



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



January 6, 2012

Devon Energy Production Company, L.P.
c/o James Bruce, attorney

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6536
Administrative Application Reference No. pTWG11-34831197

Devon Energy Production Company, L.P.
OGRID 6137
Rigel 20 Federal Com. Well No. 4H
API No. 30-015-39726

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	1750 FSL & 330 FWL	L	20	19S	31E	Eddy
Penetration Point	same as surface location					
Terminus	400 FSL & 330 FEL	P	20	19S	31E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
S/2 S/2 Section 20	160	undesignated Northwest Hackberry; Bone Spring	97020

Reference is made to your application received on December 13, 2011.

You have requested to drill this horizontal well 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 proposed producing interval are less than 330 feet from an outer boundary of the project area.

Oil Conservation Division
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A portion of the producing interval, as defined in 19.15.16.7.H NMAC, is also outside the designated project area. However, you have advised us that the "completed interval," *i.e.* the portion of the well bore lateral open to the formation, will be entirely within the S/2 S/2 of Section 20, and therefore within the project 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 in order to minimize surface impact.

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,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management