

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
AN EXCEPTION TO DIVISION ORDER NO.
R-111-P, EDDY COUNTY, NEW MEXICO.

No. 12961

APPLICATION

Devon Energy Production Company, L.P. applies for an order excepting certain acreage from the requirements of Division Order No. R-111-P, and in support thereof, states:

1. Applicant is a working interest owner in, and the operator of, oil and gas leases covering the federally-owned lands described below:

Township 23 South, Range 31 East, N.M.P.M.

Section 10: SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 11: All
Section 13: N $\frac{1}{2}$ and SW $\frac{1}{4}$
Section 14: S $\frac{1}{2}$
Section 15: All
Section 22: All
Section 23: All

Containing 3400 acres (the "subject acreage").

2. The subject acreage is within the outer boundaries of the oil-potash area described in Order No. R-111-P, but is not covered by federal potash or potassium leases.

3. Pursuant to litigation between applicant and the federal government, the federal government has entered into a Settlement Agreement, dated effective May 1, 2001, under which wells drilled on the subject acreage are not subject to any potash drilling regulations or restrictions.

4. Ordering Paragraph D of Order No. R-111-P contains certain casing and cementing requirements for wells drilled in the

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oil-potash area.

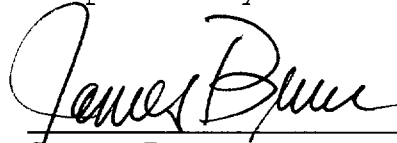
5. Applicant's drilling permits on the subject acreage, pursuant to Ordering Paragraph G(3) of Order No. R-111-P, are approved by the Bureau of Land Management (the "BLM"). The BLM has approved and will approve drilling permits on the subject acreage without requiring applicant to cement the production strings to the surface.

6. Applicant requests that, for wells drilled on the subject acreage, it not be required to cement the production strings to the surface.

7. Granting this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order granting the relief requested above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
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Attorney for Devon Energy Production
Company, L.P.