



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 12, 2004

Joanna Prukop
Cabinet Secretary
Acting 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-5054

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), submitted to the New Mexico Oil Conservation Division ("Division") on May 11, 2004 (*administrative application reference No. pSEM-413249486*); and (ii) the Division's records in Santa Fe: all concerning Devon's request to drill its Eagle "35A" Federal Well No. 19 as an initial well within a standard 40-acre oil spacing and proration unit in the Northeast Red Lake-Glorieta-Yeso Pool (96836) comprising the NE/4 NE/4 (Unit A) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, at an unorthodox oil well location 1150 feet from the North line and 960 feet from the East 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 northeast quarters of each unit so as to minimize possible drainage or interference between wells. Furthermore, topographic conditions further restrict placement of a drilling pad in the southern portion of the NE/4 NE/4 of Section 35.

It is further understood that the E/2 NE/4 of Section 35 comprises a single federal lease (U. S. Government lease No. NM-050158) 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.

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 "35A" Federal Well No. 19 within the Northeast Red Lake-Glorieta-Yeso Pool is hereby approved.

Sincerely,

Michael E. Stogner
Engineering/Hearing Officer

MS/mes

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