



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 87501

Case 13470

Re: *Administrative application (application reference No. pSEM0-504749516) submitted to the New Mexico Oil Conservation Division ("Division") on February 16, 2005 for Devon Energy Production Company, L.P.'s proposed Eagle "33-P" Well No. 16 to be drilled to an unorthodox oil well location 1090 feet from the South line and 330 feet from the East line (Unit P) of Section 33, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, within both the Red Lake (Queen-Grayburg-San Andres) Pool (51300) and Undesignated Northeast Red Lake-Glorieta Yeso Pool (96836). The SE/4 SE/4 of Section 33, being a standard 40-acre oil spacing and proration unit for both intervals is to be dedicated to this well.*

Dear Mr. Bruce:

On March 7, 2005 the Division received an objection filed in a timely manner by Mr. Don M. Fedric of the Law Offices of Hunker-Fedric, P.A. of Roswell, New Mexico, representing: (i) Ms. Sandra Leigh Terry of El Paso, Texas; (ii) Ms. Barbara Kruse Frankenfield of Mansfield, Texas; and (iii) Ms. Susan Lynn Terry of Albuquerque, New Mexico to the subject application; see copy of letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for April 21, 2005. To help expedite this matter I have prepared the following advertisement; however, please review it carefully for any errors:

"Application of Devon Energy Production Company, L. P. for an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks to drill its proposed Eagle "33-P" Federal Well No. 16 at an unorthodox oil well location within both the Red Lake (Queen-Grayburg-San Andres) Pool (51300) and Undesignated Northeast Red Lake-Glorieta Yeso Pool (96836) 1090 feet from the South line and 330 feet from the East line (Unit P) of Section 33, Township 17 South, Range 27 East. This well is to be an infill well in the Red Lake (Queen-Grayburg-San Andres) Pool within an existing 40-acre oil spacing and proration unit comprising the SE/4 SE/4 of Section 33 and an initial well in the Undesignated Northeast Red Lake-Glorieta Yeso Pool for a standard unit comprising the same 40 acres. This unit is located approximately eight (8) miles east-southeast of Artesia, New Mexico."

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

Michael E. Stogner
Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
Mr. Don M. Fedric - Roswell, NM
Ms. Florene Davidson, NMOCD Staff Specialist - Santa Fe

Law Offices of
HUNKER-FEDRIC, P.A.

215 West Third Street
Post Office Box 1837
Roswell, New Mexico 88202-1837

George H. Hunker, Jr. (1914 - 2001)
DON M. FEDRIC - Board Recognized Specialist - Oil & Gas Law
E-mail: dmfedric@zianet.com

Telephone 505-622-2700
Fax Number 505-622-2704
TIN 85-0214827

March 1, 2005

Certified - Return Receipt Requested

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

ATTN: Mr. Michael E. Stogner

Re: *Application of Devon Energy Production Company LP for
Administrative Approval of Unorthodox Oil Well Location in
Township 17 South, Range 27 East, NMMP
Section 33: SE/4SE/4
Eddy County, New Mexico*

RECEIVED

MAR 7 2005

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Case 13470

Dear Mr. Stogner:

I represent **Sandra Leigh Terry** (P O Box 12617, El Paso, TX 79913); **Barbara Kruse Frankenfield** (7333 Wooded Acres Trail, Mansfield, TX 76063; and **Susan Lynn Terry** (7200 Montgomery NE #367, Albuquerque, NM 87109). The three ladies are overriding royalty interest owners under a producing well located in the NE/4SE/4 of Section 33, Township 17 South, Range 27 East.

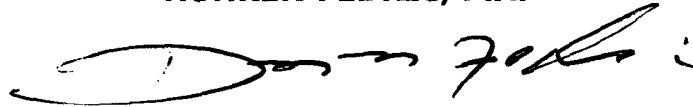
The Devon proposed unorthodox location moves Devon's Eagle 33P Federal well #16 further north and closer to my clients' well in the NE/4SE/4 of Section 33, substantially increasing the possibility of drainage from that well. Orthodox locations protect correlative rights and against unfair drainage. In this particular case, Devon is the operator of both my clients' well in the NE/4SE/4 and the proposed new unorthodox well, the Eagle 33P Fed #16, in the SE/4SE/4. However, Devon apparently owns a 50% working interest and a 5% overriding royalty interest in the proposed unorthodox well, while Devon has a 50% or less working interest and no overriding royalty interest under my clients' presently producing well located in the NE/4SE/4. The proposed unorthodox #16, if productive, will mostly benefit Devon, at the expense of the overriding royalty interest owners under my clients' existing orthodox well located in the NE/4SE/4. Devon could just as easily move its location 100 feet south of orthodox, rather than 100 feet to the north as they propose.

Mr. Michael E. Stogner
NM Oil Conservation Division
March 1, 2005
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My clients received notice of the captioned application and have asked me to object on their behalf to Devon's proposed unorthodox well location. Please accept this letter as such an objection.

Yours very sincerely,

HUNKER-FEDRIC, P.A.

A handwritten signature in black ink, appearing to read "Don M. Fedric", with a stylized flourish at the end.

Don M. Fedric

DMF/jw

XC James Bruce, Attorney for Devon
Our clients: Sandra Terry, Barbara Frankenfeld and Susan Terry
AND other Overriding Royalty Interest Owners:
Patricia Jaynes
Yates Petroleum Corporation
Eugene P. Burkeholder
Bea Caywood McMillion
Clyde Guy
Yates Brothers
Anita Britain
Robert Evarts
Exxon Mobil Corporation
Clyde Lamar Guy & Mary Jo Guy Revocable Trust A
S. J. Iverson, Jr.
Wendell Welch Iverson
Wendell W. Iverson, Trustee of P.I.P. 1990 Trust, S.J.I, Jr. 1990 Trust and W.W.I. 1990 Trust
Patsy Iverson Page
Phoebe Shelton
Jane Ann Hudson Davis
Jonel Susan Grasso
Joan A. Hudson
Howard B. Wright Trust
Summit Overseas Exploration, Inc.