



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joaquín Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 14, 2007

Devon Energy Production Company, L.P.
c/o Mr. Ken Gray
10 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-5602

Re: North Pure Gold 4 Fed. Well No. 3
Unit D, Section 4, Twsp 23S, Range 31E
Eddy County

Dear Mr. Gray:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-07825628**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 13, 2007, and

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

Devon Energy Production Company, L.P. (Devon) has requested to drill its North Pure Gold 4 Federal Well No. 3 at an unorthodox Delaware oil well location, 180 feet from the North line and 660 feet from the West line (Unit D) of Section 4, Township 23 South, Range 31 East, N.M.P.M., in Eddy County, New Mexico. The NW/4 NW/4 of Section 4 will be dedicated to this well to form a standard 40-acre oil spacing unit in the undesignated Los Medanos-Delaware Pool (40297). Spacing in this pool is governed by statewide Rule 104.B, which requires that a well be located at least 330 feet from a unit boundary. The proposed location is less than 330 feet from the northern boundary of the proposed unit.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

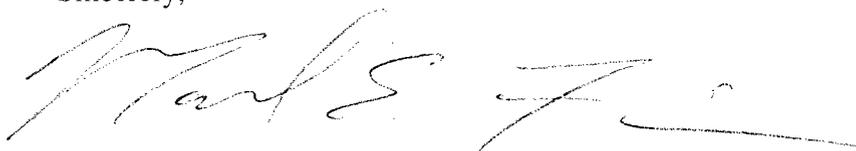
It is our understanding that Devon is seeking this location exception in order to comply with surface location requirements of the United States Bureau of Land Management (BLM).

It is also understood that the adjacent spacing unit to the north is unleased federal land, and that notice of the application has been given to the BLM.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/db

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