



Case 13300

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 16, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Devon Energy Production Company, L.P.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

AMENDED Administrative Order NSL-5089 (BHL)

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), that was submitted to the New Mexico Oil Conservation Division ("Division") on Tuesday, September 14, 2004 (*administrative application reference No. pSEM0-425936529*); (ii) our meeting on Thursday morning, September 16, 2004; and (iii) the Division's records in Santa Fe, including the files on Division Administrative Order NSL-5089 (BHL) and Division Case No. 13300: all concerning your application to amend Division Administrative Order NSL-5089 (BHL), dated August 2, 2004, by changing the subsurface configuration of Devon's proposed Red Bull "31: State Well No. 1 (API No. 30-025-36798) within the Atoka and Morrow formations underlying Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, being a standard 319.32-acre lay-down gas spacing unit, pursuant to Division Rule 104.C (2), for the Undesignated Antelope Ridge-Atoka Gas Pool (70360), Undesignated Antelope Ridge-Morrow Gas Pool (70440), and Undesignated West Cinta Roja-Morrow Gas Pool (96602).

The first paragraph on the first page of Division Administrative Order NSL-5089 (BHL) is hereby amended to read in its entirety as follows:

"Reference is made to the following: (i) your initial application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), that was submitted to the New Mexico Oil Conservation Division ("Division") on June 29, 2004 (administrative application reference No. pSEM0-418231425); (ii) your subsequent application filed with the Division on September 14, 2004 (administrative application reference No. pSEM0-425936529) to amend Division Administrative Order NSL-5089 (BHL), dated August 2, 2004; and (iii) the Division's records in Santa Fe: all concerning Devon's proposed Red Bull "31" State Well No. 1 (API No. 30-025-36798) to be drilled vertically from an unorthodox gas well location 1300 feet from the South line and 2610 feet from the West line (Unit N) of Section 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, down to a measured depth of 11,987 feet, kicked-off to the west, and directionally drilled such that the:

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(a) top of the Atoka formation at an estimated measured depth of 12,677 feet (12,662 feet TVD) is penetrated at a subsurface location 1272 feet from the South line and 2550 feet from the East line (Unit O) of Section 31;

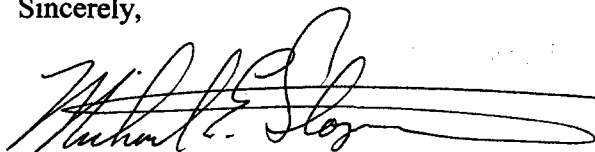
(b) top of the Morrow "C" interval of the Morrow formation at an estimated measured depth of 14,470 feet (13,942 feet TVD) is penetrated at a subsurface location 1000 feet from the South line and 1370 feet from the East line (Unit O) of Section 31; and

(c) targeted bottomhole location within the Morrow formation at a measured depth of 14,783 feet (14,130 TVD) feet 954 feet from the South line and 1126 feet from the East line (Unit P) of Section 31."

This order is further amended to include reference to Division Order No. R-3161-A, issued in Case No. 13300 dated September 7, 2004, which order amended the special pool rules governing the Cinta Roja-Morrow Gas Pool (75000), and was issued subsequent to the release of Division Administrative Order NSL-5089 (BHL).

All other provisions of Division Administrative Order NSL-5089 (BHL) shall remain in full force and effect until further notice.

Sincerely,



Michael E. Stogner
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
File: Division Case No. 13300
Division Administrative Order NSL-5089 (BHL)