



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 22, 1999

Devon Energy Corporation (Nevada)
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Telefax No. (505) 982-2151

Administrative Order NSL-4263

Dear Mr. Bruce:

Reference is made to the following: (i) your application dated October 5, 1998 on behalf of the operator, Devon Energy Corporation (Nevada) ["Devon"]; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file in Case No. 11966, which resulted in Division Order No. R-11162 dated April 13, 1999: all concerning Devon's request for an unorthodox oil well location in the Red Lake (Queen-Grayburg-San Andres) Pool for its proposed Mann "3" Federal Well No. 3 (API No. 30-015-30442) to be drilled 1024 feet from the South line and 330 feet from the West line (Unit M) of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

The SW/4 SW/4 of Section 3 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within the Red Lake (Queen-Grayburg-San Andres) Pool.

Further, the entire W/2 SW/4 of Section 3 is a single Federal lease (United States Government Lease No. LC-061783-B) in which Devon is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than Devon.

The application has been duly filed under the provisions of Division Rule 104.F.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: Case No. 11966