



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 13, 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 87504

Administrative Order NSL-4929-A (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-402331768*) dated January 16, 2004 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Application NSL-4929: 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 SW/4 NW/4 (Unit E) of Section 35, Township 17 South, Range 27 East, NMPM, Northeast Red Lake-Glorieta Yeso Pool (96836), Eddy County, New Mexico.

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.

This 40-acre Glorieta/Yeso unit is currently dedicated to Devon's Eagle "35E" Federal Well No. 10 (API No. 30-015-33035), located at an unorthodox oil well location (approved by Division Administrative Order NSL-4929, dated August 1, 2003) 2310 feet from the North line and 215 feet from the West line of Section 35.

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 SW/4 NW/4 of Section 35.

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 SW/4 NW/4 (Unit E) of Section 35 is hereby approved:

**Eagle "35E" Federal Well No. 11
1800' FNL & 1100' FWL.**

Devon Energy Production Company, L. P.
February 13, 2004
Page 2

Division Administrative Order NSL-5000 (SD)

Further, both the existing Eagle "35E" Federal Well No. 10 and the proposed Eagle "35E" Federal Well No. 11 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or "L" shape.

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management – Carlsbad
File: NSL-4929