GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

January 17, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Devon SFS Operating, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Telefax No. (505) 982-3151

Administrative Order NSP-1840

Dear Mr. Bruce:

Reference is made to the following: **(i)** your application on behalf of the operator Devon SFS Operating, Inc. ("Devon") dated December 18, 2000; and **(ii)** the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Devon's request for the formation of the following described non-standard 280-acre gas spacing and proration unit to be applicable to any and all formations and/or pools from the surface to the base of the Morrow formation that are developed on 320-acre spacing and governed under the provisions of Division Rule 104.C (2), which presently includes but is not necessarily limited to the Kennedy Farms-Morrow Gas Pool:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 16:   N/2 SW/4 and SE/4.

This unit is to be dedicated to Devon's proposed Veranda "16" State Com. Well No. 1 to be drilled at a standard gas well location pursuant to Division Rule 104.C (2) (a) 660 feet from the South and East lines (Unit P) of Section 16.

This application has been duly filed under the provisions of Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the above-described 280-acre non-standard gas spacing and proration unit is hereby approved. Further, jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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

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