

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

November 5, 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-4660

Dear Mr. Bruce:

Reference is made to the following: (i) your letters of application dated October 13, 19, and 29, 2001 (application reference No. pKRV0-129039620); (ii) a letter dated October 22, 2001 from Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe; and (iii) the Division's records in Santa Fe: all concerning Devon SFS Operating, Inc.'s request for an off-pattern non-standard Morrow gas well location for its proposed Stock Tank "15" Federal Well No. 1 (API No. 30-005-63371), to be drilled 1980 feet from the South line and 990 feet from the West line (Unit L) of Section 15, Township 15 South, Range 28 East, NMPM, Undesignated Buffalo Valley-Pennsylvanian Gas Pool (73080), Chaves County, New Mexico.

The W/2 of Section 15 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool.

This application has been duly filed under the provisions of: (i) 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; (ii) Division Rule 605; and (iii) the "Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool", as promulgated by Division Order No. R-8170, as amended.

The geologic interpretation submitted with this application indicates that a well drilled off-pattern in the SW/4 of Section 15 will be at a more favorable geologic position within the Morrow sand than a well drilled at a location considered to be on-pattern/standard within the W/2 of Section 15.

By authority granted me under the provisions of Division Rules 605.B(2)(b) and 104.F(2) and the applicable provisions of the special pool rules governing the Buffalo Valley-Pennsylvanian Gas Pool, the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia U. S. Bureau of Land Management - Roswell