

Devon Energy Production Company, L.P.

July 3, 2002

Page 2

(5) Devon's Winston Gas Com. Well No. 8 (30-015-30873) is a directionally drilled well located with a surface location 938 feet from the North line and 1073 feet from the East line (Unit B) of Section 31 and a bottomhole location within the Indian Basin-Upper Pennsylvanian Associated Pool 1198 feet from the South line and 692 feet from the East line (Unit P) of Section 31. The well file has two OCD Forms C-102; one dated October 15, 1999 which indicates a stand-up 320-acre E/2 dedication and the other dated March 9, 2000 which indicates and lay-down 318.29-acre unit comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 31. The "acre" data page on the Division's ONGARD computer system indicates that the S/2 equivalent of Section 31 is the dedicated acreage for this well.

According to the copy of the C-102 faxed on June 27, 2002 for the Winston Gas Com. Well No. 6 (API No. 30-015-32116), the W/2 equivalent of Section 31 is to be dedicated to this well.

From the above information I have no way of knowing which of these well's production is allocated to which spacing and proration unit. Until this issue is corrected and the appropriate forms are filed on each Indian Basin-Upper Pennsylvanian Associated well the immediate application is deemed incomplete and is therefore denied.

I am returning this application to you at this time.

This letter and all of the attachments have been forwarded to Mr. Tim Gum, supervisor of the Division's district office in Artesia for review and handling, and, if necessary, corrective action. I urge you to contact Mr. Gum as soon as possible and make arrangements to review this matter with him.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Tim Gum, Supervisor - New Mexico Oil Conservation Division, Artesia
U. S. Bureau of Land Management - Carlsbad
Jim Bruce, Legal Counsel for Devon Energy Production Company, L.P. - Santa Fe
Kathy Valdes, NMOCD - Santa Fe