



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

August 1, 2003

Lori Wrotenberg
Director
Oil Conservation Division

Devon Energy Production Company, L.P.
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87501

Administrative Order NSL-4929

Dear Mr. Bruce:

Reference is made to the following: (i) your original application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), submitted to the New Mexico Oil Conservation Division ("Division") on July 7, 2003 (*administrative application reference No. pMES0-318937881*); (ii) the Division's initial response by letter dated July 17, 2003 from Mr. Michael E. Stogner, Engineer/Hearing Officer in Santa Fe **denying** this application; (iii) your amended application resubmitted to the Division on July 22, 2003; (iv) Mr. Stogner's three e-mails to you on July 22 and 23, 2003 for supplemental data to support Devon's request; (v) your letter of July 31, 2003 with the necessary information to complete this amended application; and (vi) the Division's records in Santa Fe: all concerning Devon's request to drill its Eagle "35-E" Federal Well No. 10 as an initial well within a standard 40-acre oil spacing and proration unit in the Undesignated Northeast Red Lake-Glorieta-Yeso Pool (**96836**) comprising the SW/4 NW/4 (Unit E) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, at an unorthodox oil well location 2310 feet from the North line and 215 feet from the West line of Section 35.

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.

It is the Division's understanding that Devon's plan of development for the Glorieta/Yeso in this general area is with two wells per 40-acre unit staggered in the southwest and northeastern portions of each unit so as to minimize possible drainage or interference between wells. An Application for Permit to Drill ("APD") a second well in the SW/4 NW/4 (Unit E) of Section 35 was recently filed with the U. S. Bureau of Land Management.

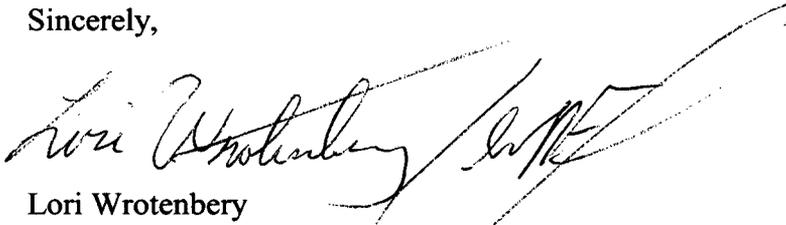
It is further understood that the S/2 NE/4 and N/2 SE/4 of Section 34 and the SW/4 NW/4 of Section 35, both in Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, is included within a single federal lease (U. S. Government lease No. NM-0557370) with common mineral interests (working, royalty, and overriding royalty) in which Devon is the leasehold operator; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within the Glorieta/Yeso interval.

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By the authority granted me under the provision of Division Rule 104.F (2), as revised, the above-described unorthodox oil well location for Devon's proposed Eagle "35-E" Federal Well No. 10 within the Undesignated Northeast Red Lake-Glorieta-Yeso Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", with a large, sweeping flourish extending to the right.

Lori Wrotenbery
Director

LW/mes

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