



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**June 7, 2006**

**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-5389 (SD)**

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-611633715*) dated and filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on April 25, 2006 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); (ii) Mr. Michael E. Stogner's, Staff Engineer with the Division in Santa Fe, telephone conversation with Mr. Mike Williams, Regulatory Consultant for Devon in Artesia, New Mexico, on Tuesday morning, June 6, 2006; and (iii) the Division's records in Santa Fe: all concerning Devon's request for an unorthodox infill oil well location in both the Red Lake (Queen-Grayburg-San Andres) Pool (*51300*) and Undesignated Red Lake-Glorieta Yeso Pool (*51120*) for Devon's proposed Kaiser "B" 18F Well No. 8 (*API No. 30-015-34630*) to be drilled 1500 feet from the North line and 1725 feet from the West line (Unit F) of Section 18, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

Your application for Devon has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

Production from the shallower 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 NW/4 (Unit F) of Section 18, which is currently simultaneously dedicated to Devon's: (i) Kaiser "B" Well No. 5 (*API No. 30-015-30131*) located at a standard oil well location 1650 feet from the North line and 2310 feet from the West line of Section 18; and (ii) Kaiser "B" Well No. 6 (*API No. 30-015-30132*) located at a standard infill oil well location, more or less, 2310 feet from the North line and 1650 feet from the West line of Section 18.

Production from the deeper Undesignated Red Lake-Glorieta Yeso Pool is to be included within an existing standard 40-acre oil spacing and proration unit also comprising the SE/4 NW/4 (Unit F) of Section 18, which is currently simultaneously dedicated to Devon's: (i) above-described Kaiser "B" Well No. 6; and (ii) Kaiser "B" 18F Well No. 7 (*API No. 30-015-34176*) located at a standard infill oil well location 2310 feet from the North and West lines of Section 18.

June 6, 2006

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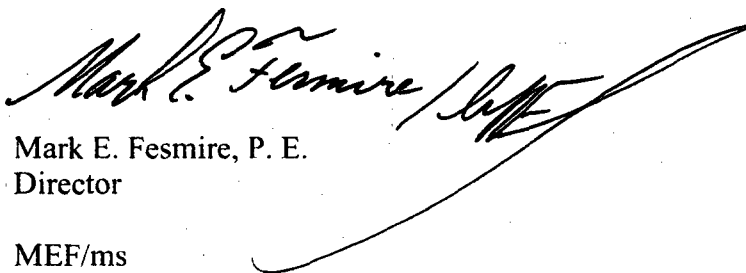
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It is the Division's understanding that Devon seeks this location exception for both topographic and engineering reasons.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox: (i) infill Queen/Grayburg/San Andres oil well location; and (ii) infill Glorieta/Yeso oil well location, for Devon's proposed Kaiser "B" 18F Well No. 8 is hereby approved. Further, all of the aforementioned wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to these two prorated oil pools.

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  
Mr. Mike Williams – Artesia

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