



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 3, 2009

Devon Energy Production Company, L.P.
Attn: Mr. Ken Gray
20 North Broadway
Oklahoma City, OK 73102-8280

Administrative Order NSL-6109

Re: Laguna Salado 22 Well No. 6H
API No. 30-015-37371
Unit C, Section 22-23S-29E
Eddy County, New Mexico

Dear Mr. Gray:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-28651314**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 13, 2009, and

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

Devon Energy Production Company, L.P. [OGRID 6137] (Devon) has requested to drill the above-referenced well as a horizontal well in the Delaware formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 1172 feet from the North line and 2510 feet from the West line
(Unit C) of Section 22, Township 23-S, Range 29E, NMPM
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the South line and 660 feet from the East line
(Unit P) of said Section 22

The SE/4 NE/4 and the E/2 SE/4 of Section 22 will be dedicated to the proposed well to form a project area comprising three standard 40-acre oil spacing units in the Northeast Harroun



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Ranch-Delaware Pool (96878). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. It is understood that, although the "producing interval" as defined in Rule 16.7.H lies outside the project area, this will be a cased hole, and all perforations will be within the project area.

This location is unorthodox because a portion of the producing interval will be outside the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

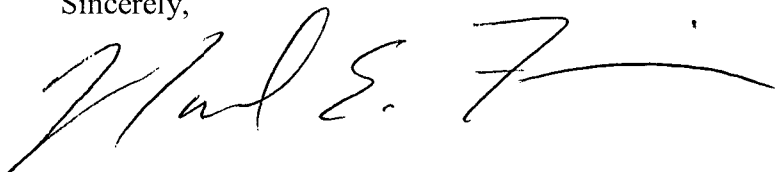
It is our understanding that you are seeking this location to avoid interference with existing or potential potash mining. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

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.

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