



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



February 1, 2012

Devon Energy Production Company, L.P.
Attn: Mr. Ken Gray

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6551
Administrative Application Reference No. pTWG12-00630785

Devon Energy Production Company, L.P.
OGRID 6137
Shaqtus 26 State Com. Well No. 1H
API No. 30-015-39819

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	900 FNL & 1140 FWL	D	35	21S	31E	Eddy
Penetration Point	same as surface location					
Terminus	330 FNL & 660 FWL	D	26	21S	31E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
W/2 W/2 of Section 26	160	undesignated Lost Tank; Delaware	40298

Reference is made to your application received on January 5, 2012.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed producing interval are less than 330 feet from an outer boundary of the project area.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



In this case, a portion of the producing interval is also outside the designated project area. You have specifically affirmed, however, that the completed interval of this well will be entirely within the W/2 W/2 of Section 26.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location in order to avoid potash areas.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", written in a cursive style.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office