



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 31, 2007

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, NM 87501

RE: **Arena Roja Federal Well No. 4**
2300 feet FSL & 660feet FEL (Unit I) (Unorthodox)
S/2 of Section 15, T-26 -S, R-35-E,
NMPM, Lea County, New Mexico

Administrative Order NSL-5710

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0727759033**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 4, 2007, on behalf of Devon Energy Production Company ("Devon"); and

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

Devon Energy Production Company requests to drill its Arena Roja Federal Well No. 4 at an unorthodox Strawn, Atoka, and Morrow gas well locations as referenced above in Section 15, Township 26 South, Range 35 East, N.M.P.M., in Lea County, New Mexico.

The S/2 of Section 15 will be dedicated to this well to form a standard 320-acre gas spacing and proration unit. Devon Energy Production Company intends to test the Strawn, Atoka, and the Morrow Gas Pools. These pools are governed by the Division's Statewide Rules and Regulations which provide for wells on 320-acre spacing units to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line.

The location of the well is based on geophysical reasons and Devon believes that placing the well to the north of an orthodox location will maximize chances of drilling an economic well.

Your application on behalf of Devon has been duly filed under the provisions of Division Rules 104. F. It is our understanding that the S/2 and all the offsetting acreages in Section 15 have interest ownership identical in all respects, therefore no notice of this application is required.

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Strawn, Atoka, and Morrow gas pool locations are 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/re

cc: New Mexico Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad