



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

March 26, 2001

**Devon SFS Operating, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504**

Telefax No. (505) 982-2151

Administrative Order NSL-4567

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Devon SFS Operating, Inc. ("Devon SFS") dated March 1, 2001; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Devon SFS's request for an exception to the provisions of Division Rule 104.C (2) (b) for an infill gas well to be drilled at an unorthodox deep gas well location within an existing standard 320-acre lay-down gas spacing and proration unit in the Undesignated West Osudo-Morrow Gas Pool comprising Lots 9 through 16 (middle one-third) of irregular Section 1, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

This 320-acre unit is currently dedicated to Devon SFS's State "R" Well No. 2 (API No. 30-025-35055), located at a standard gas well location 3300 feet from the North line and 990 feet from the West line (Lot 13/Unit M) of irregular Section 1.

This 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.

It is our understanding that Devon SFS seeks this location exception for both topographical and geological reasons.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill deep gas well location within this 320-acre unit is hereby approved:

**State "R" Well No. 3
3350' FNL & 2140' FEL (Lot 10/Unit J)
(API No. 30-025-35442)**

Administrative Order NSL-4567

Devon SFS Operating, Inc.

March 26, 2001

Page 2

Devon SFS is hereby authorized to simultaneously dedicate production attributed to the Undesignated West Osudo-Morrow Gas Pool from its existing State "R" Well No. 2 with the proposed State "R" Well No. 3.

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

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenbery / LWMES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe