby granted an exception to the casing and cementing requirements of Division Order No. R-111-P for oil wells drilled to the Delaware and Bone Spring formations within the N/2 NW/4 of Section 26 and within all of Section 27, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

2. Such wells shall be constructed by circulating cement on the salt protection casing string extending from the surface and through the salt interval. The production casing shall be cemented such that cement extends 500 feet up into the lower portion of the salt protection casing.

3. Devon shall have all cement used in construction of these wells sampled and analyzed as to type and quality including C3A percentages and this information shall be supplied to the Division.

4. If either the salt protection casing or the production casing is not cemented as directed above, remedial squeeze cementing operations shall be attempted until Division inspectors are satisfied that the salt or potash interval is adequately isolated and protected.

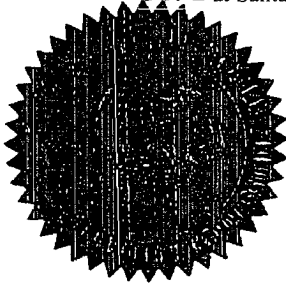
5. A cement bond log shall be run on any salt protection or production casing strings that are not circulated with cement and those cement bond logs shall be supplied to the Division,

6. Prior to September 1, 2006, Devon shall supply the Division with a water component analysis and a gas component analysis obtained from each producing pool in this area. Such analysis shall have estimates of corrosion and scaling tendencies and H<sub>2</sub>S content.

7. This casing exception does not apply to any wells drilled within this area to a deeper formation than the Bone Spring.

8. Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.  
Director

## Ysasaga, Stephanie

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**From:** Alexis\_Swoboda@nm.blm.gov  
**Sent:** Thursday, September 28, 2006 12:19 PM  
**To:** Ysasaga, Stephanie  
**Cc:** John\_Simitz@nm.blm.gov  
**Subject:** Re: Fw: Todd 26D Federal 21: R-111-P Order No. R-12513 (Sec 26 Hearing Exception)

**Attachments:** R-12513\_1\_HO[1].pdf; Todd 26D Federal 21\_API.pdf; Todd 26D Federal 21\_APD.pdf



R-12513\_1\_HO[1].pdf (87 KB)



Todd 26D Federal 21\_API.pdf (7...



Todd 26D Federal 21\_APD.pdf (1...

Stephanie,

This location is not included in the Devon Settlement Agreement. The only leases included in the settlement are NMNM-0404441, NMNM-0405444, and NMNM-0405444A. The stipulations for this well were written in 2003 and the well was not approved until 2006. I was not informed of the exception to rule R-111-P in advance of approval of this well in order to update the drilling stipulations prior to approval.

Please submit a sundry notice to revise your cementing program and cite the Order R-12513 on the sundry. I will update my records for the future.

Just for your information, all of Eddy and Lea County APDs and sundry notices are now being processed in Carlsbad.

Alexis

\*\*\*\*\*

Alexis C. Swoboda, P.E.  
Bureau of Land Management  
Roswell Field Office  
Petroleum Engineer  
505-627-0228  
505-627-0207 fax  
Alexis\_Swoboda@nm.blm.gov

John  
Simitz/RFO/NM/BLM  
/DOI

09/28/2006 10:35  
AM

To  
Alexis Swoboda/RFO/NM/BLM/DOI@BLM

cc

Subject  
Fw: Todd 26D Federal 21: R-111-P  
Order No. R-12513 (Sec 26 Hearing  
Exception)

----- Forwarded by John Simitz/RFO/NM/BLM/DOI on 09/28/2006 10:34 AM -----

"Ysasaga,



Stephanie"  
<Stephanie.Ysasag  
a@dvn.com>

<John\_Simitz@blm.gov>

To  
cc

09/28/2006 08:54  
AM

Subject  
Todd 26D Federal 21: R-111-P Order  
No. R-12513 (Sec 26 Hearing  
Exception)

John,

We are looking at the stipulations for the above APD (attached for ease of review), but notice that we have to circulate cement to surface on the production string. One of the engineers provided me with Order No. R-12513, which grants a variance exception to tie back to the 8 5/8" casing, instead of circulating to surface.

Can you please review or if this is not you that would handle, forward and cc me to who it is? After your review, if the stipulations would change, could you please fax the new stipulations to me? I appreciate your help. My phone and fax number are below. Thanks!  
J Call me if you need to. J

Stephanie A. Ysasaga

Sr. Staff Engineering Technician

(405)-552-7802 Phone

(405)-552-8113 Fax

Corporate Tower 03.056

Stephanie.Ysasaga@dvn.com

<<R-12513\_1\_HO[1].pdf>> <<Todd 26D Federal 21\_API.pdf>> <<Todd 26D Federal 21\_APD.pdf>>

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(See attached file: R-12513\_1\_HO[1].pdf) (See attached file: Todd 26D Federal 21

21\_APD.pdf) (See attached file: Todd 26D Federal 21\_APD.pdf)