

NEW MEXICO ENERGY, MINÈRALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

April 22, 1999

Devon Energy Corporation (Nevada) c/o James Bruce P. O. Box 1056 Santa Fe, New Mexico 87501 Telefax No. (505) 982-2151

Administrative Order NSL-4272(SD)

Dear Mr. Bruce:

Reference is made to the following: (i) two applications filed by Devon Energy Corporation (Nevada) ["Devon"] dated April 9, 1997 and July 15, 1997; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file in Case No. 11966, which resulted in Division Order No. R-11162 dated April 13, 1999: all concerning Devon's request for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 (Unit O) of Section 9, Township 18 South, Range 27 East, NMPM, Red Lake (Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to Devon's Hawk "9-O" Federal Well No. 17 (API No. 30-015-29484) located at an unorthodox gas well location (approved by Division Order No. R-11162) 1170 feet from the South line and 2310 feet from the East line of Section 9.

The application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location within the SW/4 SE/4 (Unit O) of Section 9 is hereby approved:

Hawk "9-O" Federal Well No. 18 230' FSL & 1650' FEL (API No. 30-015-29518).

Further, both the existing Hawk "9-O" Federal Well No. 17 and the proposed Hawk "9-O" Federal Well No. 18 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely, Tori Mtwinkey LAFS

Lori Wrotenbery Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia U. S. Bureau of Land Management - Carlsbad File: Case No. 11966