

DEVON
ENERGY
OPERATING
CORPORATION

OIL CONSERVATION DIVISION
RECEIVED
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102
'96 JAN 22 11 03 AM

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

January 15, 1996

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 Russell-Turner Waterflood Project, at the following locations:

WELL	LOCATION
Turner "A" #39	1310' FSL & 2300' FWL, Sec. 18-17S-31E
Turner "A" #44	150' FSL & 160' FEL, Sec. 18-17S-31E
Turner "A" #53	2630' FSL & 1620' FEL, Sec. 18-17S-31E

Attached is a plat of the Russell-Turner 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 two wells listed above. The Russell-Turner 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 Russell-Turner Waterflood Project, which was approved under Order R - 3185. 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.

Devon Energy Operating Corporation
20 N. Broadway, Suite 1500
Oklahoma City, OK 73112

Fax Cover Sheet

January 17, 1996

To: Mike Stogner
Company: NM Oil Conservation Division
Fax #: (505) 827-8177

Number of pages (including cover sheet): 3

From: Karen Byers

Message: In my previous letter, I stated that these wells were in the Keel-West Waterflood Project. I am sending a corrected letter stating that these wells are in the Russell-Turner Waterflood Project.

Thank you!

**DEVON
ENERGY
OPERATING
CORPORATION**

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

January 15, 1996

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

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There are no operators that have production in offsetting 40 acre tracts. The two 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,



Karen Byers
Engineering Technician

DEVON
ENERGY
OPERATING
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

January 15, 1996

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

Post-it® Fax Note	7671	Date	1/15/96	# of pages	2/6
To	Mike Stogner	From	Karen Byers		
Co./Dept.	Oil Conserv. Div	Co.	Devon Energy		
Phone #		Phone #			
Fax #	(505)827-8177	Fax #			

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 Russell Turner Waterflood Project, at the following locations:

WELL	LOCATION
Turner "A" #38	1400' FSL & 900' FWL, Sec. 18-17S-31E
Turner "A" #50	2390' FNL & 1210' FEL, Sec. 19-17S-31E
Turner "A" #51	2632' FNL & 75' FEL, Sec. 19-17S-31E
C. A. Russell #13	330' FNL & 1050' FWL, Sec. 18-17S-31E

Attached is a plat of the Russell - Turner 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 two wells listed above. The Russell - Turner 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 Russell - Turner Waterflood Project, which was approved under Order R - 3185. 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.

Operators that have production in offsetting 40 acre tracts will be notified by certified mail. A copy of this notification to each operator will be sent to you along with the certified mail number. The wells where notification to offset operators is required are:

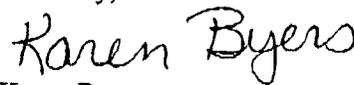
Turner "A" #38
Turner "A" #50
Turner "A" #51
C. A. Russell #13

Each of the locations listed above are offset on three sides of the 40 acre tract by Devon Energy Operating Corporation (DEOC) with the remaining side being offset by a different operator. Although each of the above locations are considered unorthodox in each case the above locations were moved closer to the offsetting tracts that are operated by DEOC. Avon Energy is a closely related company to Devon Energy Operating Corp, and therefore does not require notice.

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

Please note that we previously applied for approval for unorthodox location on the Turner "A" #51. We have since moved the location and discovered that there is an offset operator and are resubmitting for your approval. You will find that we have now notified the offset operator.

Sincerely,



Karen Byers
Engineering Technician

Form 3169-3 (December 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

(See other instructions on reverse side)

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a TYPE OF WORK: DRILL [X] DEEPEN []

b TYPE OF WELL: OIL WELL [X] 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 1400' FSL & 900' FWL. At top proposed prod. zone (SAME). NON STANDARD LOCATION... SUBJECT TO LIKE APPROVAL BY STATE

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 4 miles east & 1 mile north of Loco Hills, N.M.

15 DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.: 900'

16 NO. OF ACRES IN LEASE: 609.43

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.: 300'

19 PROPOSED DEPTH: 4200'

20 ROTARY OR CABLE TOOLS: Rotary

21 ELEVATIONS (Show whether DF, RT, GR, etc.): 3756'

22 APPROX. DATE WORK WILL START: January 1, 1996

Table with 5 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows for 12 1/4" and 7 7/8" hole sizes.

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200" 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. LC029395-A Legal Description: Section 18-T17-R31E Bond Coverage: Statewide in CO, NM, UT, & WY BLM Bond No.: CO1151

RECEIVED NOV 20 8 05 AM '95

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

SIGNED [Signature]

RANDY JACKSON TITLE DISTRICT ENGINEER

DATE 11/14/95

This space for Federal or State office use)

PERMIT NO. APPROVAL DATE APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

APPROVED BY [Signature]

TITLE for Area Manager

DATE 11/9/96

See Instructions On Reverse Side

16 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

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

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

Instructions on back

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

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

OIL CONSERVATION DIVISION

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

AMENDED REPORT

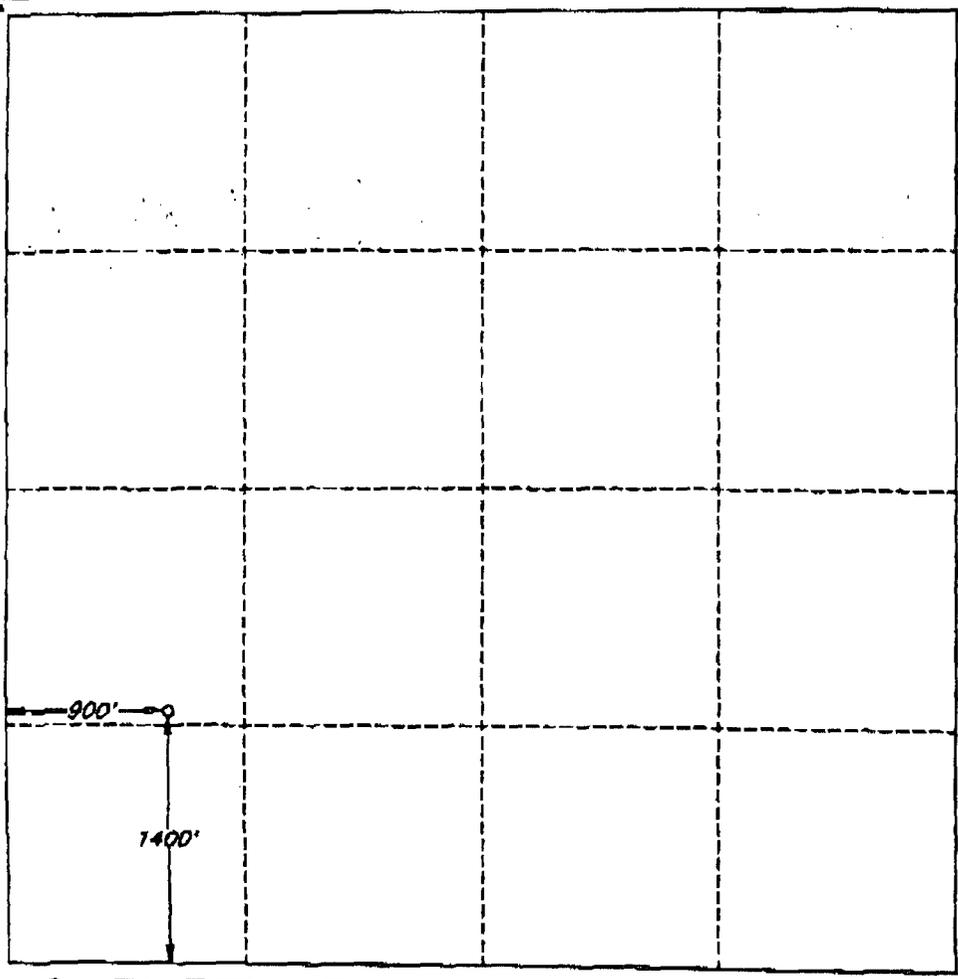
DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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 Grayburg Jackson (QN, SR, GB, SA)					
4 Property Code 16001		5 Property Name TURNER A						6 Well Number 38	
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.						9 Elevation 3756'	
10 SURFACE LOCATION									
UL or lot no. L	Section 18	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ids	Feet from the 1400'	North/South line SOUTH	Feet from the 900'	East/West line WEST	County EDDY
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ids	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.			

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
11/14/95

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
SEPTEMBER 29, 1995

Signature
Professional

V. LYNN BEZNIER
NO. 7920
V. Z. BRAND
JOB #41655-38 SW / JSJ

Form 3160-3
(December 1990)

UNITED STATES OPERATOR'S 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 **2390' FNL & 1210' FEL**
At top proposed prod. Zone (SAME) **Non Standard Location...**

... SUBJECT TO LIKE APPROVAL BY STATE

5. LEASE DESIGNATION AND SERIAL NO.
LC 029395-A
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA
7. UNIT AGREEMENT NAME
NA
8. FARM OR LEASE NAME, WELL NO.
Turner "A" #50
9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 19-T17 S. R31 E.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
5 miles east & 1 mile north of Loco Hills, N.M.

12. COUNTY OR PARTIAL
EDDY
13. STATE
NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. **250'**
16. NO. OF ACRES IN LEASE **609.43**
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. **325'**
19. PROPOSED DEPTH **4200'**
20. ROTARY OR CABLE TOOLS* **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **3617'**
22. APPROX. DATE WORK WILL START* **January 1, 1996**

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#	330' 350'	125 sk Lite cement + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sk Lite cement + 425 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200" 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. LC029395-A
Legal Description: Section 19-T17N-R31E
Bond Coverage: Statewide in CO, NM, UT, & WY
BLM Bond No.: C01151

NOV 20 8 00 AM RECEIVED

4. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal 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 11/14/95

This space for Federal or State office use) APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

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: **SEE ATTACHED**

APPROVED BY Gary Brown TITLE Area Manager DATE 1/9/96

See Instructions On Reverse Side
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

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

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

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

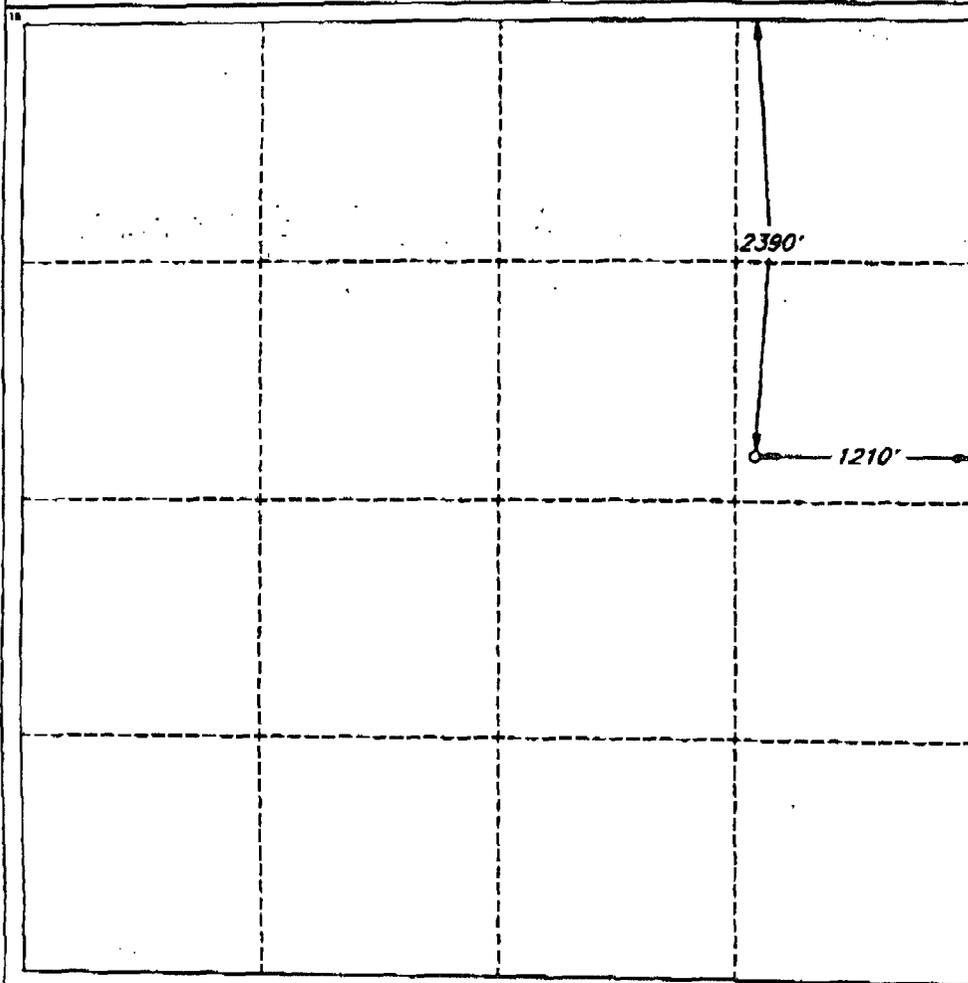
AMENDED REPORT

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 Grayburg Jackson (ON, SR, GB, SA)					
4 Property Code 16001		5 Property Name TURNER A						6 Well Number 50	
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.						9 Elevation 3617'	
10 SURFACE LOCATION									
UL or lot no. H	Section 19	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 2390'	North/South line NORTH	Feet from the 1210'	East/West line EAST	County EDDY
11 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.			

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
 11/14/95

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
 SEPTEMBER 29, 1995

Signature and Seal of Professional Surveyor

 V. LYNN BEZNER
 NO. 7970
 V. L. BEZNER AND ASSOCIATES #7820
 JOB #4183 SW / VHB

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DEVON ENERGY OPERATING CORPORATION

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405)552-4527

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2632' FNL & 75' FEL, Sec. 19-17S-31E

5. Lease Designation and Serial No.
LC-029395-A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
Turner "A" #51

9. API Well No.
30-015-28758

10. Field and Pool, or Exploratory Area
Grayburg Jackson Q, SR, GB, SA

11. County or Parish, State
Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

3. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The location of the proposed well has been moved 28' North.

The old location was 2660' FNL & 75' FEL, Sec. 19-17S-31E

The new location is 2632' FNL & 75' FEL, Sec. 19-17S-31E

4. I hereby certify that the foregoing is true and correct

Signed Karen Byers

KAREN BYERS
ENGINEERING TECHNICIAN

Date 1/9/96

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

The 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.

*See Instruction on Reverse Side

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

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

OIL CONSERVATION DIVISION

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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4 Property Code 16001		5 Property Name TURNER A			6 Well Number 51
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.			9 Elevation 3613'

" SURFACE LOCATION

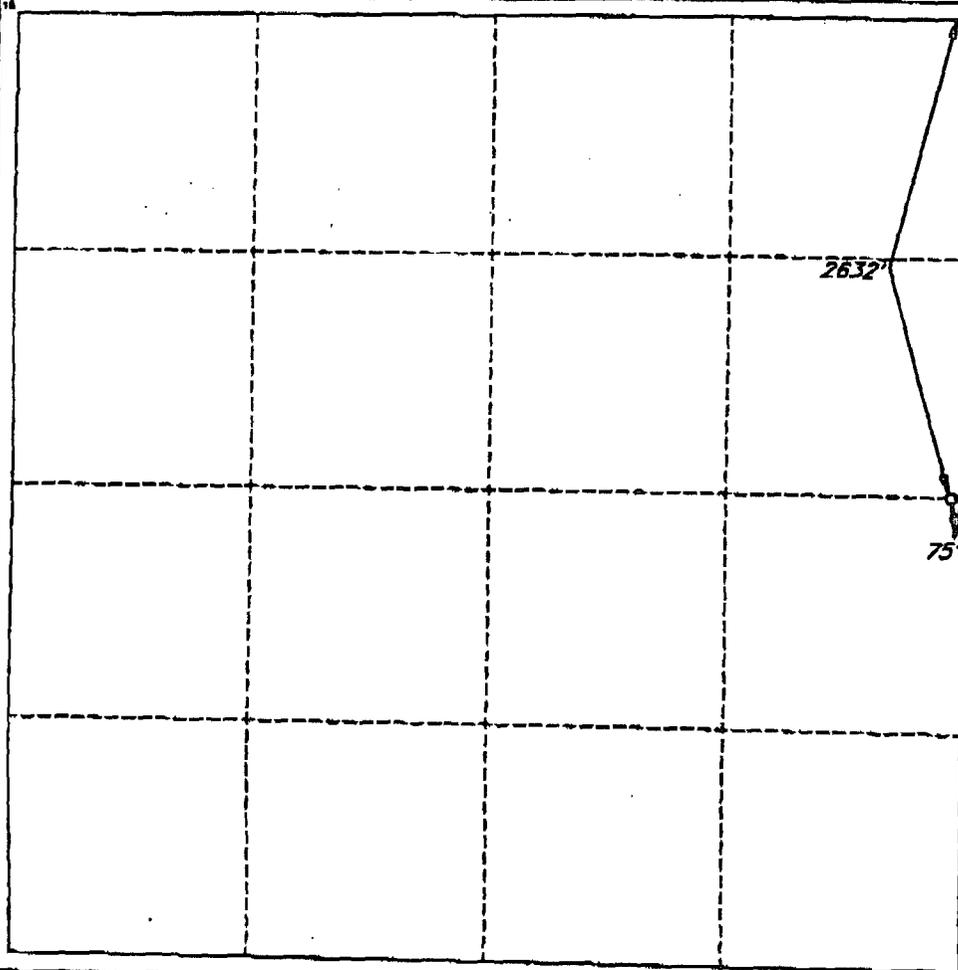
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	10	17 SOUTH	31 EAST, N.M.P.M.		2632'	NORTH	75'	EAST	EDDY

" 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

10 Dedicated Acres 40	11 Joint or Infill	12 Consolidation Code	13 Order No.
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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: 1/10/96

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: SEPTEMBER 28, 1995
 Signature: *V. Lynn Beznar*
 Professional Seal: STATE OF NEW MEXICO, V. LYNN BEZNER, NO. 7920
 V. LYNN BEZNER AND SONS, P.C. #7920
 JOB #4384-1-96 SW / JSJ

3160-3
umber 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

(See other instructions on
reverse side)

Operator
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 2660' FNL & 75' FEL
At top proposed prod. zone (SAME)
Non-Standard Location...
SUBJECT TO LIKE APPROVAL BY STATE

5. LEASE DESIGNATION AND SERIAL NO.
LC-029395-A LC-031844

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
Turner "A" #51

9. APT WELL NO.

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 19-T17S-R31E

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

12. COUNTY OR PARISH
EDDY

13. STATE
NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 75'
(Also to nearest dip well line if any)

16. NO. OF ACRES IN LEASE 609.43

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 4200'

20. ROTARY OR CABLE TOOLS* Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3613'

22. WELL START* January 1, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48.0#	40'	Cemented to surface w/Redneck
12 1/4"	8 5/8" J-55	24.0#	320'	125 lbs Lbs + 200 lbs Class "C"
7 7/8"	5 1/2" J-55	15.5	4200'	550 lbs Lbs + 425 lbs Class "H" w/10% Cypres

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200' 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. LC029395-A
 Legal Description: Section 19-T17-R31E
 Bond Coverage: Nationwide
 BLM Bond No.: CO1151

NOV 9 10 50 AM '95
RECEIVED

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 DISTRICT ENGINEER

DATE 11/6/95

(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 [Signature] TITLE _____ DATE 12/15/95

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

STRICT I
Box 1980
Santa Fe, NM 88241-1980

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

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

STRICT II
O. Drower DD
Santa Fe, 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

STRICT III
O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Grayburg Jackson	
Property Code 16001	Property Name TURNER A			Well Number 51
OCRID No. 136025	Operator Name DEVON ENERGY OPERATING CORP.			Elevation 3613'

" SURFACE LOCATION

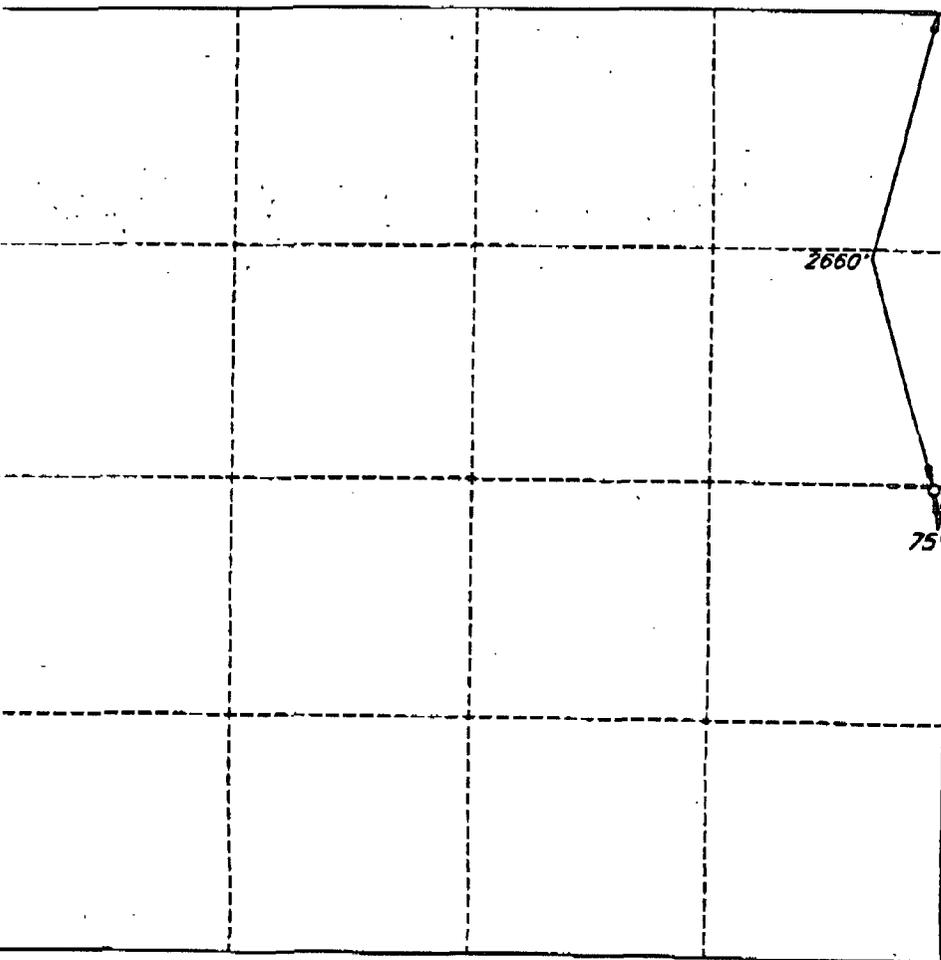
or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	19	17 SOUTH	31 EAST, N.M.P.M.		2660'	NORTH	75'	EAST	EDDY

" BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	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
11/6/95

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
SEPTEMBER 28, 1995

Signature of Professional Surveyor
V. Lynn Bezner
V. LYNN BEZNER
NO. 7920

Certification
V. L. BEZNER R.P.S. #7920

JOB #41653-4/ 98 SW / JSJ

160-3
Form (1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*

(See other instructions on reverse side)

Operator
Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK: DRILL DEEPEN
2. TYPE OF WELL: OIL WELL GAS WELL Other SINGLE ZONE MULTIPLE ZONE

3. NAME OF OPERATOR: DEVON ENERGY OPERATING CORPORATION
4. ADDRESS AND TELEPHONE NO.: 20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 330' FNL & 1050' FWL
At top proposed prod. zone (SAME)

6. LEASE IDENTIFICATION AND SERIAL NO.: LC 029548A
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
8. UNIT AGREEMENT NAME: NA
9. FARM OR LEASE NAME, WELL NO.: C. A. Russell #13
10. FIELD AND POOL, OR WILDCAT: GRAYBURG-JACKSON
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: SECTION 18 - T17 S - R31 E

12. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
4 miles east & 2 miles north of Loco Hills, N.M.

12. COUNTY OR PARISH: EDDY
13. STATE: NM

14. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.: 330'
(Absolute outside well line (any))

15. NO. OF ACRES IN LEASE: 224.09

16. NO. OF ACRES ASSIGNED TO THIS WELL: 40

17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 650'

18. PROPOSED DEPTH: 4200'

19. ROTARY OR CABLE TOOLS: Rotary

20. ELEVATIONS (Show whether DF, RT, CR, etc.): 3747'

21. APPROX. DATE WORK WILL START: January 1, 1996

22. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	20" H-40	94#	40'	Cement to surface w/ Rodinert
17 1/2"	13 3/8" H-40	48#	450'	100 lbs Lbs + 275 lbs Class "C"
11" Optional	8 5/8" J-55	24#	1500'	485 lbs Lbs + 150 lbs Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	360 lbs Lbs + 335 lbs "H" + 10% Gypsum

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200" 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. LC-029548A
Legal Description: Section 18-T17N-R31E
Bond Coverage: Nationwide
BLM Bond No.: CO1151

RECEIVED
NOV 9 10 31 AM '95
CALCULATED AREA

ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal 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: 11/6/95

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lessor which would entitle the applicant to conduct operations thereon.

APPROVED BY: [Signature] TITLE: AREA MANAGER DATE: 12/15/95
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.

May 1980
NM 88241-1980

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

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

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

DISTRICT II
O. Drawer DD
Mesita, NM 88211-0719

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

AMENDED REPORT

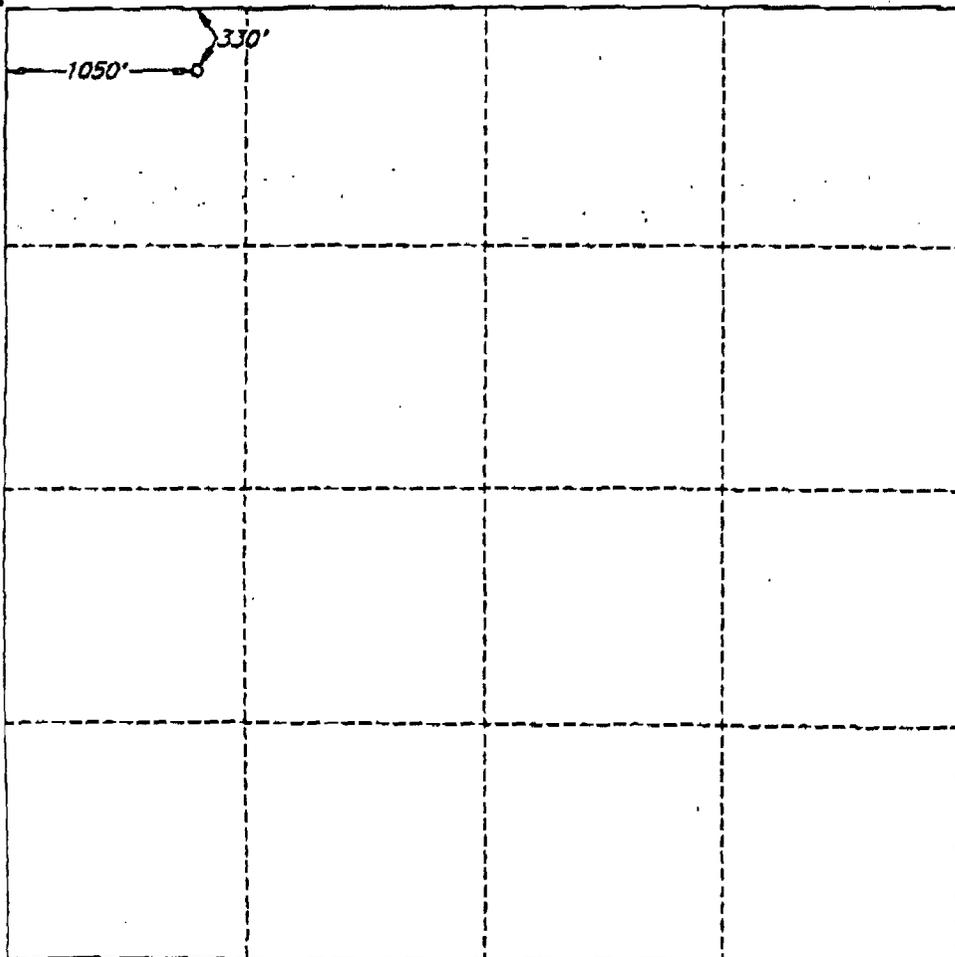
DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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 Grayburg Jackson					
4 Property Code 15973		5 Property Name C. A. RUSSELL						6 Well Number 13	
7 OCRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.						9 Elevation 3747'	
10 SURFACE LOCATION									
UL of lot no. 1	Section 1B	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 330'	North/South line NORTH	Feet from the 1050'	East/West line WEST	County EDDY
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL of 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.			

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
11/6/95

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
SEPTEMBER 28 1995

Signature
V. Lynn Bezner
Printed Name
V. LYNN BEZNER
No. 7920

Seal: STATE OF NEW MEXICO, V. LYNN BEZNER, No. 7920

Commissioned LAND SURVEYOR, V. L. BEZNER, No. 7920

JOB #41653-2/ 98 SW / JSJ

**DEVON ENERGY
OPERATING
CORPORATION**

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

January 15, 1996

MARBOB ENERGY CORP.
11352 Lovington Highway
Artesia, New Mexico 88210

Certified Letter #: Z 253 345 685

Dear Sir:

The BLM has issued Devon Energy Operating Corp. a permit to drill the Turner "A" #50 & the Turner "A" #51. The proposed well sites are within the boundaries of the Russell-Turner Waterflood Project in Eddy Co. New Mexico and offset your well in Unit I of Section 19 - T17S - R31E. Dwights Production Data show that you operate the following well in Unit I of Section 19 - T17S - R31E:

Fren #19

The Turner "A" #50 is located: 2390' FNL & 1210' FEL, Section 19 - T17S - R31E
The Turner "A" #51 is located 2630' FNL & 75' FEL, Sec. 19-17S-31E

The State of New Mexico Oil Conservation Division has ruled that these are "non - standard locations" and require that we obtain Non - Standard Location Approval from their Santa Fe Office before an allowable will be issued. The NSL approval process requires that we notify offset operators and Submit Proof of Notice. A non - standard location is defined as any location closer than 330' to the outer boundaries of a 40 acre drilling unit. Although these locations are considered unorthodox they will not be completed in the same pool as your well. Both wells will be completed in the Grayburg-San Andres Pool.

Please accept this letter as the required notification. If you have any questions regarding this matter please notify me at 405 - 552 - 4560.

Sincerely,

**Karen Byers
Engineering Technician**

**cc: Oil Conservation Division - Santa Fe, New Mexico
Bureau of Land Management - Carlsbad, New Mexico**

599 5HE E52 Z



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993
Sent to: Marbob Energy Corp
Street and No: 11352 Lovington Highway
P.O. - State and ZIP Code: Artesia, NM 88210
Package: \$
Certified Fee: \$
Special Delivery Fee: \$
Restricted Delivery Fee: \$
Return Receipt Showing to Whom & Date Delivered: \$
Return Receipt Shown to Whom, Date, and Addressee's Address: \$
TOTAL Postage & Fees: \$
Postmark or Date: "A" #50 + 51

Fold at line over top of envelope to the right of the return address
CERTIFIED

599 5HE E52 Z
MAIL

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 U.S. GPO: 1993-562-714

DOMESTIC RETURN RECEIPT

3. Article Addressed to: Marbob Energy Corp
11352 Lovington Highway
Artesia, New Mexico
88210

4a. Article Number: Z 253 345 685

4b. Service Type: Registered Insured Certified Express Mail Return Receipt for Merchandise

7. Date of Delivery: _____

8. Addressee's Address (Only if requested and fee is paid): _____

9. Signature (Addressee): _____

9. Signature (Agent): _____

1. I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4. Article Number: _____

5. Service Type: _____

6. Date of Delivery: _____

7. Addressee's Address (Only if requested and fee is paid): _____

8. Signature (Addressee): _____

9. Signature (Agent): _____

Turner A #50 NSL letter to offset operators

Is your RETURN ADDRESS completed on the reverse side?

- SENDER: + 51**
- Complete items 1 and/or 2 for additional services.
 - 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 mailpiece below the article number.
 - The Return Receipt will show to whom the article was delivered and the date delivered.

**DEVON ENERGY
OPERATING
CORPORATION**20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102405/235-3611
Fax 405/552-4550
Fax 405/552-4552

January 15, 1996

Burnett Oil Company
801 Cherry St., Suite 1500
Ft. Worth, TX 76102

Certified Letter #: Z 253 345 686

Dear Sir:

The BLM has issued Devon Energy Operating Corp. a permit to drill the Turner "A" #38 and the C. A. Russell # 13. The proposed well sites are within the boundaries of the Russell-Turner Waterflood Project in Eddy Co. New Mexico and offset your wells in Sec. 12, Unit P, and Sec. 13, Units A, H, I, and P - T17S - R30E. Dwights Production Data show that you operate the following wells in 17S-30E:

Grayburg Jackson SA Unit # 15, Unit P, Sec. 13
Grayburg Jackson SA Unit #16, Unit I, Sec. 13
Grayburg Jackson SA Unit # 28, Unit H, Sec. 13
Grayburg Jackson SA Unit #30, Unit A, Sec. 13
Grayburg Jackson SA Unit # 35, Unit P, Sec. 12
Grayburg Jackson SA Unit #48, Unit H, Sec. 13

The C. A. Russell #13 will be located 330' FNL & 1050' FWL, Sec. 18-17S-31E
The Turner "A" #38 will be located 1400' FSL & 900' FWL, Sec. 18-17S-31E

The State of New Mexico Oil Conservation Division has ruled that this is a "non - standard location" and requires that we obtain Non - Standard Location Approval from their Santa Fe Office before an allowable will be issued. The NSL approval process requires that we notify offset operators and Submit Proof of Notice. A non - standard location is defined as any location closer than 330' to the outer boundaries of a 40 acre drilling unit. Although this location is considered unorthodox it will not be in the same pool as your well. This well will be completed in the Grayburg Jackson pool.

Please accept this letter as the required notification. If you have any questions regarding this matter please notify me at 405 - 552 - 4560.

Sincerely,

Karen Byers
Engineering Technician

cc.

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

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

3. Article Addressed to:
Burnett Oil Co.
801 Cherry St, Ste., 1500
Ft. Worth, TX 76102

4a. Article Number: 2 253 345 686

4b. Service Type:
 Registered
 Insured
 Certified
 Express Mail
 Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

9. Signature (Addressee)

9. Signature (Agent)

SENDERS:
Turner A #38
G. H. Russell #13

1. I also wish to receive the following services (for an extra fee):
 Addressee's Address
 Restricted Delivery

2. Restricted Delivery
 Restricted Delivery

Consult postmaster for fee.

4a. Article Number

4b. Service Type

Registered Insured Certified Express Mail Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

9. Signature (Addressee)

9. Signature (Agent)

- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

Notice to offset oper. on NSL on.

999 54E 552 Z



Receipt for Certified Mail

No Insurance Coverage Provided Do not use for International Mail (See Reverse)

PS Form 3800, March 1993

Sent to: Burnett Oil Co.
Street and No: 801 Cherry St, Ste, 1500
P.O. State and Zip Code: Ft. Worth, TX 76102

Postage \$

Certified Fee \$

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Failure Receipt Showing to Whom, Date, and Addressee's Address

TOTAL Postage & Fees \$

Postmark or Date: Notice of NSL for the Turner A #38 & C. A. Russell #13

Fold at line over top of envelope to the right of the return address

CERTIFIED

999 54E 552 Z

MAIL

There are no operators that have production in offsetting 40 acre tracts. The two 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,

Karen Byers
Karen Byers
Engineering Technician

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY
(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 **1310' FSL & 2300' FWL**
At top proposed prod. zone (SAME) **Non standard Location ...**

**SUBJECT TO
LIKE APPROVAL
BY STATE**

5. LEASE DESIGNATION AND SERIAL NO. LC 029395-A
6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA
7. UNIT AGREEMENT NAME NA
8. FARM OR LEASE NAME, WELL NO. Turner "A" #39
9. API WELL NO.
10. FIELD AND POOL, OR WILDCAT GRAYBURG-JACKSON
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SECTION 18-T17 S - R31 E
12. COUNTY OR PARISH EDDY
13. STATE NM
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1330'
16. NO. OF ACRES IN LEASE 609.43
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. 400'
19. PROPOSED DEPTH 4200'
20. ROTARY OR CABLE TOOLS* Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3745'
22. APPROX. DATE WORK WILL START* January 1, 1996

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#	450'	125 sk Lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sk Lite cmt + 425 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200' 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. LC029395-A
Legal Description: Section 18-T17^S-R31E
Bond Coverage: Statewide in CO, NM, UT, & WY
BLM Bond No.: CO1151

NOV 20 8 06 AM '95
RECEIVED

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 **11/14/95**

*(This space for Federal or State office use)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

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 Gary Bauer TITLE Area Manager

DATE **11/9/96**

See Instructions On Reverse Side

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

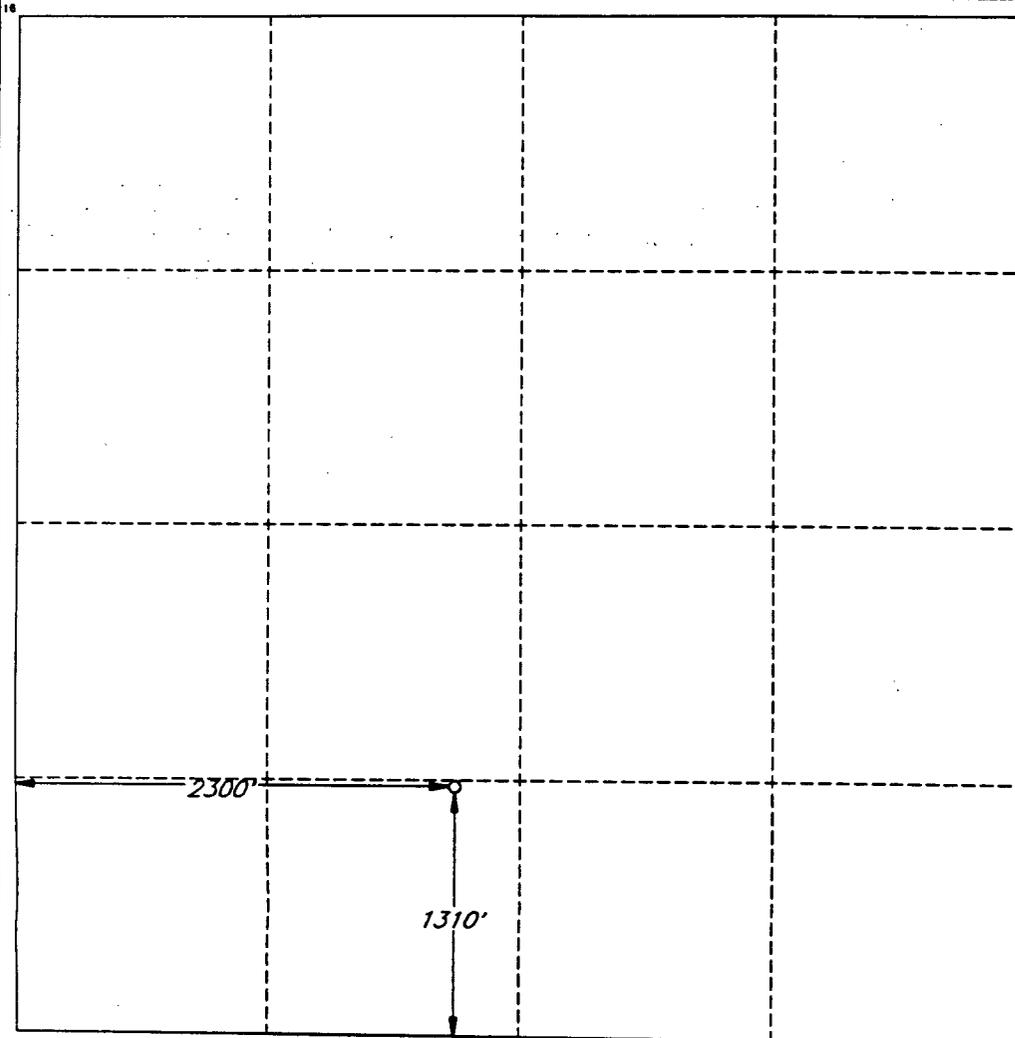
AMENDED REPORT

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 Grayburg Jackson (QN, SR, GB, SA)					
4 Property Code 16001		5 Property Name TURNER A					6 Well Number 39		
7 GRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.					9 Elevation 3745'		
10 SURFACE LOCATION									
UL or lot no. N	Section 18	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 1310'	North/South line SOUTH	Feet from the 2300'	East/West line WEST	County EDDY
11 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.			

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

11/14/95

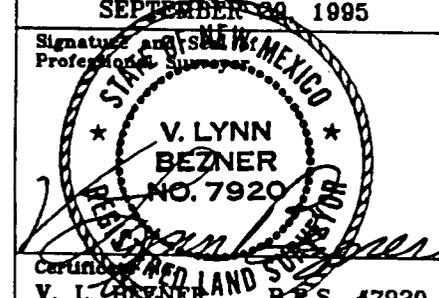
SURVEYOR CERTIFICATION

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

SEPTEMBER 20, 1995

Signature and Seal of Professional Surveyor



Certified and Licensed Surveyor
V. L. BEZNER P.F.S. #7920

JOB #41653-19/ 98 SW / JSJ

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

OPERATOR'S COPY

(See other instructions on reverse side)

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL DEEPEN

1b. 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

5. LEASE DESIGNATION AND SERIAL NO.
LC 029395-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
Turner "A" #44

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 18-T17 S - R31 E

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface **150' FSL & 160' FEL**
At top proposed prod. zone (SAME) **Non standard Location...**

... SUBJECT TO LIKE APPROVAL BY STATE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
5 miles east & 1 mile north of Loco Hills, N.M.

12. COUNTY OR PARISH
EDDY

13. STATE
NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. **160'**
(Also to nearest drilg unit line if any)

16. NO. OF ACRES IN LEASE
609.43

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. **800'**

19. PROPOSED DEPTH
4200'

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3669'

22. APPROX. DATE WORK WILL START*
January 1, 1996

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#	450'	125 sk Lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sk Lite cmt + 425 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200' 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. LC029395-A
 Legal Description: Section 18-T17^S-R31E
 Bond Coverage: Statewide in CO, NM, UT, & WY
 BLM Bond No.: CO1151

NOV 20 8 07 AM '95
RECEIVED

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

RANDY JACKSON
TITLE DISTRICT ENGINEER

DATE 11/14/95

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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.

APPROVED BY Gary Baum

TITLE Area Manager

DATE 1/9/96

See Instructions On Reverse Side

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

DISTRICT III
 1000 Rio Brazos Rd.
 Aztec, NM 87410

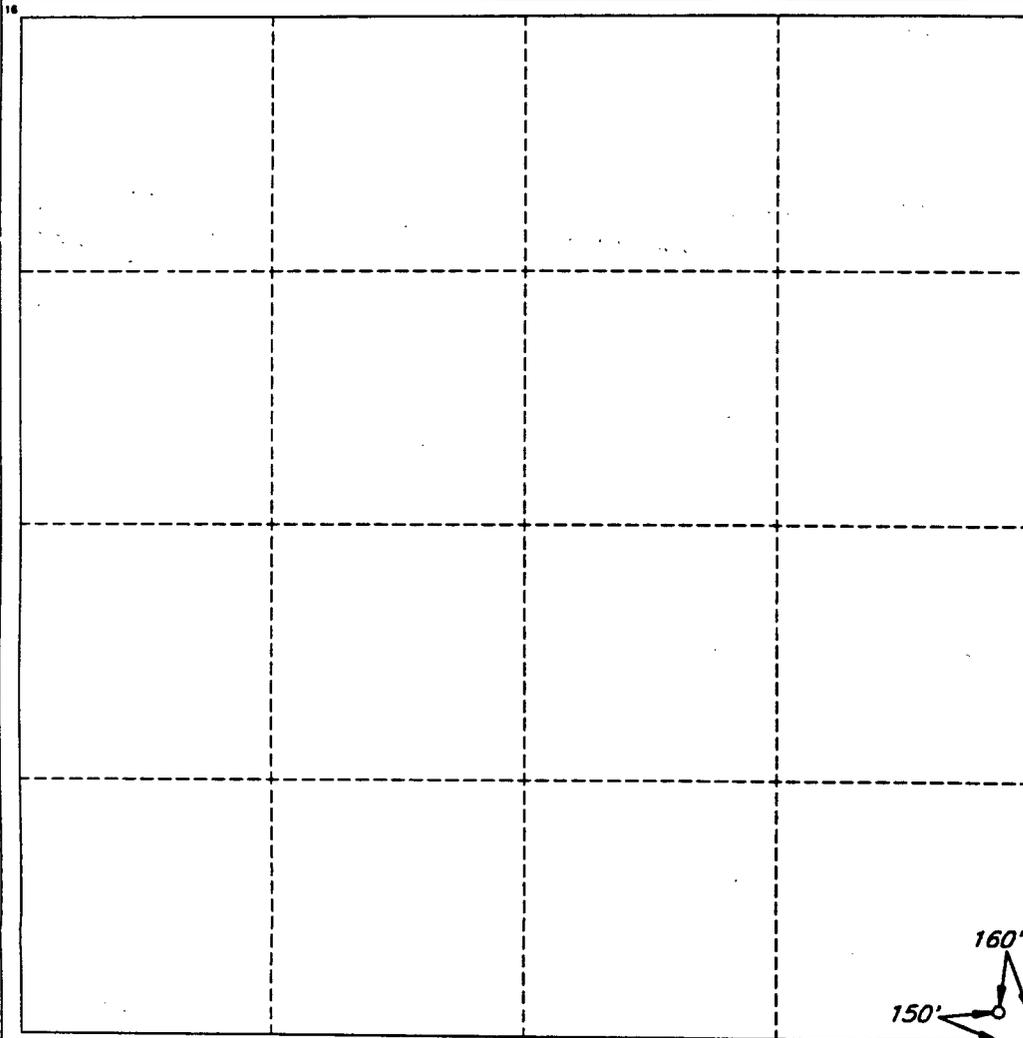
AMENDED REPORT

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 Grayburg Jackson (ON, SR, GB, SA)					
4 Property Code 16001		5 Property Name TURNER A					6 Well Number 44		
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.					9 Elevation 3669'		
10 SURFACE LOCATION									
UL or lot no. P	Section 18	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 150'	North/South line SOUTH	Feet from the 160'	East/West line EAST	County EDDY
11 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.			

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

11/14/95

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

SEPTEMBER 29, 1995

Signature and Seal of Professional Surveyor

V. Lynn Bezner
 V. LYNN BEZNER
 NO. 7920

Certification No.

V. L. BEZNER R.P.S. #7920

JOB #41653-23/ 98 SW / JSJ

UNITED STATES OPERATOR'S COPY
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(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 **2630' FSL & 1620' FEL**
 At top proposed prod. zone (SAME) **NON STANDARD LOCATION...**

**SUBJECT TO
LIKE APPROVAL
BY STATE**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4.5 miles east & 1 mile north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. **10'**
(Also to nearest drg. unit line if any)

16. NO. OF ACRES IN LEASE **609.43**

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 **4200'**

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3703'

22. APPROX. DATE WORK WILL START*
January 1, 1996

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#	450'	125 sk Lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sk Lite cmt + 425 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200' 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. LC029395-A
 Legal Description: Section 18-T17^S-R31E
 Bond Coverage: Statewide in CO, NM, UT, & WY
 BLM Bond No.: CO1151

RECEIVED
 NOV 20 8 08 AM '95
 CARB AREA

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.

24. SIGNED Randy Jackson TITLE RANDY JACKSON DISTRICT ENGINEER DATE 11/14/95

(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: **APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED**

APPROVED BY Gary Baum TITLE Area Manager DATE 1/9/96
 See Instructions On Reverse Side

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

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		
				Grayburg Jackson (ON; SR, GB, SA)		
4 Property Code		5 Property Name			6 Well Number	
16001		TURNER A			53	
7 OGRID No.		8 Operator Name			9 Elevation	
136025		DEVON ENERGY OPERATING CORP.			3703'	

10 SURFACE LOCATION

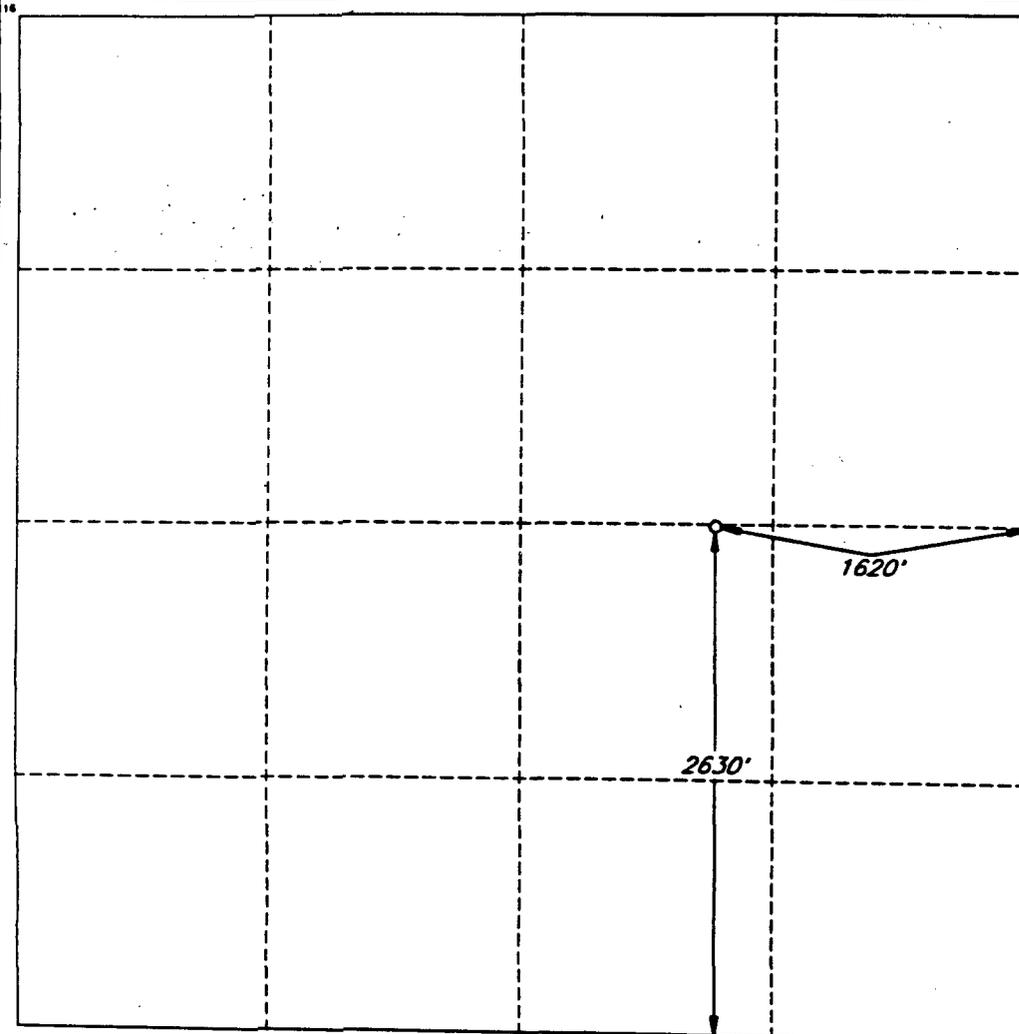
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	18	17 SOUTH	31 EAST, N.M.P.M.		2630'	SOUTH	1620'	EAST	EDDY

11 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.
40			

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
 11/14/95

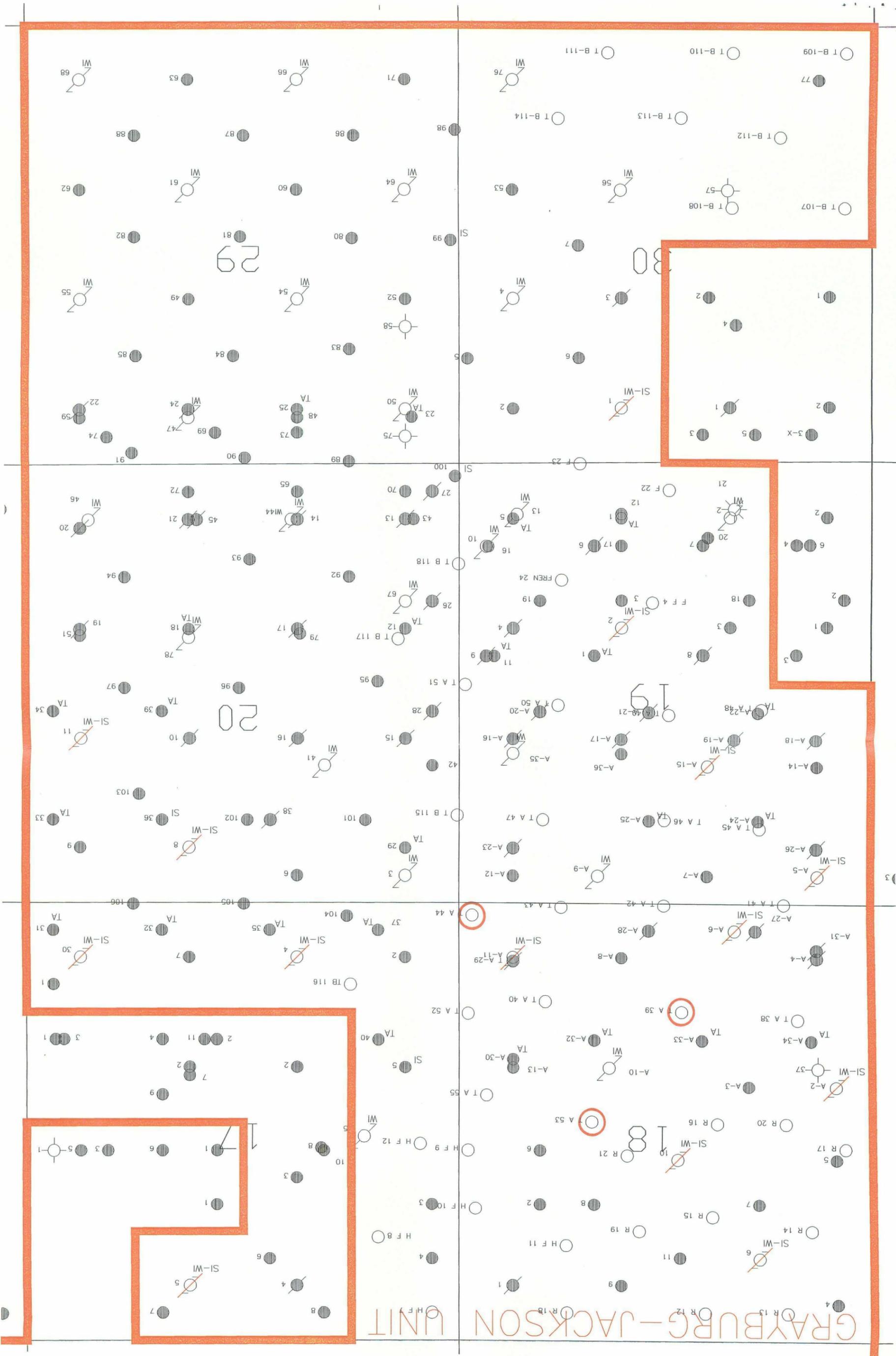
SURVEYOR CERTIFICATION

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
 SEPTEMBER 29, 1995
 Signature and Seal of Professional Surveyor

 V. LYNN BEZNER
 NO. 7920
 V. Z. BEZNER AND SONS, INC. #7920
 JOB #41055-154-88 SW / JSJ

GRAYBURG-JACKSON UNIT



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3521
Order No. R-3185

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR THREE WATERFLOOD PROJ-
ECTS, EDDY COUNTY, NEW MEXICO.

See Also Order Nos.

R-3185-A

R-3528

R-3528-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of February, 1967, 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, Sinclair Oil & Gas Company, seeks authority to institute three waterflood projects in the Grayburg-Jackson Pool by the injection of water into the Grayburg-San Andres formations through two wells on its C. A. Russell Lease, eight wells on its Turner "A" Lease, and nine wells on its Turner "B" Lease in Sections 17, 18, 19, and 20, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicant also seeks an administrative procedure whereby said projects could be expanded to include additional lands and injection wells in the area of said projects as may be necessary in order to complete an efficient injection pattern.

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

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

(6) That the subject application should be approved and the projects 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, Sinclair Oil & Gas Company, is hereby authorized to institute three waterflood projects in the Grayburg-Jackson Pool by the injection of water into the Grayburg-San Andres formations through the following-described 19 wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

Sinclair Russell Grayburg-Jackson Waterflood Project

Injection wells:

C. A. Russell Well No. 6	979' FNL & 1400' FWL	Section 18
C. A. Russell Well No. 10	2147' FNL & 2374' FWL	Section 18

Sinclair Turner "A" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "A" SP Well No. 2	2220' FSL & 427' FWL	Section 18
Turner "A" SP Well No. 5	332' FNL & 670' FWL	Section 19
Turner "A" SP Well No. 6	568' FSL & 1707' FWL	Section 18
Turner "A" SP Well No. 9	408' FNL & 1994' FEL	Section 19
Turner "A" SP Well No. 10	1940' FSL & 1839' FEL	Section 18
Turner "A" SP Well No. 11	589' FSL & 655' FEL	Section 18
Turner "A" SP Well No. 15	1635' FNL & 1698' FWL	Section 19
Turner "A" SP Well No. 35	700' FEL & 1840' FNL	Section 19

Sinclair Turner "B" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "B" SP Well No. 3	309' FNL & 666' FWL	Section 20
Turner "B" SP Well No. 4	700' FSL & 1751' FWL	Section 17
Turner "B" SP Well No. 5	1989' FSL & 625' FWL	Section 17
Turner "B" SP Well No. 8	504' FNL & 2064' FEL	Section 20
Turner "B" SP Well No. 11	1785' FNL & 725' FEL	Section 20
Turner "B" SP Well No. 30	680' FSL & 632' FEL	Section 17
Turner "B" SP Well No. 41	1635' FNL & 1665' FWL	Section 20
Turner "B" SP Well No. 67	1650' FSL & 660' FWL	Section 20
Turner "B" SP Well No. 78	2130' FSL & 1980' FEL	Section 20

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of said projects to include such additional lands and injection wells in the area of said projects as may be necessary to complete an efficient water injection pattern.

(3) That monthly progress reports of the waterflood projects 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 3521
Order No. R-3185-A

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR THREE
WATERFLOOD PROJECTS, EDDY COUNTY,
NEW MEXICO.

See Also Order No.

R-3185

R-3528

R-3528-A

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that through inadvertence, Order No. R-3185, dated February 1, 1967, does not reflect the true and correct locations of certain existing wells which were authorized for conversion to water injection by said order,

IT IS THEREFORE ORDERED:

(1) That the following well locations are hereby substituted in lieu of those shown in Order No. R-3185 to correctly reflect the locations of water injection wells authorized by said Order No. R-3185:

Sinclair Russell Grayburg-Jackson Waterflood Project

Injection wells:

C. A. Russell Well No. 6	990' FNL & 1384' FWL	Section 18
C. A. Russell Well No. 10	2200' FNL & 2665' FEL	Section 18

Sinclair Turner "A" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "A" SP Well No. 2	2200' FSL & 440' FWL	Section 18
Turner "A" SP Well No. 5	330' FNL & 660' FWL	Section 19
Turner "A" SP Well No. 6	660' FSL & 1980' FWL	Section 18
Turner "A" SP Well No. 9	330' FNL & 1980' FEL	Section 19
Turner "A" SP Well No. 10	1980' FSL & 1830' FEL	Section 18
Turner "A" SP Well No. 11	660' FSL & 660' FEL	Section 18
Turner "A" SP Well No. 15	1650' FNL & 1980' FWL	Section 19
Turner "A" SP Well No. 35	1800' FNL & 660' FEL	Section 19

-2-

CASE No. 3521-

Order No. R-3185-A

Sinclair Turner "B" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "B" SP Well No. 3	330' FNL & 660' FWL	Section 20
Turner "B" SP Well No. 4	660' FSL & 1980' FWL	Section 17
Turner "B" SP Well No. 5	1980' FSL & 660' FWL	Section 17
Turner "B" SP Well No. 8	660' FNL & 1980' FEL	Section 20
Turner "B" SP Well No. 11	1980' FNL & 660' FEL	Section 20
Turner "B" SP Well No. 30	660' FSL & 660' FEL	Section 17
Turner "B" SP Well No. 41	1650' FNL & 1650' FWL	Section 20
Turner "B" SP Well No. 67	1650' FSL & 660' FWL	Section 20
Turner "B" SP Well No. 78	2080' FSL & 1980' FEL	Section 20

(2) That this order shall be effective nunc pro tunc as of February 1, 1967.

DONE at Santa Fe, New Mexico, on this 19th day of February, 1968.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3885
Order No. R-3528

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A WATERFLOOD EXPANSION,
EDDY COUNTY, NEW MEXICO.

See Also Order Nos.

R-3528-A

R-3185

R-3185-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 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, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, seeks permission to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through 12 additional injection wells in Sections 20, 29, and 30, Township 17 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 expansion of the Turner "B" Grayburg-Jackson Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

CASE No. 3885

Order No. R-3528

(5) That the subject application should be approved and the expanded 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, Sinclair Oil Corporation, formerly Sinclair Oil & Gas Company, is hereby authorized to expand its Turner "B" Grayburg-Jackson Waterflood Project in the Grayburg-Jackson Pool by the injection of water into the Premier Sand of the Grayburg formation through the following-described wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

LEASE	WELL NO.	UNIT	SECTION
Turner "B" SP	44	N	20
Turner "B" SP	46	P	20
Turner "B" SP	47	B	29
Turner "B" SP	50	D	29
Turner "B" SP	54	F	29
Turner "B" SP	55	H	29
Turner "B" SP	61	J	29
Turner "B" SP	64	L	29
Turner "B" SP	66	N	29
Turner "B" SP	68	P	29
Turner "B" SP	56	J	30
Turner "B" SP	76	P	30

(2) That the expanded waterflood project 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 expanded 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

S E A L

esr/

A. L. PORTER, Jr., Member & Secretary

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10290
Order No. R-3528-A

APPLICATION OF AVON ENERGY CORPORATION
FOR AMENDMENT OF DIVISION ORDER NOS.
R-3185, R-3185-A AND R-3528 TO EXPAND
THE VERTICAL LIMITS AND TO ESTABLISH
AN INJECTION PRESSURE LIMITATION FOR
THE TURNER "B" LEASE WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

See Also Order No.

R-3185

R-3185-A

R-3528

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of September, 1991, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) By Order No. R-3185, dated February 1, 1967, the Division authorized Sinclair Oil & Gas Company to institute three waterflood projects, the Russel Grayburg-Jackson Waterflood Project, Turner "A" Grayburg-Jackson Waterflood Project, and the Turner "B" Grayburg-Jackson Waterflood Project, said projects comprising all or portions of Sections 17, 18, 19, 20, 29 and 30, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Grayburg-San Andres formation through two, eight and nine injection wells located within said projects, respectively.

(3) By Nunc Pro Tunc Order No. R-3185-A, dated February 19, 1968, the Division corrected certain injection well locations authorized by said Order No. R-3185.

(4) By Order No. R-3528, dated October 9, 1968, the Division authorized Sinclair Oil Corporation to expand its Turner "B" Grayburg-Jackson Waterflood Project by the injection of water into the Premier Sand member of the Grayburg formation through twelve injection wells located in Sections 20, 29 and 30, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, hereinafter referred to as the "Expansion Area".

(5) The current boundaries of the Russel Grayburg-Jackson Waterflood Project, Turner "A" Grayburg-Jackson Waterflood Project, Turner "B" Grayburg-Jackson Waterflood Project (including the "Expansion Area"), and the Grayburg-Jackson Friess-Fren Waterflood Project (also located in said Sections 19 and 30 and approved by Division Order No. R-4306) are as follows:

Russel Grayburg-Jackson Waterflood Project
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 18: NW/4, W/2 NE/4

Turner "A" Grayburg-Jackson Waterflood Project
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 18: S/2
Section 19: N/2

Turner "B" Grayburg-Jackson Waterflood Project
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 17: NW/4 SW/4, S/2 S/2
Section 20: All
Section 29: All
Section 30: SE/4

Grayburg-Jackson Friess-Fren Waterflood Project
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 19: E/2 SW/4, SE/4
Section 30: NE/4

(6) The Russel Grayburg-Jackson, Turner "A" Grayburg-Jackson, Grayburg-Jackson Friess-Fren and portions of the Turner "B" Grayburg-Jackson Waterflood Projects are currently owned and operated by Socorro Petroleum Company.

(7) The applicant, Avon Energy Corporation, a 50% owner of Socorro Petroleum Company, currently operates a portion of the Turner "B" Grayburg-Jackson Waterflood Project comprising the following described acreage:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 20: S/2 N/2, S/2

Section 29: All

Section 30: E/2 SE/4

(8) The applicant in this case, Avon Energy Corporation, seeks the following:

- 1) The amendment of Division Order No. R-3528 by expanding the injection interval in the twelve injection wells approved by said order to include the entire Grayburg-San Andres formation;
- 2) The establishment of an injection pressure limitation of 450 psi above the formation fracture pressure as determined from step rate tests for those twelve injection wells located within the "Expansion Area".
- 3) The establishment of an administrative procedure whereby acreage currently contained within the Russel Grayburg-Jackson, Turner "A" Grayburg-Jackson, Turner "B" Grayburg-Jackson, and Grayburg-Jackson Friess-Fren Waterflood Projects may be transferred to Avon Energy Corporation and operated as a single waterflood project.

(9) According to applicant's evidence, Avon Energy Corporation currently has a farmout agreement with Socorro Petroleum Company whereby Avon earns acreage from Socorro as said acreage is drilled or otherwise further developed.

(10) Further evidence presented indicates that all of the acreage within the subject waterflood projects is Federal lands.

(11) The transfer and operation of such acreage should result in a more efficient operation, will result in the recovery of additional oil within the projects, and will not violate correlative rights.

(12) According to applicant's evidence and testimony, expansion of the injection interval within those wells located in the "Expansion Area" will result in the recovery of an additional 2.3 million barrels of oil which would not otherwise be recovered, thereby preventing waste.

(13) The proposed expansion of the injection interval within those wells located in the "Expansion Area" should be approved.

(14) The Division has determined, after consultation with the applicant prior to the hearing, that certain "Area of Review" wells located within the "Expansion Area" are not completed in such a manner which will assure that their wellbores will not serve as a conduit for migration of the injected fluid from the proposed injection zone.

(15) Prior to commencing injection operations within one-half mile of any of the following described wells, or prior to injecting into the Turner "B" Well No. 56 located in Unit J of said Section 30, the applicant should be required to perform remedial cement operations or take other action as may be necessary in order to assure that these wellbores will not serve as a conduit for migration of injected fluid to the satisfaction of the supervisor of the Artesia district office of the Division:

Turner "B" No. 55	Unit H, Section 29, T-17S, R-31E
Turner "B" No. 60	Unit K, Section 29, T-17S, R-31E
Turner "B" No. 68	Unit P, Section 29, T-17S, R-31E
Turner "B" No. 71	Unit M, Section 29, T-17S, R-31E

(16) No injection pressure limitation currently exists on any of the injection wells in the subject waterflood projects, however, by virtue of amending the injection interval in those injection wells located within the "Expansion Area", the Division would normally impose a surface injection pressure limitation on those wells equal to 0.2 psi per foot of depth to the uppermost perforations.

(17) The applicant presented the results of step-rate tests conducted on three injection wells within the "Expansion Area". The results of these step rate tests show an average formation fracture pressure of 1208 psi.

(18) The applicant's engineering study of pressure limits based upon Frac Hite, Frac Migration, and After Frac Logs (submitted as evidence in this case) provides substantial evidence to demonstrate that injection at 1650 psi (450 psi above the formation parting pressure) will not propagate fractures outside of the vertical limits of the Grayburg-Jackson Pool.

(19) The requested increase in surface pressure limitations for the "Expansion Area" will approximate the surface injection pressure for the original injection wells for which no pressure limit was imposed.

(20) Engineering studies conducted on behalf of the applicant have demonstrated that the water injected into the original injection wells at pressures up to an average of 1870 psi remained confined to the Grayburg-Jackson Pool.

(21) There is no indication that water injected into the original injection wells at pressures higher than those sought by the applicant in this case has moved water outside of the vertical limits of the Grayburg-Jackson Pool.

(22) Applicant's request is similar to the request previously approved by the Division Order R-2268-C for Socorro Petroleum Company and for which no adverse effects have been reported.

(23) Injection into the twelve subject injection wells at a surface injection pressure of approximately 450 psi above formation fracture pressure will allow the recovery of additional oil reserves within the Grayburg-Jackson Pool, thereby preventing waste, will not endanger any fresh water aquifers, and should therefore be approved.

(24) As the reservoir pressure in the "Expansion Area" increases as a result of the injection of water, it will be necessary to periodically increase the surface pressure limitation for the project which should be authorized administratively.

(25) The applicant should be required to submit a request to the Santa Fe and Artesia offices of the Division and to the United States Bureau of Land Management (BLM) for transfer of acreage from the Socorro Petroleum Company operated Turner "A" Grayburg-Jackson, Turner "B" Grayburg-Jackson, Grayburg-Jackson Fricss-Fren and Russel Grayburg-Jackson Waterflood Projects into the Avon operated Turner "B" Grayburg-Jackson Waterflood Project. Such request should be in general letter form along with a plat of the projects showing the requested acreage to be transferred.

IT IS THEREFORE ORDERED THAT:

(1) Division Order Nos. R-3185, R-3185-A and R-3528 are hereby amended authorizing Avon Energy Corporation to inject water into the Grayburg-San Andres formation, Grayburg-Jackson Pool, through the twelve injection wells (previously approved for injection by Order No. R-3528) shown on Exhibit "A" attached hereto located within the "Expansion Area" of the Turner "B" Grayburg-Jackson Waterflood Project comprising all or portions of Sections 20, 29 and 30, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) The twelve subject injection wells or pressurization system shall be equipped with a pressure limiting device which will limit the surface injection pressure on said wells to no more than 1650 psi.

(3) The Division Director shall have the authority to administratively approve subsequent pressure increases on said wells to 450 psi above fracture pressure, provided, however, that step-rate tests, temperature surveys, tracer surveys or other supporting data the Division may deem necessary accompany such requests.

(4) The Division Director shall also have the authority to reduce or rescind said injection pressures should it become apparent that the injected fluid is not being adequately confined to the Grayburg-Jackson Pool.

(5) Prior to commencing injection operations within one-half mile of any of the following described wells, or prior to injecting into the Turner "B" Well No. 56 located in Unit J of said Section 30, the applicant shall perform remedial cement operations or take other action as may be necessary in order to assure that these wellbores will not serve as a conduit for migration of injected fluid to the satisfaction of the supervisor of the Artesia district office of the Division:

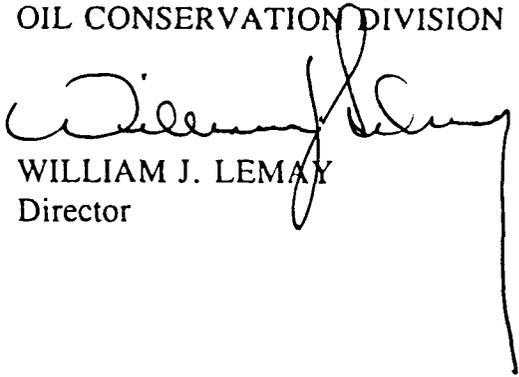
Turner "B" No. 55	Unit H, Section 29, T-17S, R-31E
Turner "B" No. 60	Unit K, Section 29, T-17S, R-31E
Turner "B" No. 68	Unit P, Section 29, T-17S, R-31E
Turner "B" No. 71	Unit M, Section 29, T-17S, R-31E

(6) The Division Director may authorize the transfer of acreage currently contained within the Socorro Petroleum Company operated Turner "A" Grayburg-Jackson, Turner "B" Grayburg-Jackson, Grayburg-Jackson Friess-Fren and Russel Grayburg-Jackson Waterflood Projects into the Avon operated Turner "B" Grayburg-Jackson Waterflood Project provided a request for such transfer of acreage is submitted to the Santa Fe and Artesia offices of the Division and to the United States Bureau of Land Management (BLM). Such request shall be in general letter form along with a plat of the projects showing the requested acreage to be transferred.

(7) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

GRAYBURG-JACKSON UNIT

