



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 7, 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 87504

Administrative Order NSL-3729-A (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your original application (*administrative application reference No. pSEM0-504749516*) filed on behalf of the operator, Devon Energy Production Company, L. P. ("Devon"), that was submitted to the New Mexico Oil Conservation Division ("Division") on February 16, 2005; (ii) a letter of objection dated March 1, 2005 filed by Mr. Don M. Fedric of the Law Offices of Hunker-Fedric, P.A. of Roswell, New Mexico, representing, Ms. Sandra Leigh Terry of El Paso, Texas, Ms. Barbara Kruse Frankenfield of Mansfield, Texas, and Ms. Susan Lynn Terry of Albuquerque, New Mexico to the subject application; (iii) Mr. Michael E. Stogner's letter dated March 21, 2005 withdrawing Devon's application from the administrative process and setting this matter to a Division hearing; (iv) Mr. Fedric's letter dated April 1, 2005 withdrawing his clients objection to Devon's application; and (v) the Division's records in Artesia and Santa Fe, including the files in Division Cases No. 11966 and 13470 and on Division Administrative Order NSL-3729: all concerning Devon's request for: (a) 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 (b) an unorthodox oil well location in the Undesignated Northeast Red Lake-Glorieta Yeso Pool (**96836**), for its proposed Eagle "33P" Federal Well No. 16 to be drilled 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.

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.

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 SE/4 SE/4 (Unit P) of Section 33, which is currently simultaneously dedicated to Devon's: (i) Eagle "33P" Federal Well No. 13 (**API No. 30-015-29082**) located at an unorthodox oil well location 1140 feet from the South line and 1090 feet from the East line of Section 33 (approved in part by Division Administrative Order NSL-3729, dated October 24, 1996); and (ii) Eagle "33P" Federal Well No. 14 (**API No. 30-015-29599**) located at a standard oil well location 430 feet from the South line and 330 feet from the East line of Section 33.

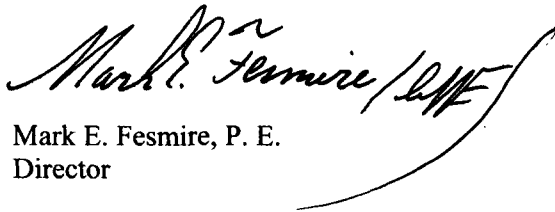
The proposed Eagle "33P" Federal Well No. 16 is to be the initial Glorieta/Yeso oil well within the standard 40-acre oil spacing and proration unit also comprising the SE/4 SE/4 (Unit P) of Section 33.

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

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox: (i) infill Queen/Grayburg/San Andres oil well location; and (ii) initial Glorieta/Yeso oil well location, for Devon's proposed Eagle "33P" Federal Well No. 16 is hereby approved.

Further, the existing Eagle "33P" Federal Wells No. 13 and 14 and proposed Eagle "33P" Federal Well No. 16 are to be simultaneously dedicated to the subject 40-acre unit within the Red Lake (Queen-Grayburg-San Andres) Pool.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-3729
Case No. 11966
Case No. 13470