

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 13048

IN THE MATTER OF THE APPLICATION OF
EGL RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 13049

ORDER No. R-11962-A

ORDER ON MOTIONS OF
DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR A STAY OF DIVISION ORDER NO. R-11962 AND AN EMERGENCY
STAY OF DRILLING ACTIVITIES

BY THE DIVISION DIRECTOR:

This matter has come before the Director of the Oil Conservation Division (OCD) on the Motions of Devon Energy Production Company, L.P. (Devon) for a stay of Order R-11962 pending the entry of an Order in the case *de novo* pending before the New Mexico Oil Conservation Commission (Commission). The Director on this 30th day of May 2003, having reviewed the motions and the response of EGL Resources, Inc. (EGL),

FINDS AS FOLLOWS:

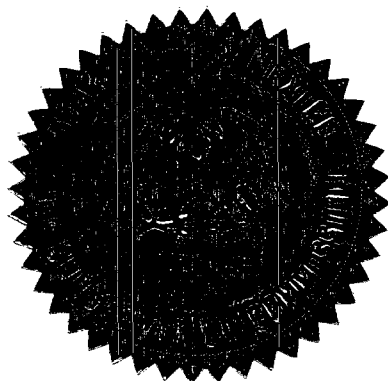
1. This matter is before the Commission pursuant to the applications of both Devon and EGL for a hearing *de novo* pursuant to NMSA, Section 70-2-13 and Rule 1220(A), 19 NMAC 15.N.1220.A.
2. After filing for hearing *de novo*, Devon on May 27, 2003, filed a motion for a stay pursuant to Rule 1220.B, 19 NMAC 15.N.1220.B. of Division Order No. R-11962 pending the entry of an Order by the Commission. On May 28, 2003, Devon filed a Motion for an Emergency Order Staying EGL from commencing operations on the well that is the subject of Cases Number 13048 and 13049.

3. EGL filed a response on May 29, 2003, opposing both Devon Motions.
4. Rule 1220.B provides that a stay pending review by the Commission may be granted if unopposed or "under other circumstances [as necessary] to prevent waste, protect correlative rights, protect public health and the environment or prevent gross negative consequences to any affected party."
5. Devon argues that a stay is needed to maintain the status quo or preclude any party from gaining an unfair advantage over another party while the matter is pending before the Commission.
6. EGL argues that Devon has failed to establish that the requirements of Rule 1220.B have been met, because it has alleged only generalized concerns and does not assert it will suffer harm if the order is not granted. EGL also argues it will suffer significant harm if the drilling operations are interrupted.

IT IS THEREFORE ORDERED THAT:

1. The Motions of Devon for a stay of Division Order No. R-11962 and an emergency stay of EGL's drilling activities related to that order are hereby denied because Devon has not met the requirements of Rule 1220.B. Devon has not alleged the stay is needed to prevent waste, protect correlative rights, or protect public health and the environment. It also has not alleged sufficient facts to justify a finding that a stay is necessary to prevent gross negative consequences to Devon.

DONE at Santa Fe, New Mexico, on the day and year designated above.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director