



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 11, 2005

Mark Fesmire

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-5253 (SD)

Dear Mr. Bruce:

Reference is made to the following: (a) your application (*administrative application reference No. pSEM0-520933944*) dated July 27, 2005 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (b) the Division's records in Artesia and Santa Fe, including the file in Division Case No. 11966: all concerning Devon's request for: (i) a non-standard infill oil well within an existing standard 40-acre oil spacing and proration unit for the Red Lake (Queen-Grayburg-San Andres) Pool (**51300**); and (ii) an unorthodox oil well location in the Glorieta and Yeso formations, for its proposed Eagle "33-A" Federal Well No. 26 to be drilled 880 feet from the North line and 1210 feet from the East line (Unit A) of Section 33, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

Your application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

Production from the Red Lake (Queen-Grayburg-San Andres) Pool is to be included within an existing standard 40-acre oil spacing and proration unit comprising the NE/4 NE/4 (Unit A) of Section 33, which is currently simultaneously dedicated to Devon's: (i) Eagle "33-A" Federal Well No. 1 (**API No. 30-015-29106**) located at a standard oil well location 330 feet from the North line and 990 feet from the East line of Section 33; and (ii) Eagle "33-A" Federal Well No. 2 (**API No. 30-015-29593**) located at a standard unorthodox infill oil well location 990 feet from the North line and 330 feet from the East line of Section 33.

Oil production from the Glorieta/Yeso interval will also to be dedicated to the NE/4 NE/4 (Unit A) of Section 33 in order to form a standard 40-acre oil spacing and proration unit within either the Undesignated Northeast Red Lake-Glorieta Yeso Pool (**96836**) or the Undesignated Red Lake-Glorieta Yeso Pool (**51120**).

It is the Division's understanding that Devon seeks this location exception for both topographic and engineering reasons.

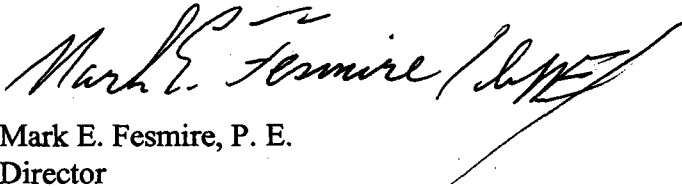
It is further understood that the 120 acres comprising the N/2 NE/4 Units A and B) and the SW/4 NE/4 (Unit G) of Section 33 is a single Federal lease (*United States Government lease No. NM-025528*) with common mineral interests in which Devon is the leasehold operator; therefore, there are no affected offsets to the subject 40-acre unit.

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox: (i) infill Queen/Grayburg/San Andres oil well location; and (ii) Glorieta/Yeso oil well location, for Devon's proposed Eagle "33-A" Federal Well No. 20 is hereby approved.

Both of Devon's existing Eagle "33-A" Federal Wells No. 1 and 2 and its proposed Eagle "33-A" Federal Well No. 20 are to be simultaneously dedicated to the subject 40-acre unit within the Red Lake (Queen-Grayburg-San Andres) Pool.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



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