



# New Mexico Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



May 31, 2011

Devon Energy Production Company, L.P.  
Attn: Sam McCurdy  
20 North Broadway  
Oklahoma City, OK 73102-8260

## Administrative Order NSL-6379

**Re: Cotton Draw Unit Well No. 150H**  
**API No. 30-015-38536**  
**330 feet FNL & 660 FEL**  
**Unit A, Section 34-24S-31E**  
**Eddy County, New Mexico**

**Cotton Draw Unit Well No. 153H**  
**API No. 30-015-38535**  
**200 feet FNL & 1980 FEL**  
**Unit B, Section 3-25S-31E**  
**Eddy County, New Mexico**

**Cotton Draw Unit Well No. 154H**  
**API No. 30-015-38952**  
**200 feet FNL & 660 FEL**  
**Unit A, Section 3-25S-31E**  
**Eddy County, New Mexico**

**Cotton Draw Unit Well No. 160H**  
**API No. 30-015-38432**  
**200 feet FNL & 2160 FWL**  
**Lot 3 (Unit C), Section 2-25S-31E**  
**Eddy County, New Mexico**

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)



**Cotton Draw Unit Well No. 161H**  
**API No. 30-015-38433**  
**200 feet FNL & 440 FWL**  
**Lot 4 (Unit D), Section 2-25S-31E**  
**Eddy County, New Mexico**

Dear Mr. McCurdy:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-11956915**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 29, 2011, and

(b) the Division's records pertinent to this request.

Devon Energy Production Company, L.P. (Devon)[OGRID 6137] has requested to drill the above-referenced wells as horizontal wells in the Delaware formation, at locations that will be unorthodox under Division Rule 16.14.B(2) [19.15.16.14.B(2) NMAC]. The proposed surface locations, points of penetration and termini of the wells are as follows:

**Well No. 150H:**

Surface Location: 330 feet from the North line and 660 feet from the East line  
(Unit A) of Section 34, Township 24S, Range 31E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 200 feet from the South line and 660 feet from the East line  
(Unit P) of said section

**Well No. 153H:**

Surface Location: 200 feet from the North line and 1980 feet from the East line  
(Unit B) of Section 3, Township 25S, Range 31E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 400 feet from the South line and 1980 feet from the East line  
(Unit O) of said section

**Well No. 154H:**

Surface Location: 200 feet from the North line and 660 feet from the East line  
(Unit A) of Section 3, Township 25S, Range 31E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the South line and 660 feet from the East line  
(Unit P) of said section

**Well No. 160H:**

Surface Location: 200 feet from the North line and 2160 feet from the West line  
Lot 3 (Unit C) of Section 2, Township 25S, Range 31E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 200 feet from the South line and 1980 feet from the West line  
(Unit N) of said section

**Well No. 161H:**

Surface Location: 200 feet from the North line and 440 feet from the West line  
Lot 4 (Unit D) of Section 2, Township 25S, Range 31E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 200 feet from the South line and 660 feet from the West line  
(Unit M) of said section

A 160-acre project area comprising four standard 40-acre, more or less, oil spacing units will be dedicated to each of the above wells, as follows:

Well No. 150H	E/2 E/2 of Section 34-24S-31E	undesignated South Poker Lake Delaware (50386)
Well No. 153H	W/2 E/2 of Section 3-25S-31E	undesignated South Cotton Draw Delaware (96757)
Well No. 154H	E/2 E/2 of Section 3-25S-31E	undesignated South Cotton Draw Delaware
Well No. 160H	E/2 W/2 of Section 2-25S-31E	South Cotton Draw Delaware
Well No. 161H	W/2 W/2 of Section 2-25S-31E	South Cotton Draw Delaware

Locations in these pools are governed by statewide Rule 15.9 [19.15.15.9 NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. These locations are unorthodox because portions of the producing intervals will be less than 330 feet from the outer boundaries of the project areas, and therefore outside the producing areas.

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].

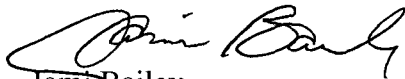
It is our understanding that you are seeking these locations for engineering reasons, in order to maximize the amount of the target horizon within the producing area that can be penetrated by the lateral portion of each wellbore. It is also understood notice to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.15.13.B NMAC], the above-described unorthodox locations are 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 [19.15.5.9 NMAC].

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over the printed name.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia  
New Mexico State Land Office – Santa Fe  
United States Bureau of Land Management