



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 3, 2009

Devon Energy Production Company, L.P.
Attn: Ms. Janet Wooldridge
20 North Broadway
Oklahoma City, OK 73102

Administrative Order NSL-5999

Re: Northeast Blanco Unit Well No. 257H
API No. 30-045-34650
Unit E, Section 35-31N-7W
San Juan County, New Mexico

Dear Ms. Wooldridge:

Reference is made to the following:

(a) your application (**administrative application reference No. pUNK09-02849642**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 23, 2009, and

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

Devon Energy Production Company, L.P. (Devon) has drilled the above-referenced well as a horizontal well in the Pictured Cliffs formation, at a location that is unorthodox under Division Rule 16.14.B(2). The surface location, point of penetration and terminus of the well are as follows:

Surface Location: 2390 feet from the North line and 1240 feet from the West line (Unit E) of Section 35, Township 31N, Range 7W, NMPM San Juan County, New Mexico.

Point of Penetration: 1845 feet from the South line and 1609 feet from the West line (Unit K) of said Section 35.

Terminus: 681 feet from the South line and 2022 feet from the West line (Unit N) of said Section 35.



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The SW/4 of Section 35 will be dedicated to the proposed well to form a standard 160-acre spacing unit and project area in the Pictured Cliffs formation. Wildcat spacing in this formation is governed by statewide Rule 15.10.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 660 feet from the eastern boundary of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 1210.A(2).

It is our understanding that you are seeking this location because this well was unintentionally deviated from its intended course thereby making the location unorthodox.

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.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington