

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 28, 2008

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5792

Re: Devon Energy Production Company, L.P.
Logan 35 Federal Well No. 1
API No. 30-015-36081
Unit I, Section 35-17S-27E
Eddy County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-0802931670**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of **Devon Energy Production Company, L.P.** (Devon), on , 2008, and

(b) the Division's records pertinent to this request.

Devon has requested to drill the above-referenced well at an unorthodox well location, 1520 feet from the South line and 1280 feet from the East line (Unit I) of Section 35, Township 17 South, Range 27 East, N.M.P.M., in Eddy County, New Mexico. The NE/4 SE/4 of Section 35 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Northeast Red Lake-Glorieta/Yeso Pool (96836) and the Red Lake-Queen/Grayburg/San Andres Pool (51300). These pools are governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the southern western unit boundaries.

Your application on behalf of Devon has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).



It is our understanding that you are seeking this location to avoid interference with an existing pipeline that crosses the property, and in order to obtain an optimal geographic distribution of the wells completed in this formation to prevent waste.

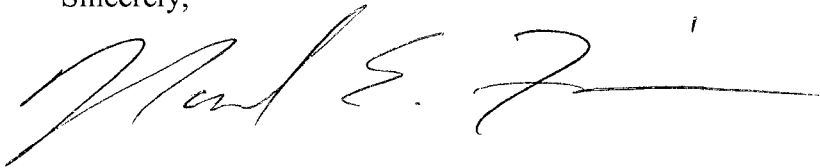
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of identical working interest ownership. Notice was sent to owners of overriding royalties, though such notice is not required.

Pursuant to the authority conferred by Division Rule 104.F(2), 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 40.

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 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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