



New Mexico Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



August 24, 2011

Devon Energy Production Company, L.P.
Attn: Ms. Katie A. McDonnell

Administrative Order NSL-6451
Administrative Application Reference No. pTWG11-21350166

Devon Energy Production Company, L.P.
OGRID 6137
Black Mamba 15 State Com. Well No. 2H
API No. 30-025-40173

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	150 FNL & 660 FWL	D	15	23S	33E	Lea
Penetration Point	150 FNL & 660 FWL	D	15	23S	33E	Lea
Terminus	150 FSL & 1170 FWL	M	15	23S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 Section 15	160	undesignated Northeast Cruz; Delaware	96724

Reference is made to your application received on July 29, 2011.

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 outer boundaries 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].

Oil Conservation Division
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It is our understanding that you are seeking this location for engineering reasons, in order to penetrate the maximum portion of the target zone, within the producing area, with the lateral portion of the wellbore.

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 [19.15.5.9 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 – Hobbs
New Mexico State Land Office