



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Harrison H. Schmitt
Cabinet Secretary-Designate

January 26, 2011

Devon Energy Production Company, L.P.
Attn: Katie A. McDonnell
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-6322

Re: Aldabra 25 Federal Well No. 1H
API No. 30-015
200 feet FSL & 635 FWL
Unit M, Section 25-23S-31E
Eddy County, New Mexico

Aldabra 25 Federal Well No. 2H
API No. 30-015
200 feet FSL & 685 FWL
Unit M, Section 25-23S-31E
Eddy County, New Mexico

Aldabra 25 Federal Well No. 3H
API No. 30-015
200 feet FSL & 2260 FWL
Unit N, Section 25-23S-31E
Eddy County, New Mexico

Aldabra 25 Federal Well No. 4H
API No. 30-015
200 feet FSL & 2310 FWL
Unit N, Section 25-23S-31E
Eddy County, New Mexico



Aldabra 25 Federal Well No. 5H
API No. 30-015
200 feet FSL & 2360 FWL
Unit N, Section 25-23S-31E
Lea County, New Mexico

Aldabra 25 Federal Well No. 6H
API No. 30-015
200 feet FSL & 1050 FEL
Unit P, Section 25-23S-31E
Eddy County, New Mexico

Aldabra 25 Federal Well No. 7H
API No. 30-015
200 feet FSL & 1000 FEL
Unit P, Section 25-23S-31E
Eddy County, New Mexico

Aldabra Federal Well No. 8H
API No. 30-015
200 feet FSL & 950 FEL
Unit P, Section 25-23S-31E
Eddy County, New Mexico

Dear Ms. McDonnell:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-00455272**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 4, 2011, and

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

Devon Energy Production Company, L.P. (Devon) has requested to drill the above-referenced wells as horizontal wells in the Bone Spring formation, at locations that will be unorthodox under Division Rule 16.14.B(2). The proposed surface locations, points of penetration and termini of the wells are as follows:

Well No. 1H:

Surface Location: 200 feet from the South line and 635 feet from the West line
(Unit M) of Section 25, Township 23S, Range 31E, NMPM,
Eddy County, New Mexico

Point of Penetration: 186 feet from the South line and 622 feet from the West line
(Unit M) of said section

Terminus 330 feet from the North line and 400 feet from the West line
(Unit D) of said section

Well No. 2H:

Surface Location: 200 feet from the South line and 685 feet from the West line (Unit M) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 199 feet from the South line and 687 feet from the West line (Unit M) of said section

Terminus 330 feet from the North line and 1000 feet from the West line (Unit D) of said section

Well No. 3H:

Surface Location: 200 feet from the South line and 2260 feet from the West line (Unit N) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 197 feet from the South line and 2252 feet from the West line (Unit N) of said section

Terminus 330 feet from the North line and 1650 feet from the West line (Unit C) of said section

Well No. 4H:

Surface Location: 200 feet from the South line and 2310 feet from the West line (Unit N) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 200 feet from the South line and 2310 feet from the West line (Unit N) of said section

Terminus 330 feet from the North line and 2310 feet from the West line (Unit C) of said section

Well No. 5H:

Surface Location: 200 feet from the South line and 2360 feet from the West line (Unit N) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 199 feet from the South line and 2363 feet from the West line (Unit N) of said section

Terminus 330 feet from the North line and 2310 feet from the East line (Unit B) of said section

Well No. 6H:

Surface Location: 200 feet from the South line and 1050 feet from the East line (Unit P) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 195 feet from the South line and 1064 feet from the East line (Unit P) of said section

Terminus 330 feet from the North line and 1650 feet from the East line (Unit B) of said section

Well No. 7H:

Surface Location: 200 feet from the South line and 1000 feet from the East line (Unit P) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 178 feet from the South line and 1000 feet from the East line (Unit P) of said section

Terminus 330 feet from the North line and 1000 feet from the East line (Unit A) of said section

Well No. 8H:

Surface Location: 200 feet from the South line and 950 feet from the East line (Unit P) of Section 25, Township 23S, Range 31E, NMPM, Eddy County, New Mexico

Point of Penetration: 197 feet from the South line and 959 feet from the East line (Unit P) of said section

Terminus 330 feet from the North line and 400 feet from the East line (Unit A) of said section

A 160-acre project area comprising four standard, 40-acre wildcat oil spacing units in the Bone Spring formation shall be dedicated to each of the above wells, as follows:

Well Nos. 1H and 2H:	W/2 W/2 of Section 25
Well Nos. 3H and 4H:	E/2 W/2 of Section 25
Well Nos. 5H and 6H:	W/2 E/2 of Section 25
Well Nos. 7H and 8H:	E/2 E/2 of Section 25

Wildcat locations in the Bone Spring are 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. These locations are unorthodox because portions of the producing intervals will be less than 330 feet from the outer boundaries of the project areas, and therefore outside the producing areas.

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

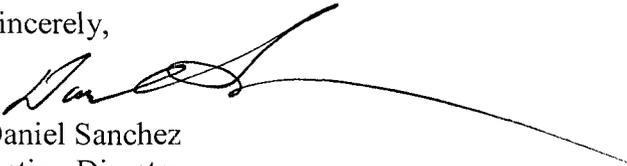
It is our understanding that you are seeking these locations for engineering reasons, in order to maximize the amount of the target horizon within the producing area that can be penetrated by the lateral portion of each wellbore. It is also understood that you have given due notice of this application 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 locations encroach.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox locations are 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 'Daniel Sanchez', with a long horizontal flourish extending to the right.

Daniel Sanchez
Acting Director

DS/db

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