



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



October 1, 2010

Devon Energy Production Company, L.P.

Attn: Mr. Sam McCurdy

20 North Broadway

Oklahoma City, OK 73102-8260

Administrative Order NSL-6280

**Re: Cotton Draw Well No. 134H
API No. 30-015
200 FSL & 330 FWL
Unit M, Section 2-25S-31E
Eddy County, New Mexico**

Dear Mr. McCurdy:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-26452757**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 20, 2010, 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 Bone Spring 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: 200 feet from the South line and 330 feet from the West line
(Unit M) of Section 2, Township 25S, Range 31E, NMPM
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 2600 feet from the South line and 330 feet from the West line
(Unit L) of Section 35, Township 24S, Range 31E
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



The W/2 W/2 of Section 2-25S-31E and the W/2 SW/4 of Section 35-24S-31E will be dedicated to the proposed well to form a project area comprising six standard 40-acre spacing units in the undesignated Paduca-Bone Spring Pool (96641). 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. This location is unorthodox because portions of the producing interval will be less than 330 feet from boundaries of 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).

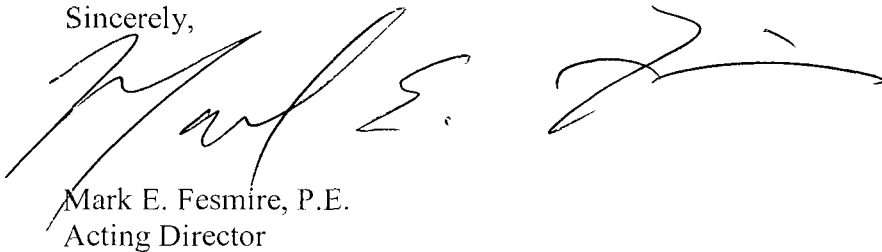
It is our understanding that you are seeking this location in order to maximize penetration of the target horizon within the project area. It is further understood that notice of this application to offsetting operators or owners is not required due to common ownership.

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', is written over a horizontal line.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division -
New Mexico State Land Office - Santa Fe
United States Bureau of Land Management