



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 18, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Devon Energy Production Company, L. P.

c/o **W. Thomas Kellahin**

P. O. Box 2265

Santa Fe, New Mexico 87504

Administrative Order NSL-5079

Dear Mr. Kellahin:

Reference is made to the following: (i) your application dated May 26, 2004 (*administrative application reference No. pSEM0-414926260*) on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Devon's request for an unorthodox Devonian gas well location for its proposed Rio Blanco "9" State Well No. 1 to be drilled 660 feet from the North line and 2129 feet from the East line (Unit B) of Section 9, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

The N/2 of Section 9 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing unit for the Undesignated Northeast Bell Lake-Devonian Gas Pool (97328).

Your application has been duly filed under the applicable provisions of the rules governing this pool and the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application, based on 3-D seismic, indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Devonian formation than a well drilled at a location considered to be standard for the Undesignated Northeast Bell Lake-Devonian Gas Pool within the N/2 of Section 9.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox deep Devonian gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe