



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 2, 2007

Devon Energy Production Company, L.P.
c/o James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5573

**Re: Stirling 7D Well No. 5
API No. 30-015-35243
D-7-18S-27E
Eddy County**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-03350744**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 2, 2007, on behalf of Devon Energy Production Company, L.P. (Devon), and

(b) the Division's records pertinent to this request.

Devon has requested to drill its Stirling 7D Well No. 5 (API No. 30-015-35243) at an unorthodox oil well location, 1110 feet from the North line and 450 feet from the West line (Unit D) of Section 7, Township 18 South, Range 27 East, N.M.P.M., in Eddy County, New Mexico. Lot 1 (NW/4 NW/4 equivalent) of Section 7 will be dedicated to this well in order to form a standard 160-acre spacing unit in the Red Lake-Queen-Grayburg-San Andres Pool (51300) and the Red Lake-Glorieta-Yeso Pool (51120). These pools are governed by statewide Rule 104.C(3), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the southern unit boundary.

Your application on behalf of Devon has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

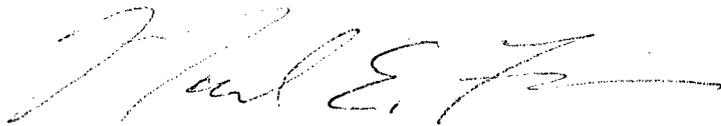
It is our understanding that Devon is seeking this location because the nearest standard location would be in the bed of the Pecos River, and to provide separation from existing San Andres wells in this spacing unit.

It is also understood that all owners of working interests in the offsetting spacing unit to the south have been duly notified of the filing of this application.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox 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 black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia