



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: **Condor 8 Federal Well No. 1H**
1770 feet FNL & 2525 feet FWL (Unit F) (Surface Location)
1802 feet FNL & 2394 feet FWL (Entry point) (Unorthodox)
2310 feet FNL & 330 feet FWL (Unit E) (Bottom-Hole Location)
S/2NW/4 of Section 8, T-18 -S, R-27-E,
NMPM, Eddy County, New Mexico

Administrative Order NSL-5708

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0727545535**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 3, 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 Condor 8 Federal Well No. 1H as a horizontal well at an unorthodox Glorieta-Yeso oil well location as referenced above in Section 8, Township 18 South, Range 27 East, N.M.P.M., in Eddy County, New Mexico.

The project area consisting of the S/2NW/4 of Section 8 will be dedicated to this well. Devon Energy Production Company intends to test the Glorieta-Yeso formation, Red Lake Glorieta-Yeso Pool. These pools are governed by the Division's Statewide Rules and Regulations which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the quarter-quarter section on which the well is located.

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/2NW/4 and the offsetting acreage the SW/4NE/4 of Section 8 have common interest ownership, therefore no notice of this application is required.

It is also our understanding that the unorthodox location of the entry point of this well is necessitated by the design of the horizontal well-bore in order to produce the oil in paying quantities.

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Red Lake Glorieta-Yeso oil pool 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/re

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