



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 20, 2007

Devon Energy Corporation
Attn Mr. Ken Gray
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-5694-A

Re: Apache 25 Federal Well No. 10H
API No. 30-025-35597
Unit P, Section 25-22S-30E
Eddy County

Dear Mr. Gray:

This is a *nunc pro tunc* order to correct a clerical error in Administrative Order NSL-5694. That Order is hereby amended to read as follows:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS07-25450517**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 7, 2007, and
- (b) the Division's records pertinent to this request.

Devon Energy Corporation (Devon) has requested to complete the above-referenced well as a horizontal well in the Lower Brushy Canyon member of the Delaware formation, at a location that will be unorthodox under Division Rule 111. The proposed surface location, point of penetration and terminus of this well were as follows:

- Surface Location: 810 feet from the South line and 910 feet from the East line (Unit P) of Section 25, Township 22S, Range 30E, NMPM Eddy County, New Mexico
- Point of Penetration: 800 feet from the South line and 1300 feet from the East line (Unit P) of said Section 25.

Terminus: 430 feet from the South line and 330 feet from the West line
(Unit M) of said Section 25.

The S/2 S/2 of Section 25 will be dedicated to the proposed well to form a project area comprising four adjacent, standard 40-acre spacing units in the Southeast Quahada Ridge Delaware Pool (50443). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. We understand that the location is unorthodox because, as the well was actually drilled, a portion of the producing interval between the point of penetration and the terminus is less than 330 feet from the southern boundary of the project area, and is therefore outside the producing area.

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

It is our understanding that you are seeking this location because of an inadvertent deviation from the intended well path.

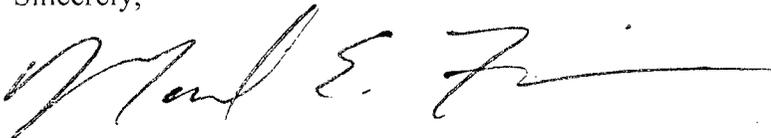
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This order supersedes Administrative Order NSL-5694.

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 "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management - Carlsbad

Brooks, David K., EMNRD

From: Gray, Ken (OKC) [Ken.Gray@dvn.com]
Sent: Friday, October 19, 2007 7:39 AM
To: Brooks, David K., EMNRD
Subject: NSL-5694

Attachments: Gray, Ken (grayk) - 10-19-07 - 7RDQGVX.pdf



Gray, Ken (grayk) -
10-19-07 -...

David, the attached order approves a NSL for a horizontal well in the Bone Spring formation in the Los Medanos-Bone Spring Pool (40295). Our administrative application was for a horizontal Lower Brushy Canyon well and I believe the pool is the Quahada Ridge SE Delaware? Does this order need to be amended?

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, October 19, 2007 12:33 PM
To: 'Gray, Ken (OKC)'
Subject: RE: NSL-5694

Mr. Gray

Yes, your application clearly states that this is a Brushy Canyon well. I got sidetracked by the fact that the attached structure map depicts the top of the Bone Spring and entry of "Ingle Wells" as the pool on the C-102. (Ingle Wells is a Bone Spring Pool, but in a different area, apparently.)

I am preparing a corrective order which should be issued Monday.

David Brooks
Legal Examiner

-----Original Message-----

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