



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

March 9, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Devon Energy Production Company, L. P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: Richard C. Winchester
Land Advisor
Richard.Winchester@dvn.com

AMENDED Administrative Order NSL-4995 (SD)

Dear Mr. Winchester:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on February 5, 2004 (***administrative application reference No. pMES0-405038903***) to amend Division Administrative Order NSL-4995 (SD); (ii) the Division's initial response by e-mail on March 4, 2004 from Mr. Michael E. Stogner, Engineer/Hearing Officer with the Division in Santa Fe, requesting additional information for this application; (iii) your e-mail reply Tuesday morning, March 9, 2004; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4995 (SD): all concerning Devon Energy Production Company, L.P.'s ("Devon") request to move the location of its proposed North Pure Gold "9" Federal Well No. 17 a distance of 158 feet southwest of its previously approved unorthodox infill oil well location [approved by Division Administrative Order NSL-4995 (SD), dated February 5, 2004] 1415 feet from the South line and 85 feet from the West line (Unit L) of Section 9, Township 23 South, Range 31 East, NMPM, Los Medanos-Delaware Pool (**40297**), Eddy County, New Mexico.

Your amended application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The Division understands this move is at the request of the U. S. Bureau of Land Management in order to avoid a sand dune that apparently Devon was not aware existed.

This move will relocate the North Pure Gold "9" Federal Well No. 17 within another existing standard Los Medanos-Delaware 40-acre oil spacing and proration unit comprising the SW/4 SW/4 (Unit M) of Section 9 Eddy County, New Mexico, which unit is currently dedicated to Devon's North Pure Gold "9" Federal Well No. 2 (**API No. 30-015-27479**), located at a standard oil well location 660 feet from the South and West lines of Section 9.

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As stated in the previous order, it is the Division's understanding that: (i) the E/2 of Section 8, all of Section 9, the NW/4, W/2 SW/4, N/2 SE/4, and SW/4 SE/4 of Section 10, all in Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, comprise a single federal lease (U. S. Government lease No. NM-77046) with common mineral interest in which Devon is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract; (ii) infill drilling within this lease will serve to drain additional reserves within the productive interval that might not otherwise be produced and will provide for a more efficient production pattern within the Los Medanos-Delaware Pool.

By the authority granted me under the provisions of Division Rule 104.F (2) the application of Devon for its North Pure Gold "9" Federal Well No. 17, to be drilled at an unorthodox infill oil well location 1265 feet from the South line and 35 feet from the West line (Unit M) of Section 19, is hereby approved.

This amended order shall supersede the previous order issued on February 5, 2004.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenberg
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management – Carlsbad
Jim Bruce, Legal Counsel for Devon Energy Production Company, L.P. – Santa Fe
File: Division Administrative Application Reference No. pMES0-403633872