



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

June 13, 2005

Mark E. Fesmire, P.E.

Director

Joanna Prukop

Cabinet Secretary

Oil Conservation Division

Devon Energy Production Company, L. P.

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87504

Administrative Order NSL-5218

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-515747661*) dated June 6, 2005 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the Division's records in Santa Fe, including the file in Division Case No. 11966: all concerning Devon's request for an unorthodox oil well location in both the Red Lake (Queen-Grayburg-San Andres) Pool (51300) and the Glorieta-Yeso formation in either the Undesignated Red Lake-Glorieta Yeso Pool (51120) or the Undesignated Northeast Red Lake-Glorieta Yeso Pool (96836) for Devon's proposed Eagle "33I" Federal Well No. 17 to be drilled 1650 feet from the South line and 1110 feet from the East line (Unit I) of Section 33, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

Your application has been duly filed under the provisions of Division Rule 104.F.

The proposed Eagle "33I" Federal Well No. 17 is to be the initial well in both pools for a standard 40-acre oil spacing and proration unit comprising the NE/4 SE/4 (Unit I) of Section 33.

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

The Division further understands that the 80 acres comprising the N/2 SE/4 of Section 33 is a single Federal lease (United States Government lease No. LC-033865) in which Devon is the leasehold operator.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location within the Red Lake (Queen-Grayburg-San Andres) Pool and the Glorieta-Yeso formation in either the Undesignated Red Lake-Glorieta Yeso Pool or the Undesignated Northeast Red Lake-Glorieta Yeso Pool, is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-3729
Case No. 11966