



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



January 10, 2012

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

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6538
Administrative Application Reference No. pTWG11-34832485

Devon Energy Production Company, L.P.
OGRID 6137
Vega 29 Federal Well No. 1H
API No. 30-015

Proposed Location:

| | Footages | Unit | Sec. | Township | Range | County |
|-------------------|--------------------------|-------------|-------------|-----------------|--------------|---------------|
| Surface | 320 FNL & 900 FEL | A | 29 | 19S | 31E | Eddy |
| Penetration Point | same as surface location | | | | | |
| Terminus | 340 FSL & 900 FEL | P | 29 | 19S | 31E | Eddy |

Proposed Project Area:

| Description | Acres | Pool | Pool Code |
|-----------------------|--------------|--|------------------|
| E/2 E/2 of Section 29 | 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
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



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 avoid interference with existing pipelines.

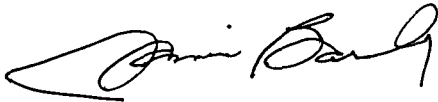
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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", with a stylized, flowing script.

Jami Bailey
Director

JB/db

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