



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 24, 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@devn.com

Administrative Order NSL-5208

Dear Mr. Gray:

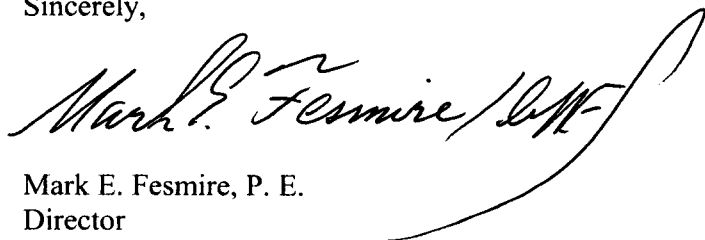
Reference is made to the following: (i) your application initially submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico by telefax on May 13, 2005 (*administrative application reference No. pSEM0-51349983*); and (ii) the Division's records in Artesia and Santa Fe: all concerning Devon Energy Production Company, L. P.'s ("Devon") request to drill the proposed H. B. (Hash Brown) "10" Federal Well No. 3 at an unorthodox Bone Spring oil well location 1480 feet from the North line and 1110 feet from the East line (Unit I) of Section 10, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. The NE/4 SE/4 of Section 10 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within the East Pierce Crossing-Bone Spring Pool (**96473**).

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.

It is the Division's understanding after reviewing your application and our records that the E/2 of Section 10 is a single Federal lease issued by the U. S. Bureau of Land Management (*U. S. Government lease No. NM-81616*) with common mineral interest in which Devon is the leasehold operator.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location for the Nash Draw-Delaware Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

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