



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 16, 1998

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attn: Mr. E.L. Buttross, Jr.

**RE: Injection Pressure Increase,
East Shugart Unit Waterflood Project,
Eddy County, New Mexico**

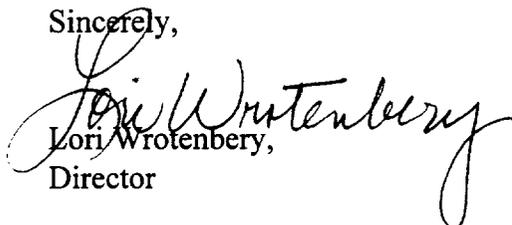
Reference is made to your request dated February 12, 1998, to increase the surface injection pressure on a field-wide group of wells in the above referenced waterflood project. This request is based on fracture pressure gradient data obtained on several offsetting wells. The data has been reviewed by my staff. At this time, we feel an increase in injection pressure on the wells contained in your request is justified.

You are therefore authorized to increase the surface injection pressure on the following wells:

| <i>Well Name and Number</i> | <i>ULSTR</i> | <i>Pressure Gradient</i> | <i>Top Perf</i> | <i>Authorized Pressure</i> |
|------------------------------|--------------|--------------------------|-----------------|----------------------------|
| East Shugart Unit Well No.2 | B-34-18S-27E | .39 psi/ft | 3298' | 1286 PSIG |
| East Shugart Unit Well No.9 | H-35-18S-27E | .45 psi/ft | 3404' | 1532 PSIG |
| East Shugart Unit Well No.20 | L-35-18S-27E | .48 psi/ft | 3416' | 1640 PSIG |
| East Shugart Unit Well No.24 | N-35-18S-27E | .50 psi/ft | 3355' | 1678 PSIG |
| East Shugart Unit Well No.33 | K-34-18S-27E | .44 psi/ft | 3400' | 1496 PSIG |
| East Shugart Unit Well No.41 | G-34-18S-27E | .46 psi/ft | 3634' | 1672 PSIG |
| East Shugart Unit Well No.42 | A-34-18S-27E | .46 psi/ft | 3641' | 1675 PSIG |
| East Shugart Unit Well No.52 | B-35-18S-27E | .34 psi/ft | 3701' | 1258 PSIG |
| East Shugart Unit Well No.76 | F-35-18S-27E | .41 psi/ft | 3525' | 1445 PSIG |

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,


Lori Wrotenbery,
Director

Injection Pressure Increase
Devon Energy Corporation
March 16, 1998
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LW/BES/kv

cc: Oil Conservation Division - Artesia

File: Case File Nos.3059, 3769; WFXs-734; PSI-X 3rd QTR 98