

April 26, 2000

Devon Energy Corporation
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

*Administrative Order NSL-******

Dear Mr. Bruce:

Reference is made to the following: (i) your original application on behalf of the operator, Devon Energy Corporation ("Devon") submitted to the New Mexico Oil Conservation Division ("Division") on October 5, 1998; (ii) the Division's initial response by letter dated April 6, 1999 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe withdrawing this application; (iii) your re-submittal of this application to the Division on April 12, 1999; and (iv) the Division's records in Santa Fe including Division Cases No. 3211, 3212, and 11966: all concerning Devon's request for an unorthodox infill oil well location to be applicable to both the San Andres formation of the Red Lake (Queen-Grayburg-San Andres) Pool and the Northeast Red Lake-Glorieta-Yeso Pool for Devon's proposed Logan "35-B" Federal Well No. 10 (**API No. 30-015-30466**), to be drilled 650 feet from the South line and 2410 feet from the East line (Unit O) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

The SW/4 SE/4 (Unit O) of Section 35, being a standard 40-acre oil spacing and proration unit for both zones, is currently dedicated to Devon's Logan "35-B" Federal Well No. 9 (**API No. 30-015-30409**) located at a standard oil well location for both the San Andres and Glorieta/Yeso intervals 990 feet from the South line and 2100 feet from the East line of Section 35.

The application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case No. 11,351 on January 18, 1996, which were applicable at the time this application was made.

The Division understands that the 80 acres comprising the SE/4 SW/4 (Unit N) and the SW/4 SE/4 (Unit O) of Section 35 is a single Federal lease (United States Government lease No. LC-028755-A) in which Devon is the leasehold operator for the vertical interval between a depth of 1,762 feet (top of the San Andres formation) to the top of the Abo formation; therefore, there are no effected offsets to the subject 40-acre tract other than themselves.

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

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad