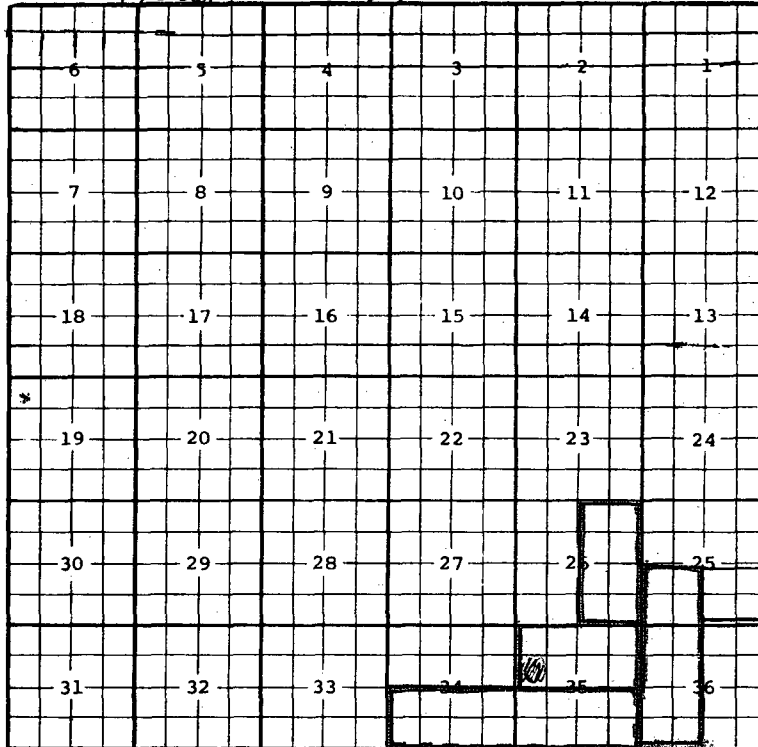


96836

county Eddy Pool Northeast Red Lake-Glorieta-Yeso

TOWNSHIP 17 South Range 27 East NMPM



Ext: $\frac{5}{8}$ Sec. 34, $\frac{5}{8}$ Sec. 35 (R-11170, 4-7-99) Ext: $\frac{3}{4}$ Sec. 25, $\frac{1}{2}$ Sec. 36 (R-11858, 4-12-00)
 Ext: $\frac{6}{8}$ Sec. 26 (R-11470, 10-11-00) Ext: $\frac{5}{8}$ Sec. 25 (R-11544, 7-12-00)
 Ext: $\frac{1}{2}$ Sec. 35 (R-12088, 1-14-04)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

August 1, 2003

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-4929

Dear Mr. Bruce:

Reference is made to the following: (i) your original application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), submitted to the New Mexico Oil Conservation Division ("Division") on July 7, 2003 (*administrative application reference No. pMES0-318937881*); (ii) the Division's initial response by letter dated July 17, 2003 from Mr. Michael E. Stogner, Engineer/Hearing Officer in Santa Fe **denying** this application; (iii) your amended application resubmitted to the Division on July 22, 2003; (iv) Mr. Stogner's three e-mails to you on July 22 and 23, 2003 for supplemental data to support Devon's request; (v) your letter of July 31, 2003 with the necessary information to complete this amended application; and (vi) the Division's records in Santa Fe: all concerning Devon's request to drill its Eagle "35-E" Federal Well No. 10 as an initial well within a standard 40-acre oil spacing and proration unit in the Undesignated Northeast Red Lake-Glorieta-Yeso Pool (96836) comprising the SW/4 NW/4 (Unit E) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, at an unorthodox oil well location 2310 feet from the North line and 215 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 northeastern portions of each unit so as to minimize possible drainage or interference between wells. An Application for Permit to Drill ("APD") a second well in the SW/4 NW/4 (Unit E) of Section 35 was recently filed with the U. S. Bureau of Land Management.

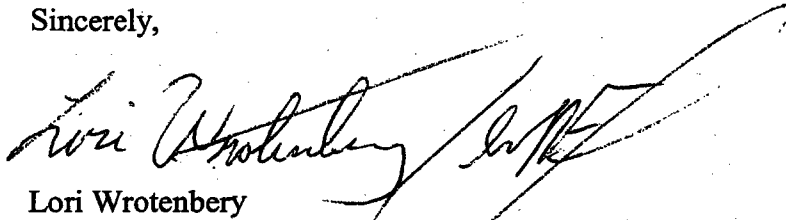
It is further understood that the S/2 NE/4 and N/2 SE/4 of Section 34 and the SW/4 NW/4 of Section 35, both in Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, is included within a single federal lease (U. S. Government lease No. NM-0557370) with common mineral interests (working, royalty, and overriding royalty) in which Devon is the leasehold operator; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within the Glorieta/Yeso interval.

August 1, 2003

Page 2

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 "35-E" Federal Well No. 10 within the Undesignated Northeast Red Lake-Glorieta-Yeso Pool is hereby approved.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lori Wrotenbery", is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Lori Wrotenbery
Director

LW/mes

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

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CMD      :                                ONGARD                                01/25/04 14:40:17
OG6IWCM      INQUIRE WELL COMPLETIONS                                OGOMES -TPEZ

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API Well No : 30 15 33035 Eff Date : 10-08-2003 WC Status : A
Pool Idn : 96836 RED LAKE; GLORIETA YESO, NORTHEAST
OGRID Idn : 6137 DEVON ENERGY PRODUCTION COMPANY, LP
Prop Idn : 33015 EAGLE 35 E FEDERAL

Well No : 010
GL Elevation: 3573

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	E	35	17S	27E	FTG 2310 F N	FTG 215 F W	P
Lot Identifier:							
Dedicated Acre:		40.00					
Lease Type	F						
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O)							

E6317: No more recs. for this api well no.

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PF01 HELP      PF02          PF03 EXIT      PF04 GoTo      PF05          PF06
PF07          PF08          PF09          PF10 NEXT-WC PF11 HISTORY PF12 NXTREC
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CMD : ONGARD 01/25/04 14:40:32
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPEZ
Page No: 1

OGRID Identifier : 6137 DEVON ENERGY PRODUCTION COMPANY, LP
Pool Identifier : 96836 RED LAKE; GLORIETA YESO, NORTHEAST
API Well No : 30 15 33035 Report Period - From : 01 2003 To : 12 2003

API Well No			Property Name	Prod'n. Days	Production Volumes			Well
				MM/YY	Prod	Gas	Oil	Water Stat
30	15	33035	EAGLE 35 E FEDERAL	11 03	30	2247	1649	6028 P

Reporting Period Total (Gas, Oil) :	2247	1649	6028
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M0025: Enter PF keys to scroll

PF01	HELP	PF02		PF03	EXIT	PF04	GoTo	PF05		PF06	CONFIRM
PF07	BKWD	PF08	FWD	PF09		PF10	NXTPOOL	PF11	NXTOGD	PF12	