



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 13, 2002

Devon SFS Operating, Inc.
c/o Devon Energy Corporation
20 North Broadway - Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: **James Blount**
James.Blount@dvn.com

Telefax No. (405) 552-4667

Administrative Order NSL-4670-A

Dear Mr. Blount:

Reference is made to the following: (i) your application (*application reference No. pPKRV0-224831790*) that was submitted to the New Mexico Oil Conservation Division ("Division") on September 3, 2002 on behalf of Devon SFS Operating, Inc. ("Devon-SFS"); (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe on Friday, September 13, 2002; and (iii) the Division's records in Santa Fe and Hobbs, including the file on Division Administrative Order NSL-4670: all concerning Devon-SFS's request for an unorthodox oil well location in the Undesignated North Baish-Wolfcamp Pool (4500) for the existing Maljamar "10" Federal Well No. 1 (API No. 30-025-35317), located 660 feet from the South line and 1530 feet from the East line (Unit O) of Section 10, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The SW/4 SE/4 of Section 10 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for this pool.

Division Administrative Order NSL-4670, dated November 30, 2001, authorized the recompletion of the above-described Maljamar "10" Federal Well No. 1 into the West Maljamar-Cisco Canyon Pool (97160) at an unorthodox oil well location within a standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 of Section 10.

It is our understanding that the Cisco interval was recently abandoned and the well was recompleted up-hole into the Wolfcamp formation; pursuant to Division Rule 104.B (1), as revised, this location is also considered to be unorthodox for the subject 40-acre spacing and proration unit in the undesignated North Baish-Wolfcamp Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

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By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox oil well location for the Maljamar "10" Federal Well No. 1 is hereby approved for oil production from the Undesignated North Baish-Wolfcamp Pool.

Further, Division Administrative Order NSL-4670 is hereby placed in abeyance until further notice.

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

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Lori Wrotenbery". The signature is written in a cursive, flowing style with a long, sweeping underline that extends to the right.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-4670 /
Jim Bruce, Legal Counsel for Devon SFS Operating, Inc. - Santa Fe