

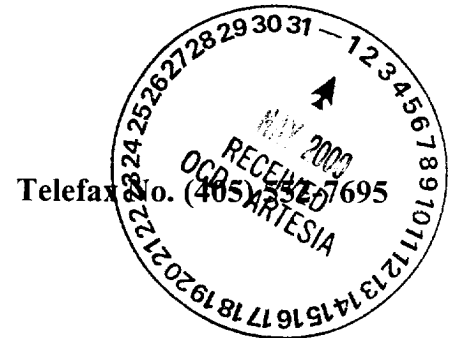


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 26, 2000

Devon Energy Corporation
20 North Broadway - Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: Tonja Rutelonis, Engineering Technician



Administrative Order NSL-4441

Dear Ms. Rutelonis:

Reference is made to the following: (i) your initial application dated September 29, 1999; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe on Friday, January 7, 2000; (iii) your telefaxed response of February 23, 2000 with supplemental information; and (iv) the Division's records in Santa Fe including Division Cases No. 3211, 3212, and 11966: all concerning Devon Energy Corporation's ("Devon") request for an exception to Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to be applicable to both the San Andres formation of the Red Lake (Queen-Grayburg-San Andres) Pool and the Northeast Red Lake-Glorieta-Yeso Pool for Devon's proposed:

- (a) Logan "35" Federal Well No. 11 (**API No. 30-015-30749**) to be drilled 1310 feet from the South line and 400 feet from the East line (Unit P) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico; and
- (b) Logan "35" Federal Well No. 12 (**API No. 30-015-30750**) to be drilled 580 feet from the South line and 1030 feet from the East line (Unit P) of Section 35.

The SE/4 SE/4 (Unit P) of Section 35, being a standard 40-acre oil spacing and proration unit for both the San Andres formation of the Red Lake (Queen-Grayburg-San Andres) Pool and the Northeast Red Lake-Glorieta-Yeso Pool, is to be dedicated to these two proposed wells.

Both applications have been duly filed under the provisions of Division Rule 104.F, as revised.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well locations for both the Logan "35" Federal Well Nos. 11 and 12 within a standard 40-acre oil spacing and proration unit for the: (i) San Andres formation of the Red Lake

Administrative Order NSL-4441

Devon Energy Corporation

April 26, 2000

Page 2

(Queen-Grayburg-San Andres) Pool; and (ii) Northeast Red Lake-Glorieta-Yeso Pool, are hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery, Dir".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /
U. S. Bureau of Land Management - Carlsbad
James Bruce, Legal Counsel for Devon Energy Corporation - Santa Fe