

DEVON ENERGY CORPORATION
20 NORTH BROADWAY, SUITE 1500
OKLAHOMA CITY, OK 73102-8260
OFFICE (405) 235-3611

FAX TRANSMISSION
Xerox 7033 (405) 552-4550
Monroe MX-3060 (405) 552-4552

DATE: June 17, 1993

TO: Mike Stagnow

COMPANY: _____

FAX PHONE: 505/827-5741

OFFICE PHONE: _____

FROM: Randy Jackson
DEVON ENERGY CORPORATION

NUMBER OF PAGES FOLLOWING: 6

TRANSMISSION COMPLETED: _____

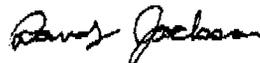


Dear Mr. Stognor:

On June 15, 1993 Devon Energy was notified by the Bureau of Land Management that our proposed West Red Lake Unit #35 to be located 330' FNL & 240' FWL of Section 9 - T18S - R27E of Eddy County, New Mexico is considered an unorthodox location. Attached is a plat of the West Red Lake Unit showing the unit boundaries as well as Forms 3160-3 and C - 102. West Red Lake is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID Number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location please notify me at 405-552-4560.

Sincerely,



Randy Jackson
Operations Engineer

JUN-17-93 THU 07:59

405 236 4258

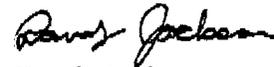
P.01

Dear Mr. Stognor:

On June 15, 1993 Devon Energy was notified by the Bureau of Land Management that our proposed West Red Lake Unit #35 to be located 330' FNL & 240' FWL of Section 9 - T18S - R27E of Eddy County, New Mexico is considered an unorthodox location. Attached is a plat of the West Red Lake Unit showing the unit boundaries as well as Forms 3160-3 and C - 102. West Red Lake is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID Number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location please notify me at 405-552-4560.

Sincerely,



Randy Jackson
Operations Engineer

JUN-17-93 THU

07:59

405 236 4258

P.01

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

EXHIBIT #2

District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

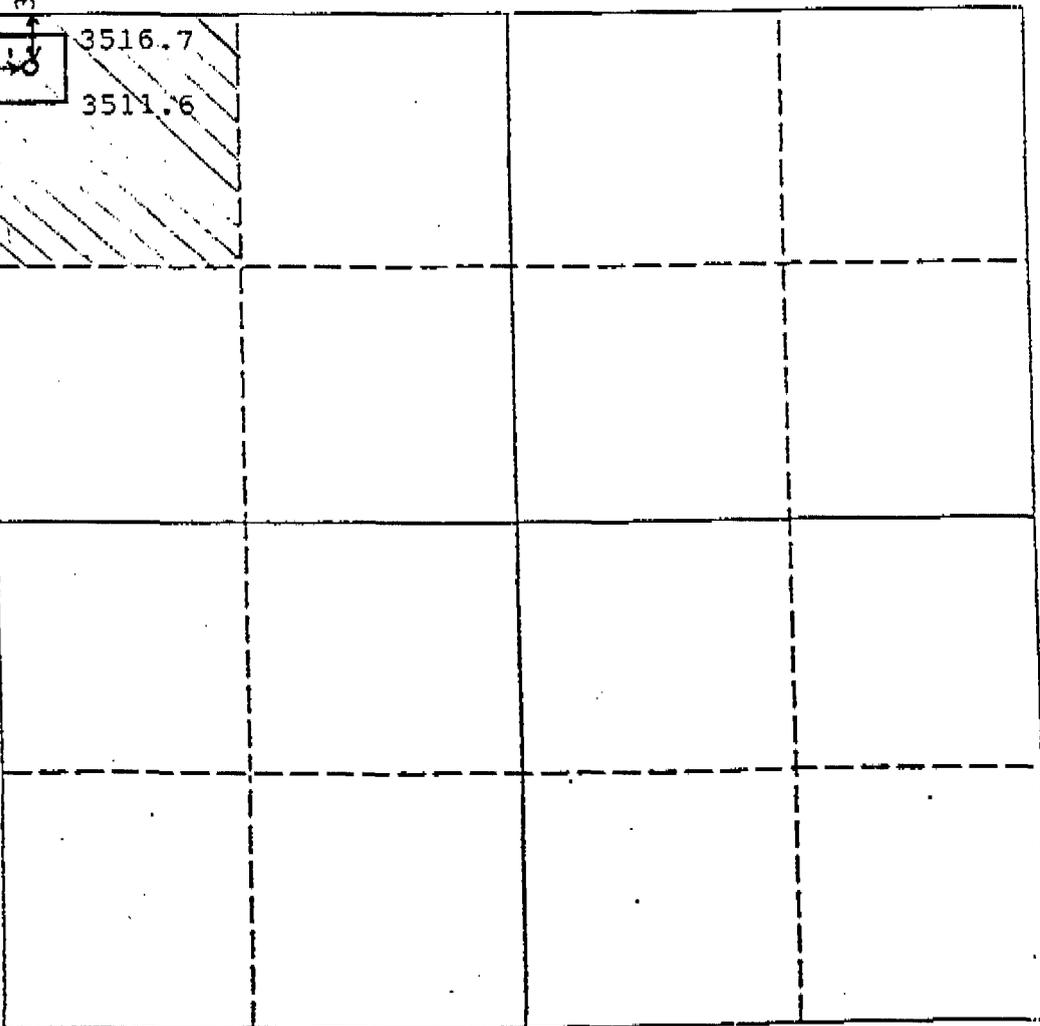
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Devon Energy Corporation		Lease West Red Lake Unit		Well No. 35
Unit Letter D	Section 9	Township 18 South	Range 27 East	County Eddy
Actual Footage Location of Well: 330 feet from the North line and 240 feet from the West line				
Ground level Elev. 3509	Producing Formation San Andres	Pool West Red Lake	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 - If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
 - No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

3494.2
3492.4
3490.2
3488.0
3485.8
3483.6
3481.4
3479.2
3477.0
3474.8
3472.6
3470.4
3468.2
3466.0
3463.8
3461.6
3459.4
3457.2
3455.0
3452.8
3450.6
3448.4
3446.2
3444.0
3441.8
3439.6
3437.4
3435.2
3433.0
3430.8
3428.6
3426.4
3424.2
3422.0
3419.8
3417.6
3415.4
3413.2
3411.0
3408.8
3406.6
3404.4
3402.2
3400.0

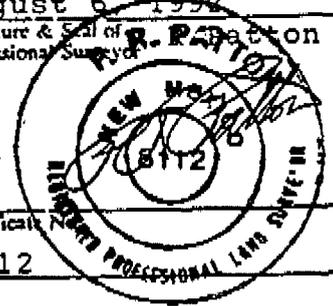


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Charles W. Horsman*
 Printed Name: **Charles W. Horsman**
 Position: **District Engineer**
 Company: **Devon Energy Corporation (Nevada)**
 Date: **January 25, 1993**

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **August 6, 1992**
 Signature & Seal of Professional Surveyor: *R. P. Patton*



Certification No.: **8112**

Form 3160-3
(December 1990)

SUBMIT IN THE DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE SOLE MULTIPLE SOLE

2. NAME OF OPERATOR
 Devon Energy Corporation (Nevada)

3. ADDRESS AND TELEPHONE NO.
 20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 330' FNL & 240' FWL
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 7 miles southeast of Artesia, NM

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest grid, unit line, if any) 240'

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 500'

16. NO. OF ACRES IN LEASE 80

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

19. PROPOSED DEPTH 2800'

20. ROTARY OR CABLE TOOLS rotary

21. ELEVATIONS (Show whether DP, RT, GR, etc.) 3509'

22. APPROX. DATE WORK WILL START* May 1, 1993

5. LEASE DESIGNATION AND SERIAL NO.
 NM 7721

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME
 NA

7. UNIT AGREEMENT NAME
 W. Red Lake 8910089700

8. FARM OR LEASE NAME, WELL NO.
 West Red Lake Unit #35

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Red Lake, QN, Grybrg, SA

11. SEC., T., R. N., OR BLM, AND SURVEY OR AREA
 Section 9 - T18S- R27E

12. COUNTY OR PARISH Eddy

13. STATE NM

23. PROPOSED CASING AND CEMENTING PROGRAM *

SIZE OF HOLE	GRADE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	conductor		40'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1150'	415 sx Lite + 100 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	2800'	120 sx Lite + 265 xs Class C

* Cement will be circulated to surface on all casing strings

Devon Energy plans to drill to 2800'+ to test the San Andres formation for commercial quantities of oil. If the San Andres is deemed non-commercial, the wellbore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

- Drilling Program
- Surface Use and Operating Plan
- Exhibit #1 and #1-A - Blowout Prevention Equipment
- Exhibit #2 - Location and Elevation Plat
- Exhibit #3 - Planned Access Roads
- Exhibit #4 - Wells Within a One Mile Radius
- Exhibit #5 - Production Facilities Plat
- Exhibit #6 - Rotary Rig Layout
- Exhibit #7 - Casing Program
- Evidence of Bond Coverage

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED Randy Jackson TITLE District Engineer DATE March 23, 1993

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

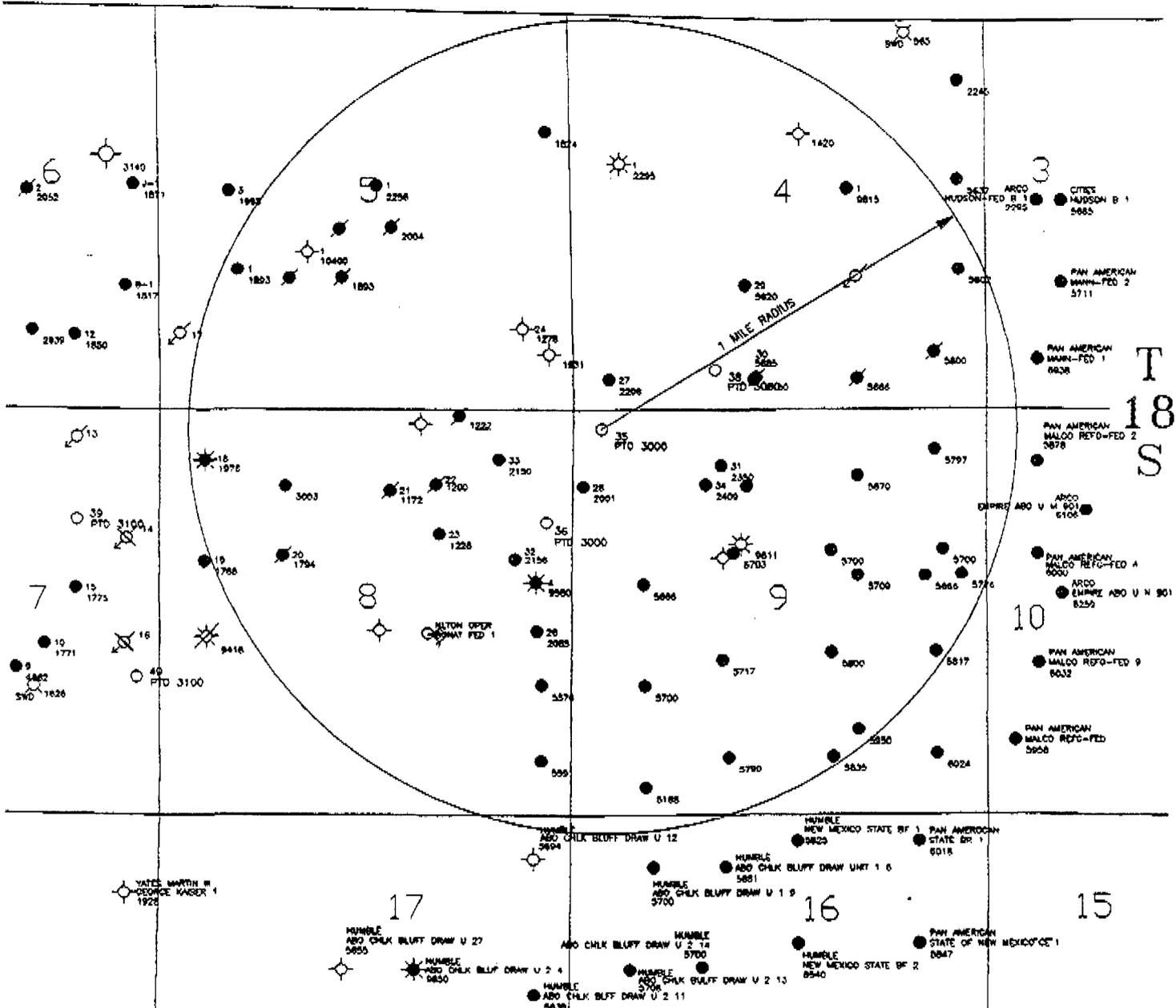
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

R 27 E



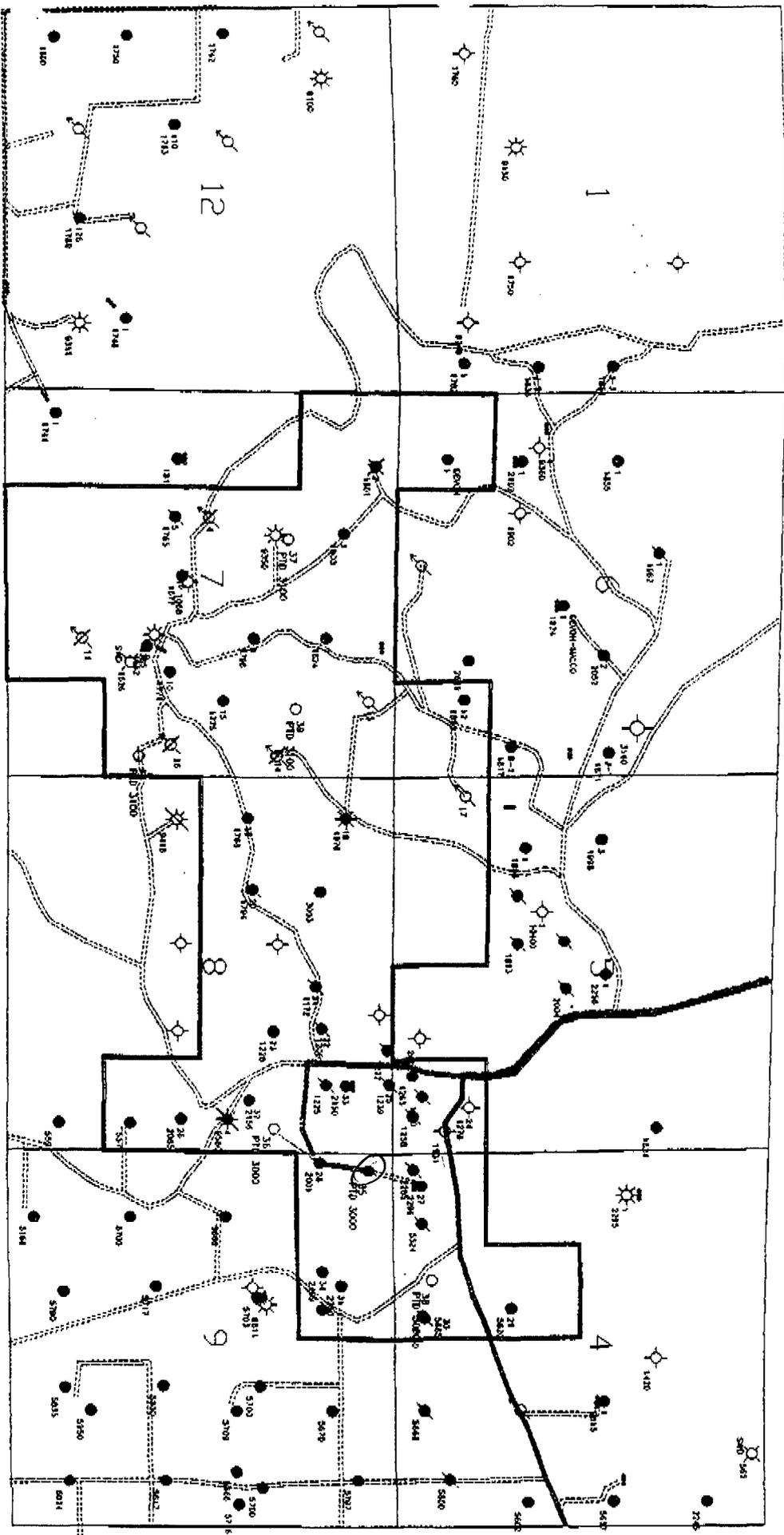
devon
ENERGY SERVICES

WEST RED LAKE UNIT
EDDY COUNTY, NEW MEXICO

WEST RED LAKE NO. 35
EXHIBIT 4

Scale in Feet
1000 0 1000 2000 3000 4000

FILE: NMO1521F
A. JACKSON 9/92

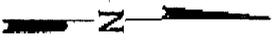


R 26 E

R 27 E

T 18 S

..... EXISTING ROAD
 - - - - - PROPOSED ROAD



FILE: WRU-35



WEST RED LAKE UNIT
 LOOSE COUNTY, NEW MEXICO

WRLU 435
 EXHIBIT 3



**WEST RED LAKE UNIT #35
OFFSET OPERATORS**

Section 4 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Empire Abo Unit L #5	M	Inactive
Arco Oil & Gas	Empire Abo Unit L #6	N	Inactive

Section 8 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Compton #4	A	Inactive
Arco Oil & Gas	Empire Abo Unit N #4	H	Active
Arco Oil & Gas	Chalh Bluff Draw Unit	H	Inactive

Section 9 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Empire Abo Unit M #6	C	Active
Arco Oil & Gas	Empire Abo Unit N #5	E	Active
Arco Oil & Gas	Empire Abo Unit N #6	F	Inactive

RED LAKE QUEEN-GRAYBURG-SAN ANDRES POOL
(West Red Lake Unit Area Waterflood)
Eddy County, New Mexico

Order No. R-3469, Authorizing Atlantic Richfield Company to Institute a Waterflood Project in the West Red Lake Unit Area in the Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico, August 13, 1968.

Application of Atlantic Richfield Company for a Waterflood Project, Eddy County, New Mexico.

CASE NO. 3824
Order No. R-3469

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 7, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of August, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Atlantic Richfield Company, seeks permission to institute a waterflood project in its West Red Lake Unit Area, Red Lake Queen-Grayburg-San Andres Pool, by the injection of water into the Premier zone of the Grayburg formation and the San Andres formation through 13 injection wells in Sections 4, 5, 7, 8, and 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to institute a waterflood project in its West Red Lake Unit Area, Red Lake Queen-Grayburg-San Andres Pool, by the injection of water into the Premier zone of the Grayburg formation and the San Andres formation through the following-described wells in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

Well	Well No.	Unit	Section
West Red Lake Unit	29	K	4
West Red Lake Unit	17	M	5
West Red Lake Unit	24	P	5
West Red Lake Unit	2	D	7
West Red Lake Unit	4	F	7
West Red Lake Unit	11	O	7
West Red Lake Unit	13	A	7
West Red Lake Unit	14	H	7
West Red Lake Unit	16	I	7
West Red Lake Unit	21	B	8
West Red Lake Unit	26	I	8
West Red Lake Unit	28	D	9
West Red Lake Unit	31	C	9

(2) That the subject waterflood project is hereby designated the Atlantic Richfield West Red Lake Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

SHUGART POOL
(Marathon-Queen Waterflood)
Eddy County, New Mexico

Order No. R-3072, Authorizing Marathon Oil Company to Institute a Waterflood Project in the Queen Formation in the Shugart Pool, Eddy County, New Mexico, June 1, 1966.

Application of Marathon Oil Company for a Waterflood Project, Eddy County, New Mexico.

CASE NO. 3048
Order No. R-3072

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 25, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of June, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Marathon Oil Company, seeks permission to institute a waterflood project in the Shugart Pool by the injection of water into the Queen formation through three injection wells in Sections 10 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

June 16, 1993

RE: West Red Lake Unit #35
Non-Standard Location Approval

Arco Oil and Gas
P. O. Box 1610
Midland, TX 79702

Certified Letter #: P 373 549 734

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets the following Arco properties:

Empire Abo Unit L #5
Empire Abo Unit L #6
Compton #4
Empire Abo Unit N #4
Chalk Bluff Draw Unit
Empire Abo Unit M #6
Empire Abo Unit N #5
Empire Abo Unit N #6

The West Red Lake Unit #35 is located:

330' FNL & 240' FWL
Section 9-T18S-R27E

Post-It™ brand fax transmittal memo 7071		# of pages 2
To Mike Stogner	From Dewey O'Donnell	
Co. OCD-Santa Fe	Co. Devon Energy	
Dept.	Phone # (405) 552-4511	
Fax # (505) 827-5741	Fax #	

The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

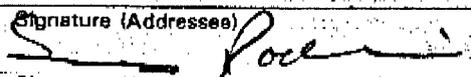
DEVON ENERGY CORPORATION

Debby O'Donnell

Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM

Is your RETURN ADDRESS completed on the reverse side?	SENDER: • Complete Items 1 and/or 2 for additional services. • Complete Items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the return address below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to: Arco Oil and Gas P. O. Box 1610 Midland, TX 79702		4a. Article Number P 373 549 734	
	5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
	6. Signature (Agent)		7. Date of Delivery JUN 21 1993	
8. Addressee's Address (Only if requested and fee is paid)		Thank you for using Return Receipt Service.		
PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT				