



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 12, 2007

Devon Energy Production Company, L.P.
c/o Ms. Janet Wooldridge, CPL
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-5585

Re: Northeast Blanco Unit Well No. 240
API No. 30-045-33495
Unit D, Section 18, Twsp 31N, Range 6W
San Juan County

Dear Ms. Wooldridge:

Reference is made to the following:

(a) your application (**administrative application reference No. pCPL07-04534885**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 12, 2007,

(b) your e-mail communication dated February 14, 2007, and

(c) the Division's records pertinent to your request.

Devon Energy Production Company, L.P. (Devon) has requested to produce its Northeast Blanco Unit Well No. 240 at an unorthodox Pictured Cliffs gas well location, 1160 feet from the North line and 1315 feet from the West line (Unit D) of Section 18, Township 31 North, Range 6 West, N.M.P.M., in San Juan County, New Mexico. The NW/4 of Section 18 will be dedicated to this well to form a standard 160-acre gas spacing unit in the Rosa-Pictured Cliffs Gas Pool (**96175**). Spacing in this pool is governed by statewide Rule 104, which requires that a well be located at least 10 feet from a quarter-quarter section boundary. The proposed location is approximately 5 feet from the eastern boundary of the NW/4 NW/4 of Section 18.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that Devon is seeking this location exception in order to comply with United States Bureau of Land Management surface siting requirements.

Because the only encroachment is internal to the unit, there are no "affected persons" who must be notified of this application. However, it is our understanding that offsetting working interest owners have nevertheless been notified.

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

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington