



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 17, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Devon Energy Production Company, L. P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: **Linda Guthrie**
Linda.Guthrie@dvn.com

RECEIVED

JAN 31 2005

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Re: *Devon Energy Production Company, L. P.'s Kurtland "6" Federal Well No. 2 (API No. 30-015-33238), located on the surface 3000 feet from the North line and 610 feet from the West line (Lot 12/Unit L) of Irregular Section 6, Township 21 South, range 27 East, NMPM, Eddy County, New Mexico.*

Dear Ms. Guthrie:

The Division is in receipt of your application (*administrative application reference No. pMES0-426535117*) dated November 10, 2004 to amend Division Administrative Order NSL-4974. After my review of this application I have determined that you must have misinterpreted my letter dated November 2, 2004 concerning the "possible horizontal displacement" of the wellbore. In my November 2, 2004 letter I stated:

"In lieu of running a directional survey on this wellbore, the Division will accept a "worst case scenario" non-standard location request for both the Atoka and Morrow intervals in this matter. Please file your application to amend Division Administrative Order NSL-4974 in accordance with Division Rules 104.F and 1207.A (2)."

What I meant by this statement was for Devon to notify those affected offsetting parties pursuant to Division Rule 1207.A (2) and present them with this "worst case scenario." Nowhere in your notice to these offsets did you mention the possible encroachment of their property by this wellbore by another 491 feet. I apologize for not making my intent clearer.

Therefore, in lieu of running a directional survey on this wellbore, please provide adequate notice to all affected offsetting parties pursuant to Division Rule 1207.A (2). This notice shall include a copy of your letter to me dated September 9, 2004, with the three attachments that you proved me at that time: (i) deviation tests dated April 21, 2004; (ii) land plat of the immediate area; and (iii) Mr. Bryan G. Arrant's letter to you dated August 25, 2004, and a copy of this letter.

Once I receive verification of proper mailing, I will commence the required 20-day waiting period before acting on this request.

Devon Energy Production Company, L. P.

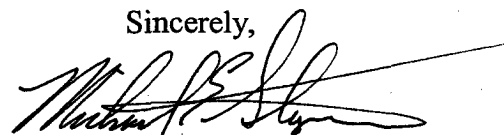
Division administrative application reference No. pMES0-426535117

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Should you have any questions or comments concerning this matter, please contact your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
James Bruce, Legal Counsel for Devon Energy Production Company, L. P. - Santa Fe