

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**

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**Mark Fesmire**

Division Director

Oil Conservation Division



December 27, 2010

Devon Energy Production Company, L.P.  
Attn: Sam McCurdy  
20 North Broadway  
Oklahoma City, OK 73102-8260

**Administrative Order NSL-6312**

**Re: Trionyx 6 Federal Well No. 1H  
API No. 30-025  
200 feet FSL & 940 FWL  
Unit M, Section 6-25S-32E  
Lea County, New Mexico**

**Trionyx 6 Federal Well No. 2H  
API No. 30-025  
200 feet FSL & 990 FWL  
Unit M, Section 6-25S-32E  
Lea County, New Mexico**

**Trionyx 6 Federal Well No. 3H  
API No. 30-025  
200 feet FSL & 1040 FWL  
Unit M, Section 6-25S-32E  
Lea County, New Mexico**

**Trionyx 6 Federal Well No. 4H  
API No. 30-025  
200 feet FSL & 2360 FEL  
Unit O, Section 6-25S-32E  
Lea County, New Mexico**

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

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**Trionyx 6 Federal Well No. 5H**  
**API No. 30-025**  
**200 feet FSL & 2310 FEL**  
**Unit O, Section 6-25S-32E**  
**Lea County, New Mexico**

**Trionyx 6 Federal Well No. 6H**  
**API No. 30-025**  
**200 feet FSL & 2260 FEL**  
**Unit O, Section 6-25S-32E**  
**Lea County, New Mexico**

**Trionyx 6 Federal Well No. 7H**  
**API No. 30-025**  
**200 feet FSL & 685 FEL**  
**Unit P, Section 6-25S-32E**  
**Lea County, New Mexico**

**Trionyx 6 Federal Well No. 8H**  
**API No. 30-025**  
**200 feet FSL & 636 FEL**  
**Unit P, Section 6-25S-32E**  
**Lea County, New Mexico**

Dear Mr. McCurdy:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-34928063**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 1, 2010, and

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

Devon Energy Production Company, L.P. (Devon) has requested to drill the above-referenced wells as horizontal wells in the Bone Spring formation, at locations that will be unorthodox under Division Rule 16.14.B(2). The proposed surface locations, points of penetration and termini of the wells are as follows:

**Well No. 1H:**

Surface Location: 200 feet from the South line and 940 feet from the West line  
(Unit M) of Section 6, Township 25S, Range 32E, NMPM,  
Lea County, New Mexico

Point of Penetration: 113 feet from the South line and 807 feet from the West line  
(Unit M) of said section

Terminus 330 feet from the North line and 330 feet from the West line  
(Unit D) of said section

**Well No. 2H:**

Surface Location: 200 feet from the South line and 990 feet from the West line (Unit M) of Section 6, Township 25S, Range 32E, NMPPM, Lea County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the North line and 995 feet from the West line (Unit D) of said section

**Well No. 3H:**

Surface Location: 200 feet from the South line and 1040 feet from the West line (Unit M) of Section 6, Township 25S, Range 32E, NMPPM, Lea County, New Mexico

Point of Penetration: 112 feet from the South line and 1128 feet from the West line (Unit M) of said section

Terminus 330 feet from the North line and 1650 feet from the West line (Unit C) of said section

**Well No. 4H:**

Surface Location: 200 feet from the South line and 2360 feet from the East line (Unit O) of Section 6, Township 25S, Range 32E, NMPPM, Lea County, New Mexico

Point of Penetration: 191 feet from the South line and 2403 feet from the East line (Unit O) of said section

Terminus 330 feet from the North line and 2325 feet from the West line (Unit C) of said section

**Well No. 5H:**

Surface Location: 200 feet from the South line and 2310 feet from the East line (Unit O) of Section 6, Township 25S, Range 32E, NMPPM, Lea County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the North line and 2325 feet from the East line (Unit B) of said section

**Well No. 6H:**

Surface Location: 200 feet from the South line and 2260 feet from the East line (Unit O) of Section 6, Township 25S, Range 32E, NMPM, Lea County, New Mexico

Point of Penetration: 193 feet from the South line and 2225 feet from the East line (Unit O) of said section

Terminus 330 feet from the North line and 1650 feet from the East line (Unit B) of said section

**Well No. 7H:**

Surface Location: 200 feet from the South line and 685 feet from the East line (Unit P) of Section 6, Township 25S, Range 32E, NMPM, Lea County, New Mexico

Point of Penetration: 182 feet from the South line and 717 feet from the East line (Unit P) of said section

Terminus 330 feet from the North line and 995 feet from the East line (Unit A) of said section

**Well No. 8H:**

Surface Location: 200 feet from the South line and 636 feet from the East line (Unit P) of Section 6, Township 25S, Range 32E, NMPM, Lea County, New Mexico

Point of Penetration: 180 feet from the South line and 599 feet from the East line (Unit P) of said section

Terminus 330 feet from the North line and 330 feet from the East line (Unit A) of said section

All of Section 6 will be dedicated to the above wells to form a 640-acre project area comprising 16 standard, 40-acre wildcat oil spacing units in the Bone Spring formation.

Wildcat locations in the Bone Spring are governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. These locations are unorthodox because portions of the producing intervals will be less than 330 feet from the outer boundaries of the project area, and therefore outside the producing areas.

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 these locations for engineering reasons, in order to maximize the amount of the target horizon within the producing area that can be penetrated by the lateral portion of each wellbore. It is also understood that you have given due notice of this application

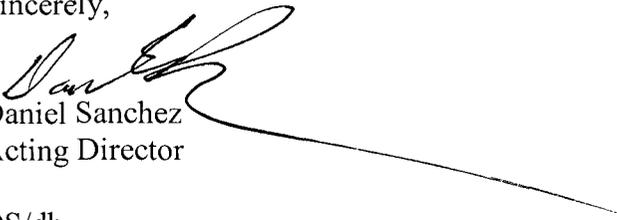
to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed locations encroach.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox locations are 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,



Daniel Sanchez  
Acting Director

DS/db

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