

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

November 19, 2002

Devon Energy Corporation 20 North Broadway - Suite 1500 Oklahoma City, Oklahoma 73102-8260

Attention: James Blount James.Blount@dvn.com

Administrative Order NSL-4812 (SD)

Dear Mr. Blount:

Reference is made to the following: (i) your application (*application reference No. pKRV0-230945885*) submitted to the New Mexico Oil Conservation Division ("Division") on November 4, 2002; and (ii) the Division's records in Santa Fe: all concerning Devon Energy Corporation's ("Devon") request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the NW/4 SE/4 (Unit J) of Section 8, Township 23 South, Range 31 East, NMPM, Los Medanos-Delaware Pool (40297), Eddy County, New Mexico.

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.

This 40-acre unit is currently dedicated to Devon's North Pure Gold "8" Federal Well No. 6 (API No. 30-015-27618), located at a standard oil well location 1980 feet from the South line and 2310 feet from the East line of Section 8.

It is the Division's understanding that the SE/4 of Section 8 is a single federal lease (U. S. Government lease No. NM-77046) with common ownership in which Devon is the leasehold operator; therefore, there are no adversely affected offsets to the subject 40-acre tract.

It is further understood that infill drilling within this lease will serve to drain additional reserves within the productive interval that might not otherwise be produced, and to provide for a more efficient production pattern within the Los Medanos-Delaware Pool.

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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 oil well location within the subject unit is hereby approved:

North Pure Gold "8" Federal Well No. 11 1400' FSL & 1540' FEL

Further, the existing North Pure Gold "8" Federal Well No. 6 and proposed North Pure Gold "8" Federal Well No. 11 are to be simultaneously dedicated to the subject 40-acre oil spacing and proration unit.

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

Sincerely,

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Lori Wrotenbery Director

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