



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 22, 1999

Devon Energy Corporation (Nevada)
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Telefax No. (505) 982-2151

Administrative Order NSL-3730-A (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) an application filed by Devon Energy Corporation (Nevada) ["Devon"] dated June 23, 1997; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file in Case No. 11966, which resulted in Division Order No. R-11162 dated April 13, 1999: all concerning Devon's request for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the NW/4 NE/4 (Unit B) of Section 34, Township 17 South, Range 27 East, NMPM, Red Lake (Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to Devon's Eagle "34-B" Federal Well No. 3 (API No. 30-015-29109) located at an unorthodox oil well location (approved in part by Division Administrative Order NSL-3730, dated October 24, 1996) 530 feet from the North line and 2510 feet from the East line of Section 34.

Further, the 200-acre area comprising the NE/4 and the NW/4 SE/4 of Section 34 is a single Federal lease (United States Government Lease No. LC-0557370) in which Devon is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than Devon.

The application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location within the NW/4 NE/4 (Unit B) of Section 34 is hereby approved:

Eagle "34-B" Federal Well No. 4
890' FNL & 1500' FEL
(API No. 30-015-29670).

Further, both the existing Eagle "34-B" Federal Well No. 3 and the proposed Eagle "34-B" Federal Well No. 4 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: Case No. 11966
NSL-3730