



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

*Daniel Sanchez*  
Acting Division Director  
Oil Conservation Division



**Harrison H. Schmitt**  
Cabinet Secretary-Designate

February 7, 2011

Mr. James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504

**Administrative Order NSL-6333**

**Re: Devon Energy Production Company, L.P.  
Serene Sisters 25 Federal Well No. 4H  
API No. 30-015-38312  
200 feet FSL & 1750 feet FWL  
Unit N, Section 25-18S-31E  
Eddy County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-01353476**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Devon Energy Production Company, L.P. [OGRID 6137] (Devon), on January 12, 2011, and

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

Devon has requested to drill the above-referenced well as a horizontal well in the Bone Spring 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: 200 feet from the South line and 1750 feet from the West line  
(Unit N) of Section 25, Township 18S, Range 31E, NMPM,  
Eddy County, New Mexico

Point of Penetration: same as surface location

Terminus 400 feet from the North line and 990 feet from the West line  
(Unit D) 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](http://www.emnrd.state.nm.us/OCD)



The W/2 W/2 of Section 25 will be dedicated to the proposed well to form a project area comprising four standard, 40-acre oil spacing and proration units in the undesignated North Lusk; Bone Spring Pool (41450). 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 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 in order to comply with United States Bureau of Land Management surface siting requirements.

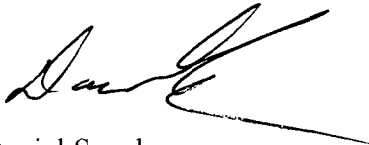
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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 – Artesia  
United States Bureau of Land Management