



New Mexico Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 5, 2011

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

Administrative Order NSL-6312-A

Re: Trionyx 6 Federal Well No. 3HY
API No. 30-025-40105
200 feet FSL & 1015 FWL
Unit M, Section 6-25S-32E
Lea County, New Mexico

Dear Mr. McCurdy:

This Order supersedes Administrative Order NSL-6312 as to the Trionyx 6 Federal Well No. 3H only. The other wells that are the subject of that order are unaffected, and Order NSL-6312 remains in force as to all such other wells.

Reference is made to the following:

(a) **Administrative Order NSL-6312**, issued on December 27, 2010,

(b) your application (**administrative application reference No. pTGW11-11151137**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 20, 2011, wherein you request approval for a change of location for the Trionyx 6 Federal Well No. 3H, and

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

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Devon Energy Production Company, L.P. (Devon) [OGRID 6137] has requested to drill the **Trionyx 6 Federal Well No. 3HY** (replacement for the Trionyx 6 Federal Well No. 3H) as a horizontal well in the Bone Spring formation, at a location that will be unorthodox under Division Rule 16.14.B(2) [19.15.16.14.B(2) NMAC]. The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 200 feet from the South line and 1015 feet from the West line
(Unit M) of Section 6, Township 25S, Range 32E, NMPM,
Lea County, New Mexico

Point of Penetration: 106 feet from the South line and 1197 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

All of Section 6 will be dedicated to the above well, and to the Trionyx 6 Federal Wells Nos. 1H, 2H, 4H, 5H, 6H, 7H and 8H, 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 [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. The proposed location is unorthodox because a portion of the producing interval will be less than 330 feet from the southern 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 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this revised location due to mechanical difficulties encountered in attempting to drill the Trionyx 6 Federal Well No. 3H at the location approved in Order NSL-6312. It is also understood that notice to offsetting owners or operators is unnecessary because the revised location does not encroach closer toward the unit boundaries that did the originally approved location of which all requisite parties were notified.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.15.13.B NMAC], 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 [19.15.5.9 NMAC].

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

Sincerely,



Jami Bailey
Director

JB/db

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