



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



April 30, 2009

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

Administrative Order NSL-6029

Re: Northeast Blanco Unit Well No. 236
API No. 30-045-33265
620 feet FSL and 630 feet FWL
Unit M, Section 24-31N-7W
San Juan County, New Mexico

Dear Ms. Wooldridge:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-09649115**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 6, 2009, and

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

Devon Energy Production Company, L.P. [OGRID 6137] (Devon) has requested location approval for the above-referenced well, a directional gas well in the Pictured Cliffs formation, at a location that is unorthodox under Division Rule 16.14.B. The surface location and bottom-hole location of the well are as follows:

Surface Location: 620 feet from the South line and 630 feet from the West line
(Unit M) of Section 24, Township 31-N, Range 7-W, NMPM
San Juan County, New Mexico

Bottom Hole 527 feet from the North line and 1400 feet from the West line
(Unit C) of Section 25, Township 31-N, Range 7-W, NMPM

The NW/4 of Section 25 has been dedicated to this well to form a standard 160-acre gas spacing unit in the undesignated Blanco-Pictured Cliffs Pool (72359). Spacing in this pool is



April 30, 2009
Page 2

governed by Order R-46, issued in Case No. 237 on December 29, 1950, which provides for 160-acre units with wells located at least 660 feet from a unit outer boundary and at least 330 feet from a quarter section boundary. This location is unorthodox because the bottom-hole location is less than 660 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location because the well has actually been drilled and completed at this location without recognition that the location was unorthodox. It is further understood notice of this application to offsetting operators or owners is not required because of 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.

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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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