

EC

OCD-ARTESIA

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM0557370	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator DEVON ENERGY PRODUCTION CO L P		7. If Unit or CA Agreement, Name and No.	
Contact: KAREN COTTOM E-Mail: karen.cottom@dvnm.com		8. Lease Name and Well No. EAGLE 34A FEDERAL 49	
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102		9. API Well No. 30-015-33624	
3b. Phone No. (include area code) Ph: 405.228.7512 Fx: 405.552.4621		10. Field and Pool, or Exploratory RED LAKE; GLORIETA-YESO	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENE 425FNL 330FEL At proposed prod. zone NENE 425FNL 330FEL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 34 T17S R27E Mer NMP SME: BLM	
14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES SOUTHEAST OF ARTESIA NM		12. County or Parish EDDY	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		13. State NM	
16. No. of Acres in Lease 720.00		17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		19. Proposed Depth 4000 MD	
20. BLM/BIA Bond No. on file		21. Elevations (Show whether DF, KB, RT, GL, etc.) 3549 GL	
22. Approximate date work will start 12/31/2003		23. Estimated duration 45 DAYS	
24. Attachments ROSWELL CONTROLLED WATER BASIN			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) KAREN COTTOM	Date 12/10/2003
Title OPERATIONS TECHNICIAN		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date 29 JAN 2004
Office ACTING FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

NSL - 5068 (S D)

Electronic Submission #25992 verified by the BLM Well Information System

For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad

Committed to AFMSS for processing by LINDA ASKWIG on 12/11/2003 (04LA0002AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

VBRD

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: DEVON ENERGY PRODUCTION CO., LP Telephone: 405 228-8209 e-mail address: linda.guthrie@dmn.com

Address: PO Box 250 Artesia, NM 88211

Facility or well name: Eagle 34A Fed 49 API #: U/L or Qtr/Qtr A Sec 34 T 17S R 27E

County: Eddy Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit
Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume bbl

Below-grade tank
Volume: bbl Type of fluid:
Construction material:
Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	RECEIVED SEP 09 2004
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(0 points)	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	ARTESIA
	No	(0 points)	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	(0 points)	
Ranking Score (Total Points)		<u>0</u>	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 09/07/04

Printed Name/Title Linda Guthrie/ Regulatory Specialist

Signature Linda Guthrie

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Field Sep 10

Printed Name/Title

Signature

Date: SEP 10 2004

Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a San Andres, Glorieta Yeso well per the approved Master Drilling and Surface Use Plan for the Red Lake Field Area to 4000' TD for commercial quantities of oil and gas. If the well is deemed noncommercial the well bore will be plugged and abandoned per Federal regulations.

Approximately 457' of new access road will be constructed per the MDSUP

Directions: From the junction of US Hwy 82 and Co. Rd. 204, go south 0.1 mile to Co. Rd. 225; thence south on 225 for approx 2.1 mile to lease road; thence northwest on lease road for approx 1.0 mile to lease road; thence east on lease road for approx 0.25 mile to the Eagle 34 Fed #1 and proposed lease road

Please see attached MDSUP.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

W.M. Oil Cons. DIV-Dist. 2

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

1801 W. Grand Avenue
Artesia, NM 88210

5. Lease Serial No.
NMNM0557370

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
EAGLE 34A FEDERAL 49

9. API Well No.

10. Field and Pool, or Exploratory
RED LAKE;GLORIETA-YESO

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION CO L P

Contact: KAREN COTTOM

E-Mail: karen.cottom@dvn.com

3a. Address

20 NORTH BROADWAY SUITE 1500
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405.228.7512
Fx: 405.552.4621

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 34 T17S R27E NENE 425FNL 230FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, LP request approved to move the refereced well per Barry Hunt.
current location could cause a drainage problem.

Old location : 425 FNL & ³³⁰~~230~~ FEL
New Location : 425 FNL & ³³⁰~~230~~ FEL

230

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #26950 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad
Committed to AFMSS for processing by ARMANDO LOPEZ on 01/20/2004 (04AL0022SE)

Name (Printed/Typed) KAREN COTTOM

Title OPERATIONS TECHNICIAN

Signature (Electronic Submission)

Date 01/19/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /s/ Joe G. Lara

ACTING

FIELD MANAGER

9 JAN 2004
Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

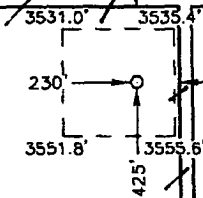
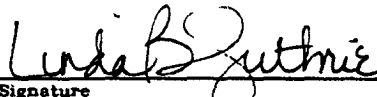
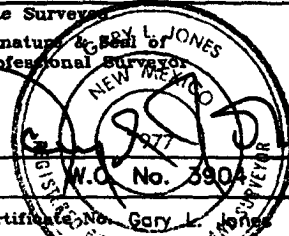
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

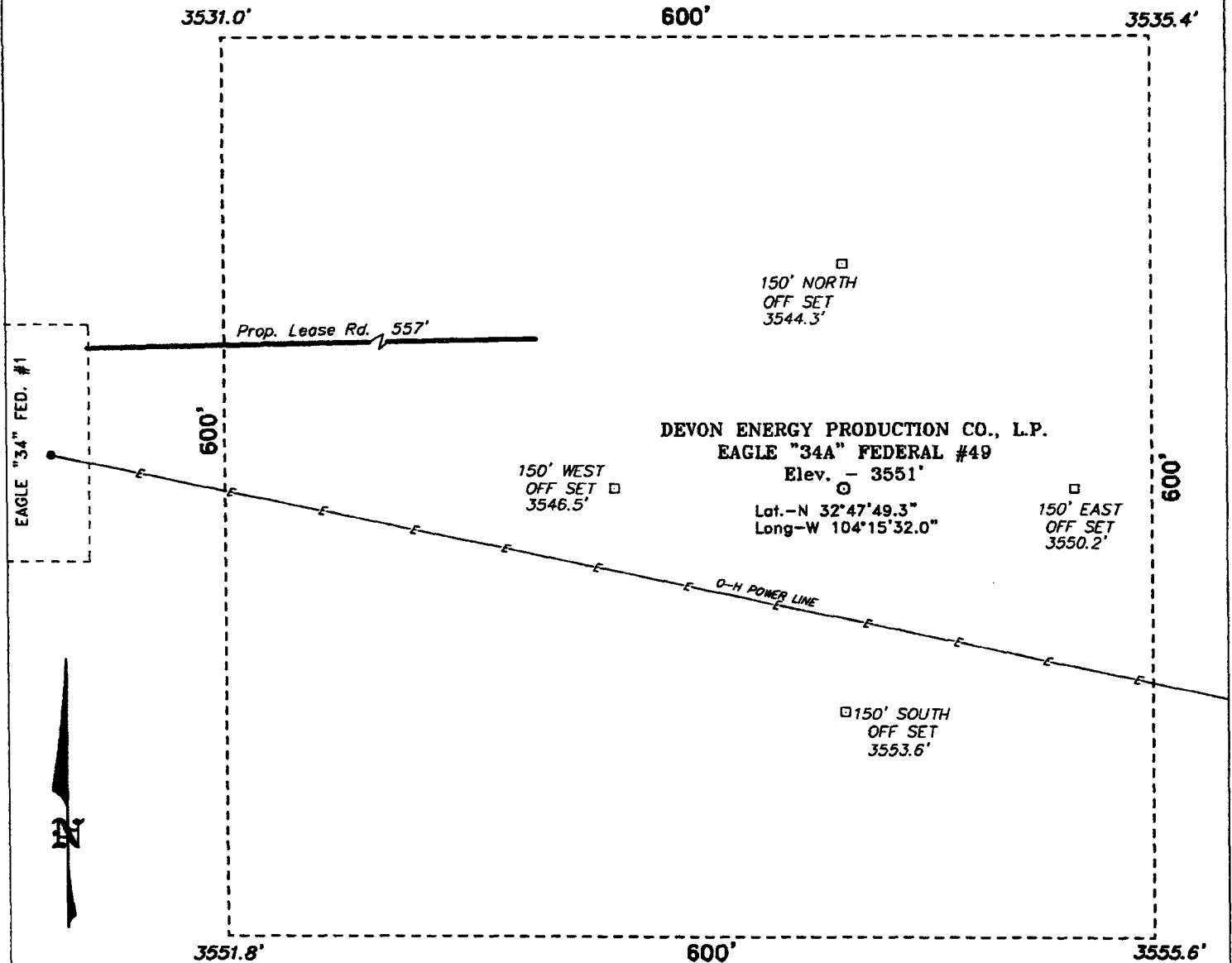
API Number	Pool Code	Pool Name
	96836	Red Lake; Glorieta-Yeso NE
Property Code	Property Name	Well Number
	EAGLE "34A" FEDERAL	49
OGRIID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION CO., L.P.	3551'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	17 S	27 E		425	NORTH	230	EAST	EDDY

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code		Order No.					

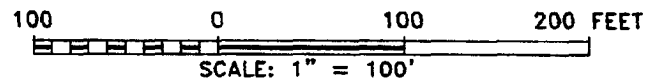
<div style="border: 1px dashed black; height: 400px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 100px;"></div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Lat - N32°47'49.3" Long - W104°15'32.0" </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">  </div> <div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p style="font-size: small;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;">  </div> <p style="font-size: small;">Signature</p> <p style="border-bottom: 1px solid black; margin-bottom: 5px;">Linda B Guthrie</p> <p style="font-size: small;">Printed Name</p> <p style="border-bottom: 1px solid black; margin-bottom: 5px;">Operations Associate</p> <p style="font-size: small;">Title</p> <p style="border-bottom: 1px solid black; margin-bottom: 5px;">01/15/04</p> <p style="font-size: small;">Date</p> </div>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small;">I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; font-weight: bold;">JANUARY 5, 2004</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="font-size: small;">Date Surveyed</p> <p style="font-size: small;">Signature & Seal of</p> <p style="font-size: small;">Professional Surveyor</p> <div style="text-align: center;">  </div> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="font-size: small;">Certificate No. Gary L. Jones 7977</p> <p style="text-align: center; font-weight: bold;">Brent Surveys</p> </div>	

**SECTION 34, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 204, GO SOUTH 0.1 MILE TO CO. RD. 225; THENCE SOUTH ON 225 FOR APPROX. 2.1 MILE TO LEASE ROAD; THENCE NORTHWEST ON LEASE ROAD FOR APPROX. 1.0 MILE TO LEASE ROAD; THENCE EAST ON LEASE ROAD FOR APPROX. 0.25 MILE TO THE EAGLE "34" FED. #1 AND PROPOSED LEASE ROAD.



BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 3904

Drawn By: **K. GOAD**

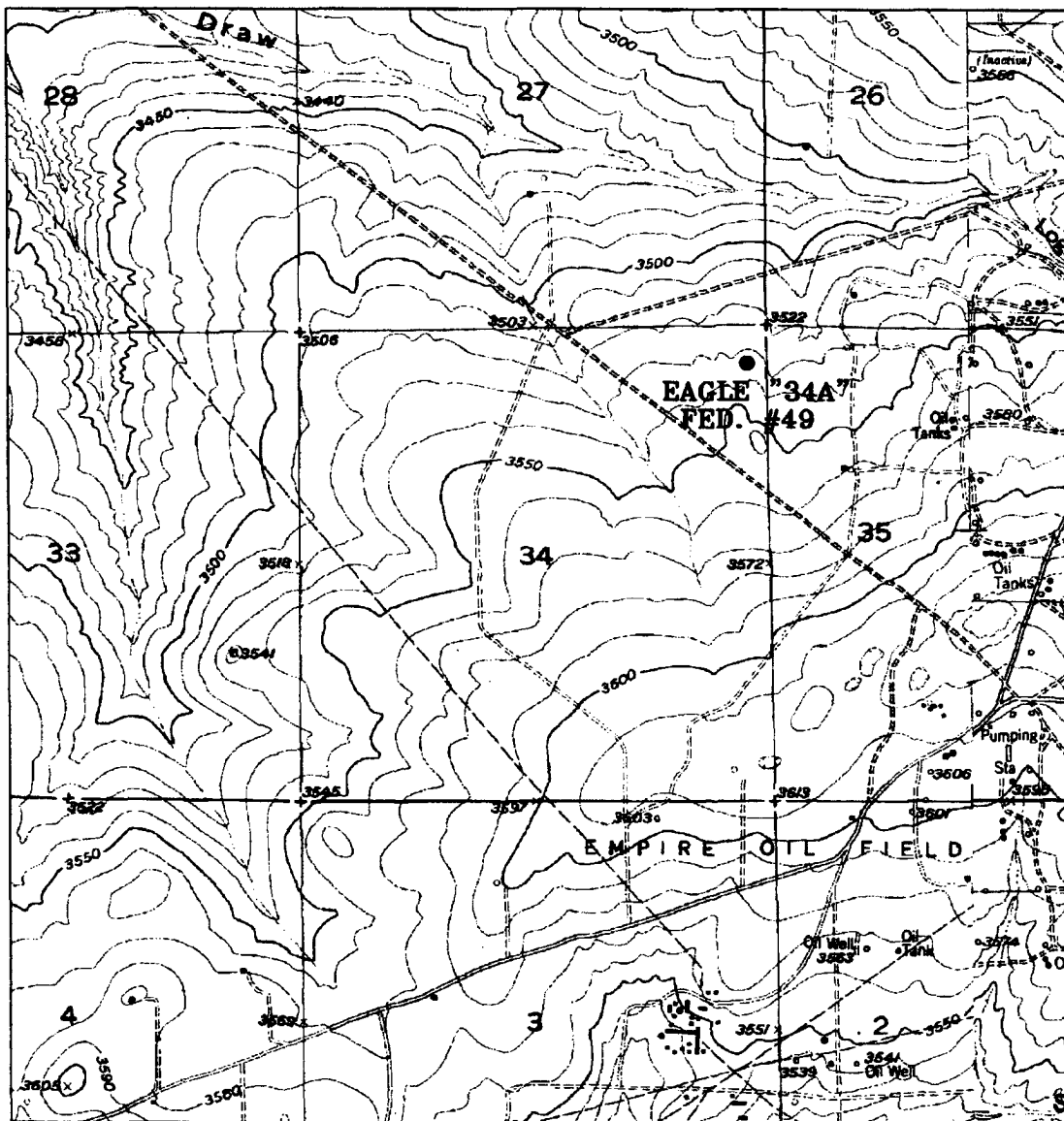
Date: 01-07-2004 Disk: KJG CD#4 - 3904A.DWG

DEVON ENERGY PROD. CO., L.P.

REF: EAGLE "34A" FED. No. 49 / Well Pad Topo

THE EAGLE "34A" FED. No. 49 LOCATED 425' FROM
THE NORTH LINE AND 230' FROM THE EAST LINE OF
SECTION 34, TOWNSHIP 17 SOUTH, RANGE 27 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-05-2004 Sheet 1 of 1 Sheets



EAGLE "34A" FEDERAL #49
 425' FNL AND 230' FEL
 Section 34, Township 17 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 3904AA - KJG CD#4

Survey Date: 01-05-2004

Scale: 1" = 2000'

Date: 01-07-2004

**DEVON ENERGY
 PROD. CO., L.P.**



**Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260**

Hydrogen Sulfide (H₂S) Contingency Plan

For

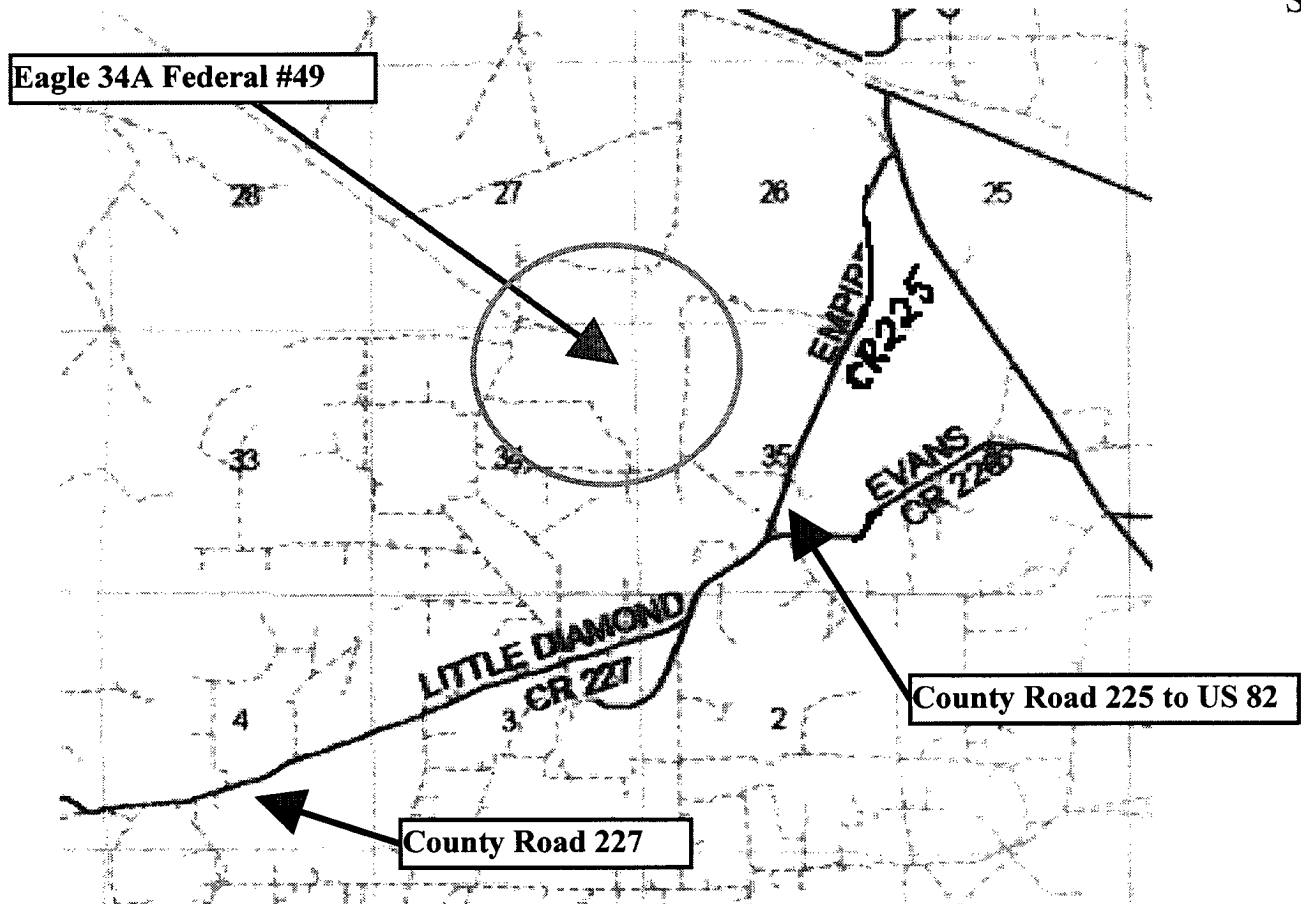
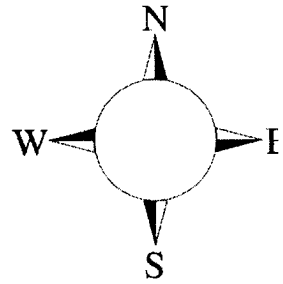
Eagle 34A Federal # 49

**425' FNL & 230' FEL,
Sec-34, T-17S R-27E**

Eddy County NM

Eagle 34A Federal # 49

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000' (Radius of Exposure)
100 ppm H₂S concentration shall trigger activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated east on lease road. Crews should then block entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. There are no homes or buildings in or near the ROE.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Devon Energy Corp. Company Call List

<u>Artesia (505)</u>	<u>Cellular</u>	<u>Office</u>	<u>Home</u>
Foreman – BJ Cathey	390-5893	748-0176	887-6026
Asst. Foreman – Bobby Jones	748-7447	748-0176	746-3194
Cecil Thurmond	748-7180	748-0171	887-1479
David Purdy	(432)631-2969	(432)495-7279	(432)683-0735
Engineer – Tom Pepper	(405) 203-2242	(405) 552-4513	(405) 728-8641

Agency Call List

Eddy County (505)

Artesia

State Police	746-2703
City Police	746-2703
Sheriff's Office	746-9888
Ambulance	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD	748-1283

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544

New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, DC)	...(800) 424-8802

Other

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(505) 746-2757
B. J. Services	(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM	(505) 842-4949

Prepared in conjunction with
Wade Rohloff of;





OCN-Artesia

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 7, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Devon Energy Production Company, L. P.

c/o James Bruce

P. O. Box 1056

Santa Fe, New Mexico 87504

RECEIVED

JUN 10 2004

OCN-Artesia

Administrative Order NSL-5068 (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-413248998*) dated May 11, 2004 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the Division's records in Santa Fe: all concerning Devon's request for: (i) a non-standard infill oil well within an existing standard 40-acre oil spacing and proration unit for the Red Lake (Queen-Grayburg-San Andres) Pool (51300); and (ii) an unorthodox oil well location in the Undesignated Northeast Red Lake-Glorieta Yeso Pool (96836), for its proposed Eagle "34A" Federal Well No. 49 to be drilled 425 feet from the North line and 230 feet from the East line (Unit A) of Section 34, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Production from the Red Lake (Queen-Grayburg-San Andres) Pool is to be included within an existing standard 40-acre oil spacing and proration unit comprising the NE/4 NE/4 (Unit A) of Section 34, which is currently dedicated to Devon's Eagle "34A" Federal Well No. 1 (API No. 30-015-29108) located at a standard oil well location 330 feet from the North line and 990 feet from the East line of Section 34.

The proposed Eagle "34A" Federal Well No. 49 is to be the initial Glorieta/Yeso oil well within the standard 40-acre oil spacing and proration unit also comprising the NE/4 NE/4 (Unit A) of Section 34.

It is the Division's understanding that Devon seeks this location exception for both topographic and engineering reasons.

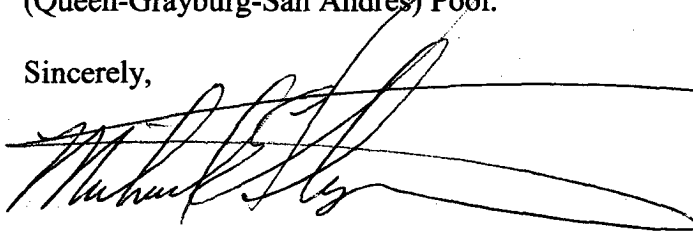
Devon Energy Production Company, L.P.
June 7, 2004
Page 2

Division Administrative Order NSL-5068 (SD)

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox: (i) infill Queen/Grayburg/San Andres oil well location; and (ii) initial Glorieta/Yeso oil well location, for Devon's proposed Eagle "34A" Federal Well No. 49 is hereby approved.

Further, both the existing Eagle "34A" Federal Well No. 1 and proposed Eagle "34A" Federal Well No. 49 are to be simultaneously dedicated to the subject 40-acre unit within the Red Lake (Queen-Grayburg-San Andres) Pool.

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
Engineering/Hearing Officer

MS/mes

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