



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

March 21, 2005

Mark E. Fesmire, P.E.

Director

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-5172

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-504749672*) dated February 15, 2005 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the Division's records in Artesia and Santa Fe, including the file in Division Case No. 11966: all concerning Devon's request for an unorthodox oil well location in the Red Lake (Queen-Grayburg-San Andres) Pool (**51300**) and Undesignated Northeast Red Lake-Glorieta Yeso Pool (**96836**) for its proposed Eagle "26-M" Federal Well No. 1 to be drilled 230 feet from the South and West lines (Unit M) of Section 26, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

The SW/4 SW/4 of Section 26, being a standard 40-acre oil spacing and proration unit for both oil-producing intervals, is to be dedicated to this well.

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.

The Division's records indicate the proposed Eagle "26-M" Federal Well 1 is to be a replacement oil well within a former standard 40-acre oil spacing and proration unit in the Red Lake (Queen-Grayburg-San Andres) Pool comprising the SW/4 SW/4 of Section 26. The Marbob Energy Corporation Hondo Federal Well No. 1 (**API No. 30-015-00592**), located at a standard oil well location 330 feet from the South line and 990 feet from the West line of Section 26 was initially drilled by Owen Haynes of Artesia, New Mexico to a total depth of 1,620 feet between August 10, 1951 and February 19, 1952. From April, 1952 to July, 1977 this well produced approximately 11,801 barrels of oil. In mid-1989 this well was plugged and abandoned.

The proposed Eagle "26-M" Federal Well No. 1 is to be the initial Glorieta/Yeso oil well within the standard 40-acre oil spacing and proration unit also comprising the SW/4 SW/4 of Section 26.

Devon Energy Production Company, L. P.

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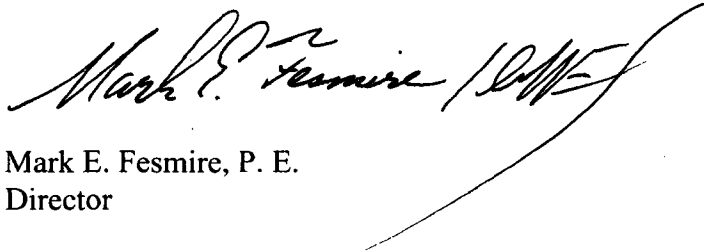
Division Administrative Order NSL-5172

It is further understood that Devon seeks this location exception for both topographic and engineering reasons.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox oil well for Devon's proposed Eagle "26-M" Federal Well No. 1 within both the Red Lake (Queen-Grayburg-San Andres) and Undesignated Northeast Red Lake-Glorieta Yeso Pools is hereby approved.

Jurisdiction of this cause 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" followed by a stylized flourish or set of initials.

Mark E. Fesmire, P. E.
Director

MEF/ms

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