



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

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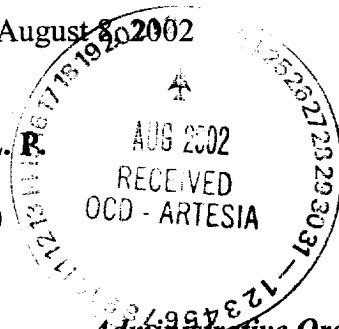
Lori Wrotenbery

Director

Oil Conservation Division

Devon Energy Production Company, L. P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Attention: Ken Gray

August 8, 2002



Telefax No. (405) 552-8113

Administrative Order NSL-4767 (SD) (NSBHL)

Dear Mr. Gray:

Reference is made to the following: (i) your original application (*application reference No. pKRV0-217150424*) that was submitted to the New Mexico Oil Conservation Division ("Division") on June 20, 2002; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe on Monday, June 24, 2002; (iii) your response by telefax of June 27, 2002 to Mr. Stogner's verbal request for additional information; (iv) Mr. Stogner letter dated July 3, 2002 **denying** this application; (v) your re-submittal of this application to the Division on July 19, 2002 (*application reference No. pKRV0-220051775*); and (vi) the Division's records in Santa Fe: all concerning Devon Energy Production Company, L. P.'s ("Devon") request for an exception to Rule 2 (b) of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool*", as promulgated by New Mexico Oil Conservation Division ("Division") Order Nos. R-9922, R-9922-A, R-9922-B, R-9922-C, and R-9922-D and the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended, for the recently drilled Winston Gas Com. Well No. 6 (**API No. 30-015-32116**) which is located to an unorthodox subsurface location within an existing standard 317.18-acre stand-up spacing and proration unit comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 24 East, NMPM, Indian Basin-Upper Pennsylvanian Associated Pool (**33685**), Eddy County, New Mexico.

This unit is currently simultaneously dedicated to Devon's:

- (i) Winston Gas Com. Well No. 1 (**API No. 30-015-10363**), a vertical well located at a standard location 2080 feet from the South line and 1980 feet from the West line (Unit K) of Section 31; and
- (ii) Winston Gas Com. Well No. 5 (**API No. 30-015-30478**), a vertical well located at a standard location 856 feet from the South line and 900 feet from the West line (Lot 4/Unit M) of Section 31.

It is our understanding when Devon drilled the Winston Gas Com. Well No. 6 at a permitted standard surface location 1650 feet from the North and 710 feet from the West line (Lot 2/Unit E) of

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Section 31 in the first quarter of this year, that the wellbore deviated from natural drift to the west. It was determined after reaching total depth of 8,100 feet (MD) and after casing was set that the bottomhole location was 1657 feet from the North line and 592 feet from the West line (Lot 2/Unit E) of Section 31.

This request 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 111.C (2); (iii) Division Rule 1207.A; and (iv) Rule 2 (c) of the aforementioned Associated Pool Rules.

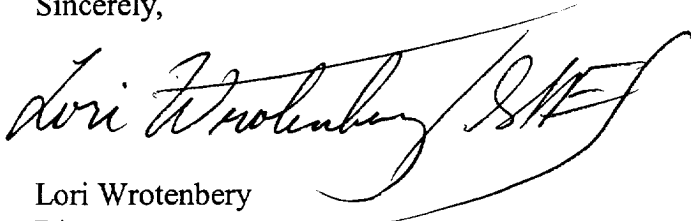
By the authority granted me under the provisions of Division Rule 104.F (2) and the applicable provisions of the special rules governing the Indian Basin-Upper Pennsylvanian Associated Pool, the above-described unorthodox sub-surface location for the Winston Gas Com. Well No. 6 within the W/2 equivalent of Section 31 is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to the Indian Basin-Upper Pennsylvanian Associated Pool.

Devon is further authorized to simultaneously dedicate production attributed to the Indian Basin-Upper Pennsylvanian Associated Pool from the aforementioned Winston Gas Com. Wells No. 1, 5, and 6. Furthermore, Devon is permitted to produce the allowable assigned the subject 317.18-acre spacing and proration unit from all three wells in any proportion.

Jurisdiction of this case is 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 ✓
U. S. Bureau of Land Management – Carlsbad
Jim Bruce, Legal Counsel for Devon Energy Production Company, L. P. – Santa Fe