



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

November 30, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Devon Energy Corporation
20 North Broadway - Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: James Blount
James.Blount@dvn.com

Telefax No. (405) 552-4667

Administrative Order NSL-4670

Dear Mr. Blount:

Reference is made to the following: (i) your application (*application reference No. pMES0-133360215*) telefaxed to the New Mexico Oil Conservation Division ("Division") on November 29, 2001 on behalf of Devon SFS Operating, Inc. ("Devon-SFS"); (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer in Santa Fe on Thursday, November 29, 2001; and (iii) the Division's records in Santa Fe: all concerning Devon-SFS's request for an unorthodox wildcat Cisco-Canyon oil well location for its Maljamar "10" Federal Well No. 1 (**API No. 30-025-35317**), which was recently drilled to test the Morrow formation underlying a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 10, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, at a standard gas well location pursuant to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, 660 feet from the South line and 1530 feet from the East line (Unit O) of Section 10.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is our understanding from your application and the Division's records that this well was permitted by Devon-SFS as a Morrow test within the aforementioned 320-acre unit. This well was spud on March 20, 2001 and a TD ("total depth") of 12,800 was reached on April 27, 2001, subsequently the Morrow interval was determined to be non-commercial. However, the shallower Cisco-Canyon interval tested productive for oil and was therefore completed. Pursuant to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, this location is unorthodox for the standard 40-acre oil spacing and proration unit to be dedicated to the proposed West Maljamar-Cisco Canyon Pool (**97160**) comprising the SW/4 SE/4 (Unit O) of Section 10.

It is further understood that the E/2 of Section 10 is a single federal lease (U. S. Government Lease No. NM-LC059576) in which Devon-SFS is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract.

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By the authority granted me under the provision of Division Rule 104.F (2), the above-described unorthodox Cisco-Canyon oil well location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / LW", written in dark ink.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
Jim Bruce, Legal Counsel for Devon SFS Operating, Inc. - Santa Fe