

OIL CONSERVATION DIVISION
RECEIVED

DEVON
ENERGY
OPERATING
CORPORATION

APR 12 PM 8.52
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/552-4550
Fax 405/552-4552

April 7, 1995

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504 - 2088

Attention: Mike Stogner

Re: Non - Standard Location Approval

Dear Sir:

It is requested that administrative approval be granted under Rule 104F. (1) for unorthodox locations for the infill producing wells located within the Keel West Waterflood Project, at the following locations:

WELL	LOCATION
J. L. Keel "A" #32	2632' FSL & 2624' FWL, Sec. 7-17S-31E
J. L. Keel "B" #88	1310' FNL & 1200' FEL, Sec. 8-17S-31E
J. L. Keel "B" #91	2664' FSL & 2562' FEL, Sec. 8-T17S-R31E

Attached is a plat of the Keel - West Waterflood Project showing the project boundaries that are adjacent to the subject wells. Forms 3160 - 3 and C - 102 are attached for each of the three wells listed above. The Keel - West Waterflood project is located on federal property and each proposed well is to be part of this active waterflood project.

The above locations do not conform to Rule 104. C. I. because they are located closer than 330' to the governmental quarter - quarter section boundaries. They will be drilled to a depth sufficient to produce the Grayburg - San Andres formation (approximately 4000'). The wells will be drilled at the unorthodox locations in order to prevent waste by developing an efficient production and injection pattern within the Keel - West Waterflood Project, which was approved under Order R - 2268. When fully developed these wells will combine with the existing wells (some of which will eventually be converted to injection) to establish a 40 acre 5 spot waterflood pattern.

There are no operators that have production in offsetting 40 acre tracts. The 3 wells listed are offset by wells that are already operated by Devon Energy Operating Corporation; therefore, no notification is necessary.

Should you require any additional information regarding any of these unorthodox locations please notify me at 405-552-4527.

Sincerely,

A handwritten signature in cursive script that reads "Karen Rosa".

Karen Rosa
Engineering Technician

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88241-1980

State of New Mexico
 Energy, Minerals, and Natural Resources Department

Form C-102
 Revised 02-10-94
 Instructions on back

DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88211-0719

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

Submit to the Appropriate
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

AMENDED REPORT

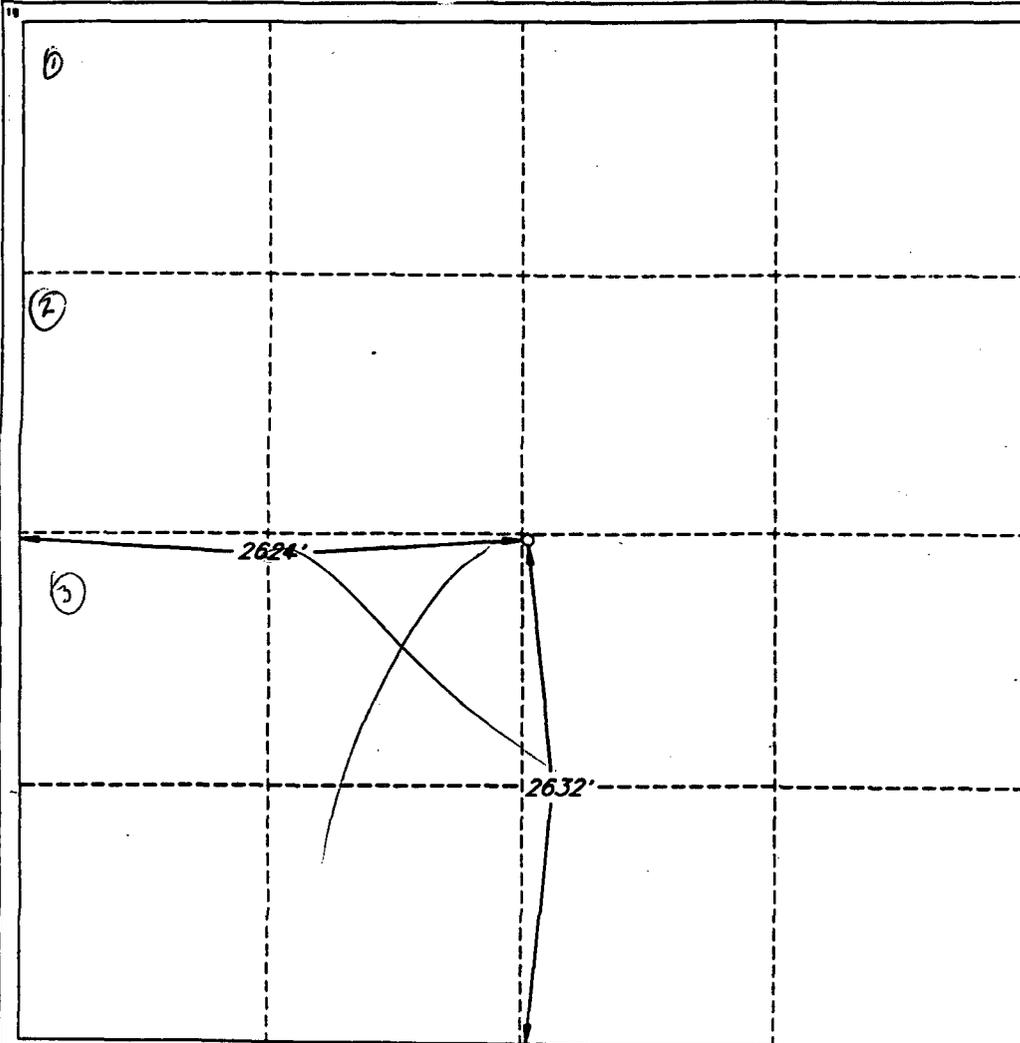
DISTRICT III
 1000 Rio Brazos Rd.
 Aztec, NM 87410

DISTRICT IV
 P. O. Box 2088
 Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code J		5 Property Name KEEL 'A' FEDERAL					6 Well Number 32		
7 OGRID No.		8 Operator Name DEVON ENERGY OPERATING COMPANY					9 Elevation 3721'		
10 SURFACE LOCATION									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	7	17 SOUTH	31 EAST, N.M.P.M.		2632'	SOUTH	2624'	WEST	EDDY
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Randy Jackson

Printed Name

Randy Jackson

Title

District Engineer

Date

1/23/95

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 belief.

Date of Survey

NOVEMBER 10, 1994

Signature and Seal of Professional Surveyor

V. Lynn Bezner

V. L. BEZNER AND SURV. #7920

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY
 SUBMIT IN TRIPLICATE*
 (See other instructions on reverse side)

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL DEEPEN

b. TYPE OF WELL: OIL WELL GAS WELL Other SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
DEVON ENERGY OPERATING CORPORATION

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface 2632' FSL & 2624' FWL **UNORTHODOX LOCATION: Subject to Like Approval By State**
 At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4 miles east & 4 miles north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
2624
 (Also to nearest drilg. unit line if any)

16. NO. OF ACRES IN LEASE
1885

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1000'

19. PROPOSED DEPTH
4000

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3721' GR

22. APPROX. DATE WORK WILL START*
February 15, 1995

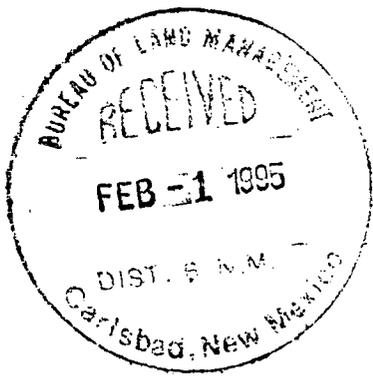
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	400'	200 sk RFC cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4000'	500 sk Class "C" 35/65 + 500 sk Class "C" + 1/4 lb/sk cellophane flakes

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4000' to test the Grayburg-Jackson formation for commercial quantities of oil. If the Grayburg-Jackson 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**
- Exhibits #1/1-A = Blowout Prevention Equipment
 - Exhibit #2 = Location and Elevation Plat
 - Exhibit #3/3-A = Road Map and Topo Map
 - Exhibit #4 = Wells Within 1 Mile Radius
 - Exhibit #5 = Production Facilities Plat
 - Exhibit #6 = Rotary Rig Layout
 - Exhibit #7 = Casing Design
 - H2S Operating Plan
- Approval Subject to General Requirements and Special Stipulations Attached**

The undersigned accepts all applicable terms, condition, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below:
 Lease No. LC029435-A
 Legal Description: Section 7-T17N-R31E
 Bond Coverage: Nationwide
 BLM Bond No.: CO1151



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 preventer program, if any.

SIGNED Randy Jackson TITLE RANDY JACKSON DISTRICT ENGINEER DATE 1/24/95

*(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 Timothy P. O'Brien TITLE Acting AREA MANAGER DATE 4-4-95
 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

UNITED STATES OPERATIONS COPY
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a TYPE OF WORK: DRILL DEEPEN

b TYPE OF WELL: OIL WELL GAS WELL Other SINGLE ZONE MULTIPLE ZONE

2 NAME OF OPERATOR: **DEVON ENERGY OPERATING CORPORATION**

3 ADDRESS AND TELEPHONE NO.: **20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560**

4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface 1310' FNL & 1200' FEL **UNORTHODOX** Subject to
 At top proposed prod. zone (SAME) **LOCATION: Like Approved**
By State

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4 miles east & 4 miles north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. **1200**
 (Also to nearest drlg. unit line if any)

16. NO. OF ACRES IN LEASE **606.92**

17. NO. OF ACRES ASSIGNED TO THIS WELL **40**

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **900'**

19. PROPOSED DEPTH **4000**

20. ROTARY OR CABLE TOOLS* **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **3827' GR**

22. APPROX. DATE WORK WILL START* **February 15, 1995**

5. LEASE DESIGNATION AND SERIAL NO.
LC 029435-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
KEEL "B" FEDERAL NO. 88

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 8-T17 S- R31 E

12. COUNTY OR PARISH
EDDY

13. STATE
NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	400' CIRCULATE	200 sk RFC cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4000'	500 sk Class "C" 35/65 + 500 sk Class "C" + 1/4 lb/sk cellophane flakes

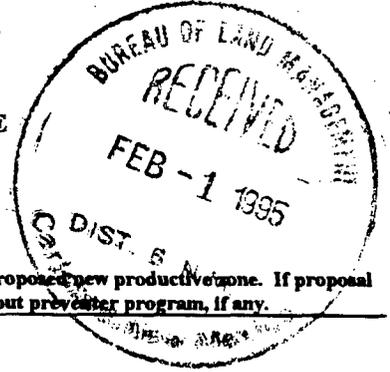
We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4000' to test the Grayburg-Jackson formation for commercial quantities of oil. If the Grayburg-Jackson is deemed non-commercial, the wellbore will be plugged and abandoned per Federal Regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Drilling Program

- Exhibits #1/1-A = Blowout Prevention Equipment
- Exhibit #2 = Location and Elevation Plat
- Exhibit #3/3-A = Road Map and Topo Map
- Exhibit #4 = Wells Within 1 Mile Radius
- Exhibit #5 = Production Facilities Plat
- Exhibit #6 = Rotary Rig Layout
- Exhibit #7 = Casing Design
- H2S Operating Plan

The undersigned accepts all applicable terms, condition, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below:
 Lease No. LC029435-B
 Legal Description: Section 8-T17N-R31E
 Bond Coverage: Nationwide
 BLM Bond No.: CO1151

Approval Subject to
 General Requirements and
 Special Stipulations
 Attached



24. 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.

SIGNED Randy Jackson TITLE RANDY JACKSON DISTRICT ENGINEER DATE 1/24/95

(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 Timothy P. O'Brien TITLE Acting District Engineer DATE 4-4-95
 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

Box 1980
 NM 88241-1980

State of New Mexico
 Energy, Minerals, and Natural Resources Department

Form C-102
 Revised 02-10-94
 Instructions on back

DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88211-0719

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

Submit to the Appropriate
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

DISTRICT III
 1000 Rio Brazos Rd.
 Aztec, NM 87410

AMENDED REPORT

DISTRICT IV
 P. O. Box 2088
 Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code A		5 Property Name J.L. KEEL 'B' FEDERAL			6 Well Number 88
7 OGRID No.		8 Operator Name DEVON ENERGY OPERATING COMPANY			9 Elevation 3827'

* SURFACE LOCATION

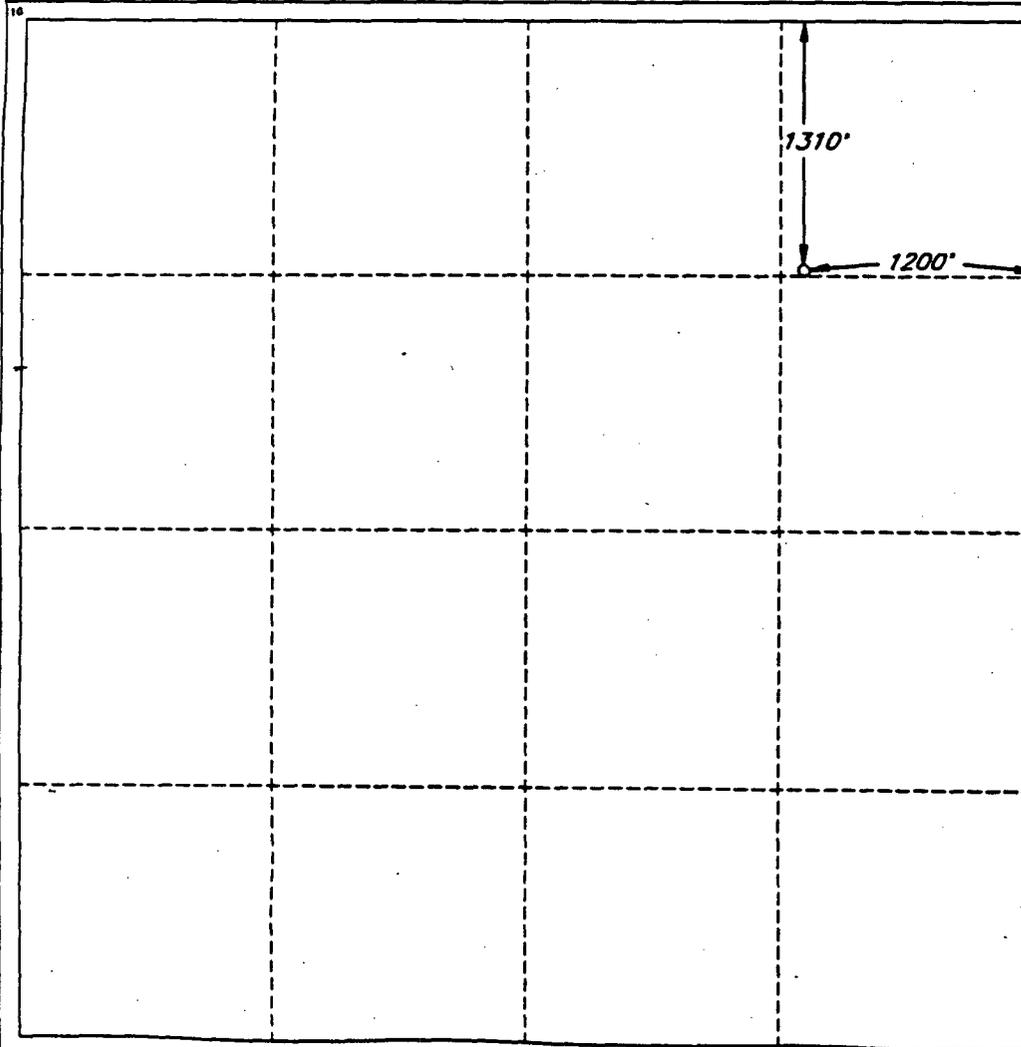
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	8	17 SOUTH	31 EAST, N.M.P.M.		1310'	NORTH	1200'	EAST	EDDY

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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OPERATOR CERTIFICATION

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

Signature
Randy Jackson

Printed Name
 Randy Jackson

Title
 District Engineer

Date
 1/23/95

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 belief.

Date of Survey
 NOVEMBER 8, 1994

Signature and Seal of Professional Surveyor

 V. LYNN BEZNER
 NO. 7920
 V. L. BEZNER LAND SURVEYOR #7920

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY
SUBMIT IN TRIPPLICATE*
(See other instructions on reverse side)

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

a. TYPE OF WORK: DRILL DEEPEN

b. TYPE OF WELL: OIL WELL GAS WELL Other SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
DEVON ENERGY OPERATING CORPORATION

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2664' FSL & 2562' FEL UNORTHODOX Subject to Like Approval By State
At top proposed prod. zone (SAME) LOCATION:

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4 miles east & 4 miles north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 2562
(Also to nearest drilg. unit line if any)

16. NO. OF ACRES IN LEASE 606.92

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 900'

19. PROPOSED DEPTH 4000

20. ROTARY OR CABLE TOOLS* Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3763' GR

22. APPROX. DATE WORK WILL START*
February 15, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	400'	200 sk RFC cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4000'	500 sk Class "C" 35/65 + 500 sk Class "C" + 1/4 lb/sk cellophane flakes

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- Exhibit #7 = Casing Design
- H2S Operating Plan

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Lease No. LC029435-B
Legal Description: Section 8-T17N-R31E
Bond Coverage: Nationwide
BLM Bond No.: CO1151



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SIGNED Randy Jackson

TITLE RANDY JACKSON DISTRICT ENGINEER

DATE 1/24/95

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PERMIT NO. _____ APPROVAL DATE _____

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APPROVED BY Timothy P. O'Brien

TITLE Acting AREA MANAGER

DATE 4-4-95

See Instructions On Reverse Side

Box 1980
Artesia, NM 88241-1980

STRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

OIL CONSERVATION DIVISION

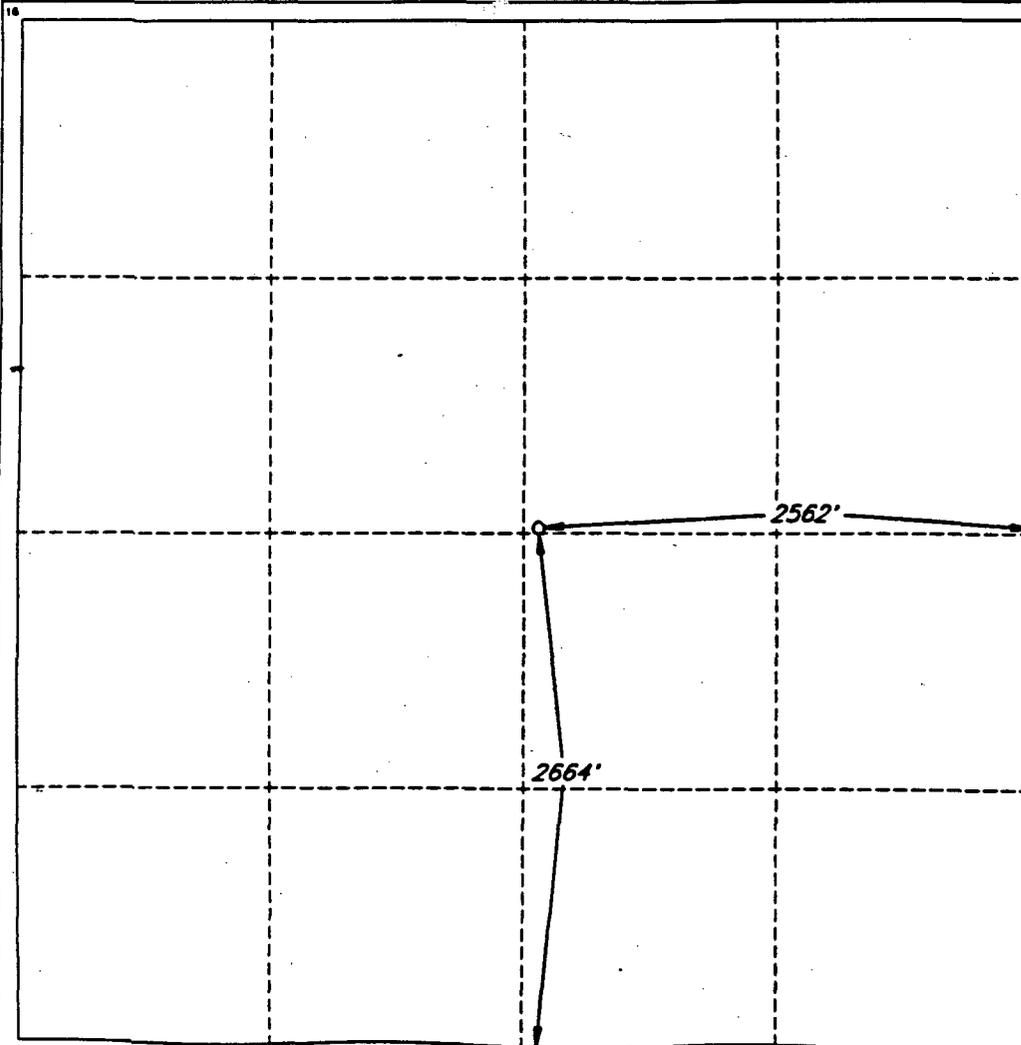
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code G		5 Property Name JL KEEL 'B' FEDERAL				6 Well Number 91			
7 OGRID No.		8 Operator Name DEVON ENERGY OPERATING COMPANY				9 Elevation 3763'			
* SURFACE LOCATION									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	8	17 SOUTH	31 EAST, N.M.P.M.		2664'	SOUTH	2562'	EAST	EDDY
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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OPERATOR CERTIFICATION

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

Signature

Randy Jackson

Printed Name

Randy Jackson

Title

District Engineer

Date

1/23/95

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 belief.

Date of Survey

NOVEMBER 8, 1994

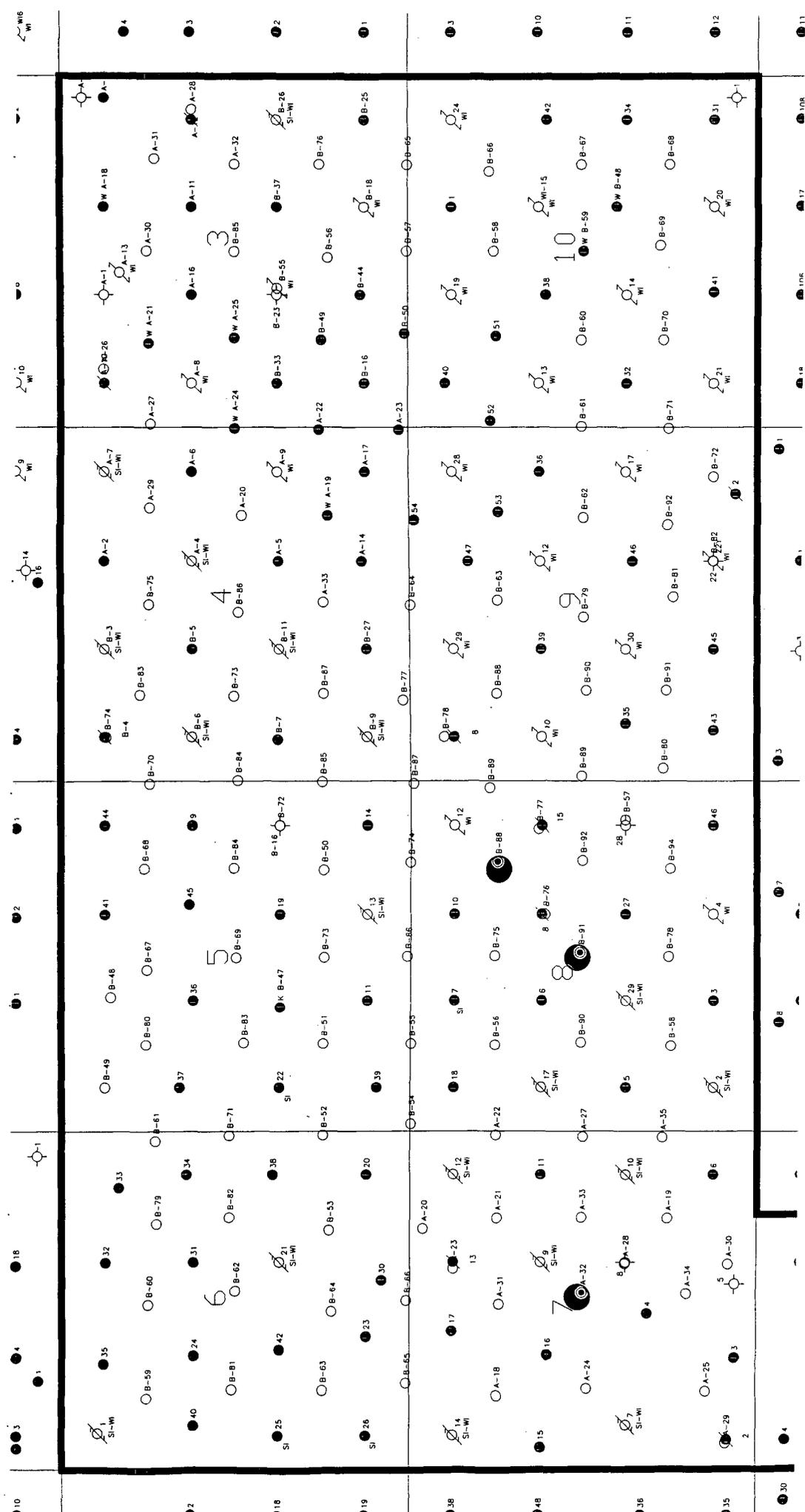
Signature and Seal of Professional Surveyor

V. Lynn Bezner
STATE OF NEW MEXICO
V. LYNN BEZNER
NO. 7920

Certification No.

V. L. BEZNER AND SURVEYOR #7920

JOB #35908 17-08 SE / V.H.B.



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