



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Bill Brancard
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



January 7, 2011

Devon Energy Production Company, L.P.
Attn: Katie A. McDonnell
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-6314

**Re: Thistle Unit Well No. 18H
API No. 30-025
150 feet FNL & 1470 feet FWL
Unit C, Section 28-23S-33E
Lea County, New Mexico**

Dear Ms McDonnell:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-34755182**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 13, 2010, and

(b) the Division's records pertinent to this request.

Devon Energy Production Company, L.P. (Devon) has requested to drill the above-referenced well as a horizontal well in the Delaware formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 150 feet from the North line and 1470 feet from the West line
(Unit C) of Section 28, Township 23S, Range 33E, NMPM,
Lea County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the South line and 1980 feet from the West line
(Unit N) of said section

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



The E/2 W/2 of Section 28 will be dedicated to the proposed well to form a 160-acre, more or less, project area comprising four standard 40-acre spacing units in the undesignated Brinninstool-Delaware Pool (96193). This pool is governed by statewide Rule 15.9, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 330 feet from the northern boundary of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for engineering reasons, in order to maximize the portion of the target zone within the producing area that will be penetrated by the horizontal portion of the wellbore.

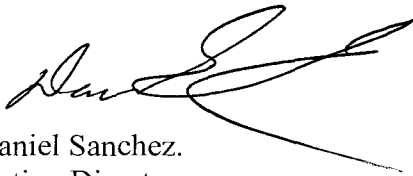
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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 'Daniel Sanchez', with a long horizontal flourish extending to the right.

Daniel Sanchez.
Acting Director

DS/db

cc: New Mexico Oil Conservation Division – Hobbs