



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 25, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Telefax No. (405) 552-8113

Attention: Ken Gray

Administrative Order NSL-5242

Dear Mr. Gray:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") by telefax on July 21, 2005 (*administrative application reference No. pMES0-520640295*); and (ii) the Division's records in Artesia and Santa Fe: all concerning Devon Energy Production Company, L. P.'s ("Devon") request or an unorthodox Morrow gas well location for the proposed Apache "25" Federal Well No. 16 to be drilled 2310 feet from the South line and 1980 feet from the West line (Unit K) of Section 25, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico.

The S/2 of Section 25 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing unit for the Los Medanos-Morrow Gas Pool (80560).

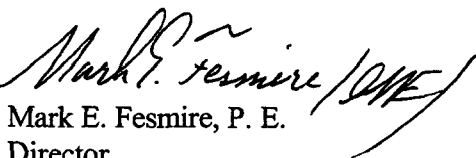
This application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

It is the Division's understanding that the proposed Apache "25" Federal Well No. 16 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location for Devon's proposed well within the S/2 of Section 25 is hereby approved.

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

Sincerely,



Mark E. Fesmire, P. E.

Director

MEF/ms

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