



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 9, 2004

Lori Wrotenbery

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-4996

Dear Mr. Bruce:

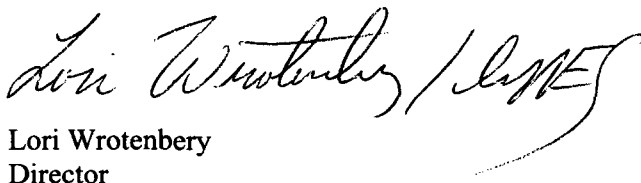
Reference is made to the following: (i) your application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), submitted to the New Mexico Oil Conservation Division ("Division") on January 20, 2004 (*administrative application reference No. pLR0-402130317*); and (ii) the Division's records in Santa Fe: all concerning Devon's request to drill its Eagle "35C" Federal Well No. 16 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 NW/4 (Unit C) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, at an unorthodox oil well location 990 feet from the North line and 1525 feet from the West 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 NE/4 NW/4 of Section 35.

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 "35C" Federal Well No. 16 within the Northeast Red Lake-Glorieta-Yeso Pool is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/mes

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