



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 16, 2011

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

Administrative Order NSL-4150-A

Re: Maljamar 15 Federal Well No. 1
API No. 30-025-34549
1310 feet FNL & 1310 feet FEL
Unit A, Section 15-17S-32E
Lea County, New Mexico

Dear Mr. Tarp:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-05629325**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 24, 2011, and

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

Devon Energy Production Company, L.P. (Devon) [OGRID 6137] has requested to re-complete the above-referenced well in the Abo formation at an unorthodox oil well location, as described above in the caption of this letter. The E/2 NE/4 of Section 15 will be dedicated to this well in order to form a standard 80-acre oil spacing unit in the Maljamar Abo Pool (43250). Spacing in this pool is governed by the Special Rules and Regulations for the Maljamar-Abo Pool as provided in Order No. R-3096 issued on September 8, 1964, which provide for 80-acre



units with wells to be located within 150 feet of the center of a quarter-quarter section. This location is more than 150 feet from the center of the NE/4 NE/4.

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 utilize an existing 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 'J. Daniel Sanchez', written in a cursive style.

J. Daniel Sanchez
Acting Director

JDS/db

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