



New Mexico Energy, Minerals and Natural Resources Department

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Jami Bailey
Division Director
Oil Conservation Division



February 6, 2012

Devon Energy Production Company, L.P.
Attn: Mr. Sam McCurdy

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6552
Administrative Application Reference No. pTWG12-01258094

Devon Energy Production Company, L.P.
OGRID 6137
Snapping 2 State Well No. 2H
API No. 30-0

As-Drilled Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	330 FSL & 680 FWL	M	2	26S	31E	Eddy
Penetration Point	235 FSL & 679 FWL	M	2	26S	31E	Eddy
Terminus	330 FNL & 990 FWL	D	2	26S	31E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
W/2 W/2 of Section 2	160	undesignated West Jennings; Bone Spring	

Devon Energy Production Company, L.P.
OGRID 6137
Snapping 2 State Well No. 3H
API No. 30-0

As-Drilled Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	330 FSL & 630 FWL	M	2	26S	31E	Eddy

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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Penetration Point	221 FSL & 592 FWL	M	2	26S	31E	Eddy
Terminus	330 FNL & 400 FWL	D	2	26S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 2	160	undesignated West Jennings; Bone Spring	

Reference is made to your application received on January 12, 2012.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed producing interval are less than 330 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location due to a drilling error.


It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office