



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



June 1, 2011

Devon Energy Production Company, L.P.
Attn: Ms. Katie A. McDonnell
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-6382

**Re: Thistle Unit Well No. 32H
API No. 30-025-40016
150 feet from the South and East lines
Unit P, Section 33-23S-33E
Lea County, New Mexico**

Dear Ms McDonnell:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-12357673**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 3, 2011, and

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

Devon Energy Production Company, L.P. (Devon) [OGRID 6137] has requested to drill the above-referenced well as a horizontal well in the Delaware 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: 150 feet from the South line and 150 feet from the East line
(Unit P) of Section 33, Township 23 South, Range 33 East, NMPM,
Lea County, New Mexico

Point of Penetration: same as surface location

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



Terminus 150 feet from the North line and 1170 feet from the East line
(Unit A) of said section

The E/2 E/2 of Section 33 will be dedicated to the proposed well to form a project area comprising four standard, 40-acre oil spacing units in the undesignated Brinninstool Delaware Pool (96193). Spacing in this pool is governed by statewide Rule 15.9 [19.15.15.9 NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because portions of the producing interval will be less than 330 feet from the boundaries 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 location for engineering reasons, in order to maximize the portion of the target zone within the producing area that the wellbore will penetrate.

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) [19.15.4.12.A(2) NMAC], in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.15.13.B NMAC], 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 [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
New Mexico State Land Office - Santa Fe