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



August 8, 2011

Devon Energy Production Company, L.P. Attn: Sam McCurdy 20 North Broadway

Oklahoma City, OK 73102-8260

Administrative Order NSL-6433

Administrative Application Reference No. pWVJ11-20053738

Devon Energy Production Company, L.P OGRID 6137 Cotton Draw Unit Well No. 115H API No. 30-015-37898

Location as Drilled:

	Footages	Unit	Sec.	Township	<u>Range</u>	<u>County</u>
Surface	330 FSL & 1650 FEL	0	34	24S	31E	Eddy
Penetration Point	260 FSL & 1568 FEL	0	34	24S	31E	Eddy
Terminus	400 FNL & 1621 FEL	В	34	24S	31E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
W/2 E/2 of Sec. 34	160	undesignated South Cotton Draw Bone Spring	96546

Reference is made to your application received on July 14, 2011.

You have requested to complete this horizontal well which was unintentionally drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is 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, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the as-drilled producing interval are less than 330 feet from an outer boundary of the project area.

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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 due to a drilling error.

It is also understood that notice to offsetting owners or operators is unnecessary due to 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 [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 – Artesia United States Bureau of Land Management