

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 27, 1993

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

Attention: Randy Jackson

Administrative Order NSL-3322

Dear Mr. Jackson:

Reference is made to your application dated September 28, 1993 for an unorthodox oil well location for the purpose of completing an efficient production/injection pattern within the East Shugart Waterflood Project Area established by Division Order No. R-3769, dated May 28, 1969.

It is our understanding that the proposed East Shugart Unit Well No. 42 is to be drilled 330 feet from the North line and 1140 feet from the East line (Unit A) of Section 34, Township 18 South, Range 31 East, NMPM, Shugart Yates-Seven Rivers-Queen Pool, East Shugart Unit Area, Eddy County, New Mexico. The NE/4 NE/4 of said Section 34 shall be dedicated to said well forming a standard 40-acre oil spacing and proration unit.

By the authority granted me under the provisions of General Rule 104 F(1), the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad