



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 12, 1996

Devon Energy Corporation (Nevada)
20 North Broadway - Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: E. L. Buttross, Jr.

Administrative Order NSL-3615

Dear Mr. Buttross:

Reference is made to your application dated December 19, 1995 for a non-standard 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. 65 is to be drilled 200 feet from the North line and 2260 feet from the West line (Lot 3/Unit C) of Section 3, Township 19 South, Range 31 East, NMPM, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, East Shugart Unit Area, Eddy County, New Mexico.

Said well to be dedicated to the existing 39.69-acre oil spacing and proration unit comprising Lot 3 of said Section 3, which is currently dedicated to both the East Shugart Well Nos. 30 (API No. 30-015-05717) and 34 (API No. 30-015026483), located at a standard oil well locations in Lot 3.

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

Sincerely,

William J. LeMay
Director

WJL/MES/kv

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