



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 20, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Attention: **Ken Gray**
ken.gray@dyn.com

Administrative Order NSL-5206

Dear Mr. Gray:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico by telefax on April 29, 2005 (*administrative application reference No. pMES0-513247931*); and (ii) the Division's records in Artesia and Santa Fe: all concerning Devon Energy Production Company, L. P.'s ("Devon") request for an unorthodox Morrow gas well location for the proposed Lovelace "27" Fee Well No. 2, or Lovelace Well No. 2, to be drilled 2410 feet from the South line and 1165 feet from the East line (Unit I) of Section 27, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

Your application has been duly filed under the applicable provisions of the rules governing this pool and 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 S/2 of Section 27 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing unit for the South Carlsbad-Morrow Gas Pool (73960).

By the authority granted me under the provisions of Division Order No. R-11315, issued in Case No. 12306 on January 31, 2000, and Division Rule 104.F (2), as revised, the above-described unorthodox Morrow gas well location for Devon's proposed Lovelace "27" Fee Well No. 2 is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs