



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



November 28, 2011

Devon Energy Production Company, L.P.
c/o Mr. James Bruce, Attorney at Law

Administrative Order NSL-6506
Administrative Application Reference No. pTWG11-30153585

Devon Energy Production Company, L.P.
OGRID 6137
Arcturus 18 Federal Well No. 4H
API No. 30-015-38611

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	1150 FSL & 340 FWL	M	18	19S	31E	Eddy
Penetration Point	same as surface location					
Terminus	400 FSL & 330 FEL	P	18	19S	31E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
S/2 S/2 of Section 18	160 (+ or -)	Northwest Hackberry; Bone Spring	97020

Reference is made to your application received on October 28, 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 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].

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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It is our understanding that you are seeking this location in order to utilize an existing surface pad.

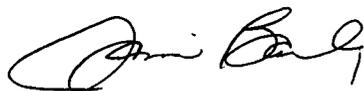
It is also understood that notice to offsetting owners or operators is unnecessary due to common ownership.

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,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management