



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

June 16, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Devon Energy Production Company, L. P.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-5077

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-414631267*) on behalf of the operator, Devon Energy Production Company, L. P. ("Devon"), dated May 24, 2004; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Artesia and Santa Fe: all concerning Devon's request for an exception to the provisions of Division Rule 104.C (2) (a) for its proposed TNT "6" Federal Com. Well No. 2 to be drilled at an unorthodox Morrow gas well location 510 feet from the South line and 660 feet from the West line (Lot 7/Unit M) of Irregular Section 6, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Lots 6 and 7, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Irregular Section 6 is to be dedicated to this well in order to form a 291.77-acre lay-down gas spacing unit for the Undesignated South Empire-Morrow Gas Pool (76400).

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.

The geologic interpretation submitted with this application indicates that a well drilled within the SW/4 SW/4 equivalent of Irregular Section 6 will be at a more favorable geologic position within the Morrow interval than a well drilled within the SW/4 of Irregular Section 6 any further to the north or east of the nearest location considered to be standard (660 feet from the South and West lines of Irregular Section 6). Topographic conditions further restrict placement of the wellbore in the southwestern portion of this unit.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location is hereby approved.

Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MS/ms

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