



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

September 2, 2005

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Devon Energy Production Company, L. P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: **Ken Gray**
ken.gray@dvn.com

Administrative Order NSL-5272

Dear Mr. Gray:

Reference is made to the following: (i) your application initially submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico by telefax on August 17, 2005 (*administrative application reference No. pSEM0-523138593*); (ii) your telefax of August 31, 2005 of a signed waiver from an offsetting affected party; and (iii) the Division's records in Artesia and Santa Fe, including the file on Division Case No. 1446: all concerning Devon Energy Production Company, L. P.'s ("Devon") request for an unorthodox Atoka gas well location for Devon's existing Cotton Draw Unit Well No. 68 (API No. 30-015-20272), located 2310 feet from the North line and 1980 feet from the West line (Unit F) of Section 12, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

The W/2 of Section 12, being a standard 320-acre stand-up deep gas spacing unit for wildcat Atoka gas production [see Division Rule 104.D (2) (a)], is to be dedicated to this well.

Your application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

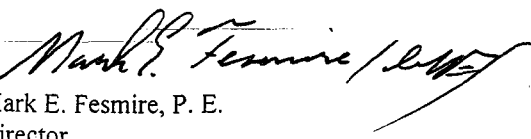
It is the Division's understanding that Texaco, Inc. originally drilled the above-described Cotton Draw Unit Well No. 68 in the winter of 1969/1970 to a total depth of 16,868 feet and was initially completed in the Paduca-Morrow Gas Pool (82480) within the W/2 of Section 12 at a location considered to be standard at that time. In 1977 Texaco, Inc. abandoned the Morrow interval and recompleted up-hole into the South Paduca-Wolfcamp Gas Pool (82540). This Wolfcamp gas production was also dedicated to the W/2 of Section 12 and at the time the location was still considered to be standard. In 1994 the well was TA'ed by the operator.

It is further understood that Devon, who became the operator of this well in September, 2004, recently recompleted this well into the Atoka formation; however, pursuant to Division Rule 104.C (2) (a), this location is now unorthodox for wildcat Atoka gas production.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Atoka gas well location within this 320-acre unit is hereby approved.

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

Sincerely,


Mark E. Fesmire, P. E.
Director

MEF/ms
cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad