



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Brett F. Woods, Ph.D.
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 1, 2011

Devon Energy Production Company, L.P.
Attn: Sam McCurdy
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-6346

Re: Cotton Draw Unit Well No. 122H
API No. 30-015-38453
160 feet FNL and 1345 feet FWL
Unit C, Section 35-24S-31E
Eddy County, New Mexico

Dear Mr. McCurdy:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-03858602**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 7, 2011, 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 Wolfcamp 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: 160 feet from the North line and 1345 feet from the West line
(Unit C) of Section 35, Township 24S, Range 31E, NMPM,
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the South line and 1650 feet from the West line
(Unit N) of said section

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 of Section 35 will be dedicated to the proposed well to form a standard, 320-acre gas spacing unit and project area in the Paduca Wolfcamp Gas Pool (82520). This pool is governed by statewide Rule 15.10.B, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 660 feet from the northern boundary 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).

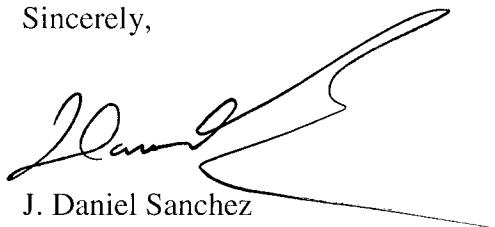
It is our understanding that you are seeking this location for engineering reasons. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

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,



J. Daniel Sanchez
Acting Director

DS/db

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