

**devon**

**ENERGY CORPORATION**

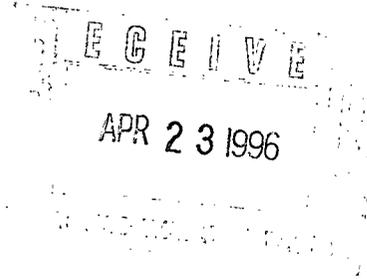
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Telephone 405/235-3611  
FAX 405/552-4550

April 18, 1996

Certified Mail No. Z 253 342 830

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505



RE: Non-Standard Location Approval  
West Red Lake Unit #65  
Eddy County, New Mexico

Gentlemen:

Devon Energy Corporation (Nevada) requests "Non-Standard Location" approval for the referenced well located as listed below. This unorthodox location is necessary due to the original location being on an archaeological site (please see attached report).

<u>WRLU No.</u>	<u>Unit Ltr</u>	<u>Section-T-R</u>	<u>Footage Location</u>
65	P	5-18S-27E	1108' FSL & 691' FEL

The West Red Lake Unit is a federal unit (#8910089700) and the proposed well is to be part of this active waterflood project. Enclosed is a map of the West Red Lake Unit showing the Unit's boundaries and a copy of form C-102.

Operators having wells in the offsetting 40 acre tracts will be notified by certified mail. Copies of our letters of notification to the following operators are enclosed.

Amoco Production Company	Houston, TX
Yates Petroleum Corporation	Artesia, NM

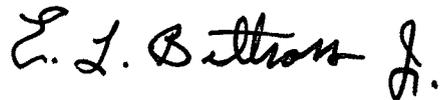
West Red Lake Unit #65  
NSL Approval  
4/18/96  
Page Two

State of New Mexico  
Energy, Minerals and Natural Resources Dept  
Oil Conservation Division

If you have any questions, please contact the undersigned at (405) 235-3611, X4509.

Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)

A handwritten signature in black ink that reads "E. L. Buttross, Jr." with a stylized flourish at the end.

Mr. E.L. Buttross, Jr.  
District Engineer

ELB\cg  
Enclosures

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

**OIL CONSERVATION DIVISION**

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

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code 51300	Pool Name Red Lake (Q-GB-SA)
Property Code 3491	Property Name West Red Lake Unit	Well Number 65
OGRID No. 6137	Operator Name Devon Energy Corporation (Nevada)	Elevation 3486'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	18 S	27 E		1108	South	691	East	Eddy

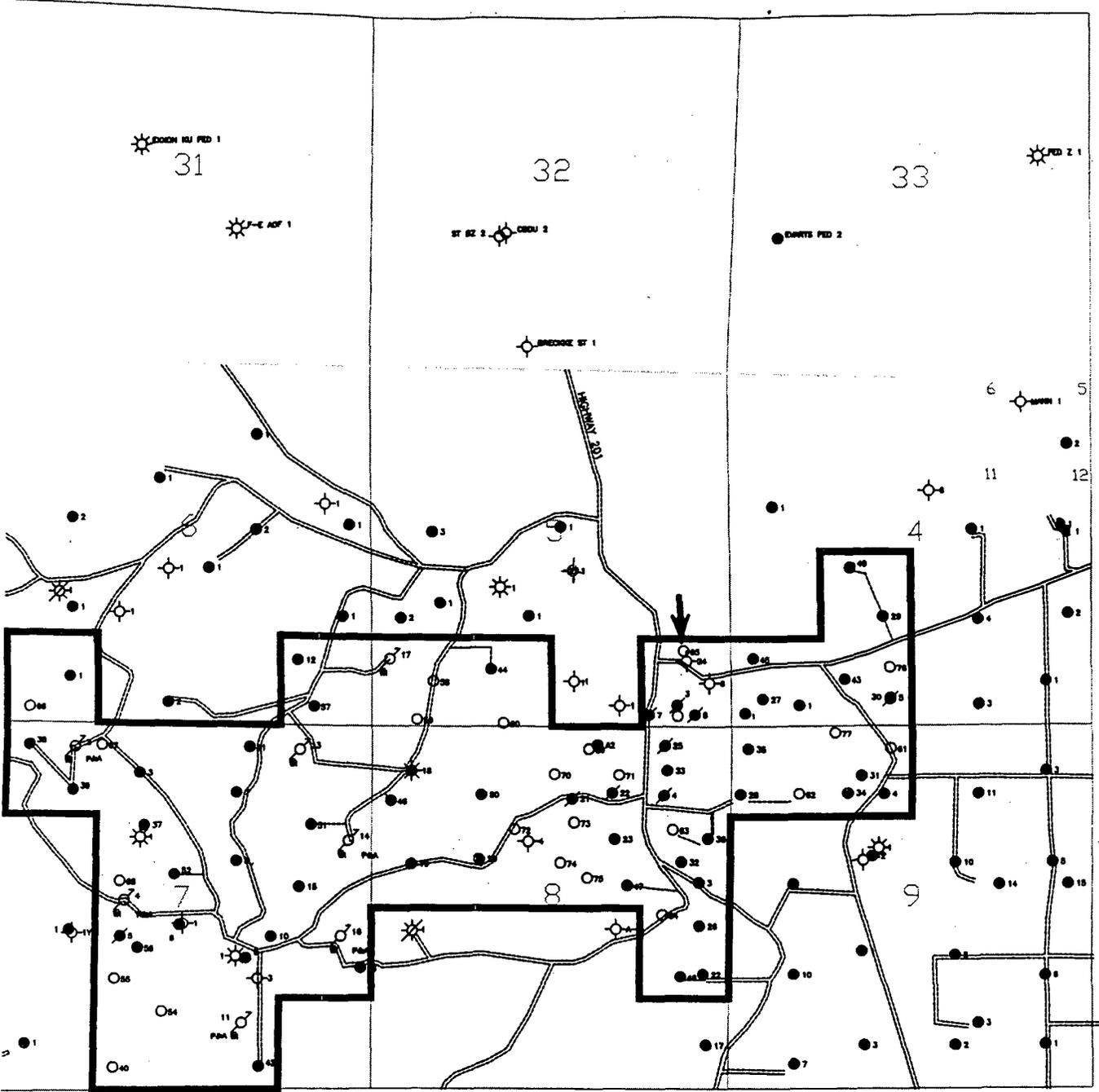
Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>E.L. Buttross Jr.</i> Signature E.L. Buttross, Jr. Printed Name District Engineer Title February 19, 1996 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>January 25, 1996 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature &amp; Seal of Professional Surveyor</p> <p>W.O. No. 6010a Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

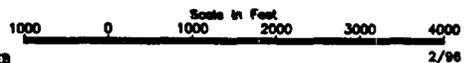


**WEST RED LAKE AREA**  
 EDDY COUNTY, NEW MEXICO

PROPOSED ROAD  
 WRLU - 65  
**EXHIBIT 3**



WRLU-65





*Desert West*

---

*ARCHAEOLOGICAL SERVICES*

March 15, 1996

Mr. Ernie Buttross  
DEVON ENERGY CORPORATION  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102

Dear Mr. Buttross

Enclosed please find Desert West Archaeological Services (DWAS) Clearance Report for DEVON ENERGY CORPORATION's proposed West Red Lake Unit No.65 (1108' FSL; 691' FEL), located in Section 5, T18S, R27S, NMPM, Eddy County, New Mexico. One previously recorded site (LA 102896) was encountered and updated during the archaeological survey. A new location for the West Red Lake Unit No.65 was surveyed in order to avoid (LA 102896). Archaeological clearance for DEVON ENERGY CORPORATION's proposed well pad at this new location is recommended **provided** a fence is placed 100' north of the proposed southern boundary of the well pad area; all oil and gas activity for the West Red Lake Unit No.65 is restricted to the northern side of said fence; and access to the proposed well pad area be routed in from the western side of the location, connecting with Chalk Bluff Road (CR 201). Monitoring of fence placement is also recommended.

The Bureau of Land Management will review this report and make the final decision on archaeological clearance for this project.

If you have any questions, please call my office.

Sincerely,

Arita Slate

xc: Bureau of Land Management, Carlsbad Resource Area, Carlsbad, NM (2)

ARCHAEOLOGICAL SURVEY of DEVON ENERGY CORPORATION's proposed West Red Lake Unit No.65 (1108' FSL; 691' FEL), located in Section 5, T18S, R27S, NMPM, Eddy County, New Mexico

LAND STATUS: Federal (BLM)

MAP REFERENCE: USGS 7.5 minute series, Spring Lake, NM (1955 photo revised 1975)

PREPARED FOR: DEVON ENERGY CORPORATION

DWAS REPORT: 96-26M

David Wilcox, Project Director

DESERT WEST ARCHAEOLOGICAL SERVICES  
P.O. Box 645  
Carlsbad, New Mexico 88221-0645  
(505) 887-7646

PERMIT NO. 123-2920-95-D

DATE: March 15, 1996

Attention: Mr. Ernie Buttross

Distribution: DEVON ENERGY CORPORATION (1)  
Bureau of Land Management, Carlsbad Resource Area, Carlsbad, NM (2)

DESERT WEST ARCHAEOLOGICAL SERVICES  
on lands administered by the  
Department of the Interior  
Bureau of Land Management  
Roswell District, New Mexico

CULTURAL RESOURCES EXAMINATION  
DWAS PERMIT NO.: 123-2920-95-D  
DWAS Job No.: 96-26M

### **1. ABSTRACT:**

An intensive archaeological survey of DEVON ENERGY CORPORATION's proposed West Red Lake Unit No.65 [**original location**](560' FSL; 990' FEL)(450' x 450', 4.64 acres) was conducted by Jon Blackwelder (Staff Archaeologist) on October 19, 1995. Mr. Ernie Buttross, DEVON ENERGY CORPORATION, requested the archaeological survey. Total area surveyed was 4.64 acres. The proposed project is located in Section 5, T18S, R27S, NMPM, Eddy County, New Mexico. One previously recorded site (LA 102896) was encountered during the archaeological survey.

A new location for the West Red Lake Unit No.65 [**moved location**] (1108' FSL; 691' FEL)(450' x 450', 4.64 acres) was surveyed by Jon Blackwelder on December 8, 1995, and Jon, Matt Lesniewski and Danny Boone (Field Technicians) on February 29, 1996. Total area surveyed for both locations was 9.28 acres.

Archaeological clearance is recommended for the DEVON ENERGY CORPORATION's proposed West Red Lake Unit No.65 [**moved location**], provided a fence is place 100' north of the proposed southern boundary of the moved West Red Lake Unit No.65 well pad area; all oil and gas activity for the West Red Lake Unit No.65 is restricted to the northern side of said fence; and access to the proposed well pad area be routed in from the western side of the location, connecting with Chalk Bluff Road (CR. 201). Monitoring of fence placement is also recommended.

### **2. LEGAL DESCRIPTION:**

T18S, R27E, Section 5, NMPM, Eddy County, NM

**Proposed Well Pad [*original*]:** (560' FSL; 990' FEL) SE1/4SE1/4

**Proposed Well Pad [*moved*]:** (1108' FSL; 691' FEL) SE1/4SE1/4

**MAP REFERENCE:** USGS 7.5 minute series, Spring Lake, NM (1955 photo revised 1975)(Figure 1)

**LAND STATUS:** Federal (BLM)

### **3. PROJECT DESCRIPTION:**

Well Pads (450' x 450' x 2, 9.28 acres). Total area surveyed and inventoried for cultural remains was 9.28 acres, east of the Pecos River, north of Little Diamond Road (CR 227), parallel to Chalk Bluff Road (CR 201).

#### **TOPOGRAPHY:**

The proposed project area is situated upon a moderately eroded area gradually sloping north toward an area drainage. Landform is incised with numerous ephemeral drainages, depositing into the larger drainage to the north. The location consists of sheetwash activity over indurated caliche soils, and scattered exposures of gypsum.

Soils: Reeves-Gypsum land-Cottonwood association: Loamy soils that are very shallow to moderately deep over gypsum beds, and Gypsum land

Vegetation: saltbrush, mesquite, prickly pear, tamarisk, creosote, snakeweed, yucca, christmas tree cholla, tree cholla, rainbow cacti and assorted grasses

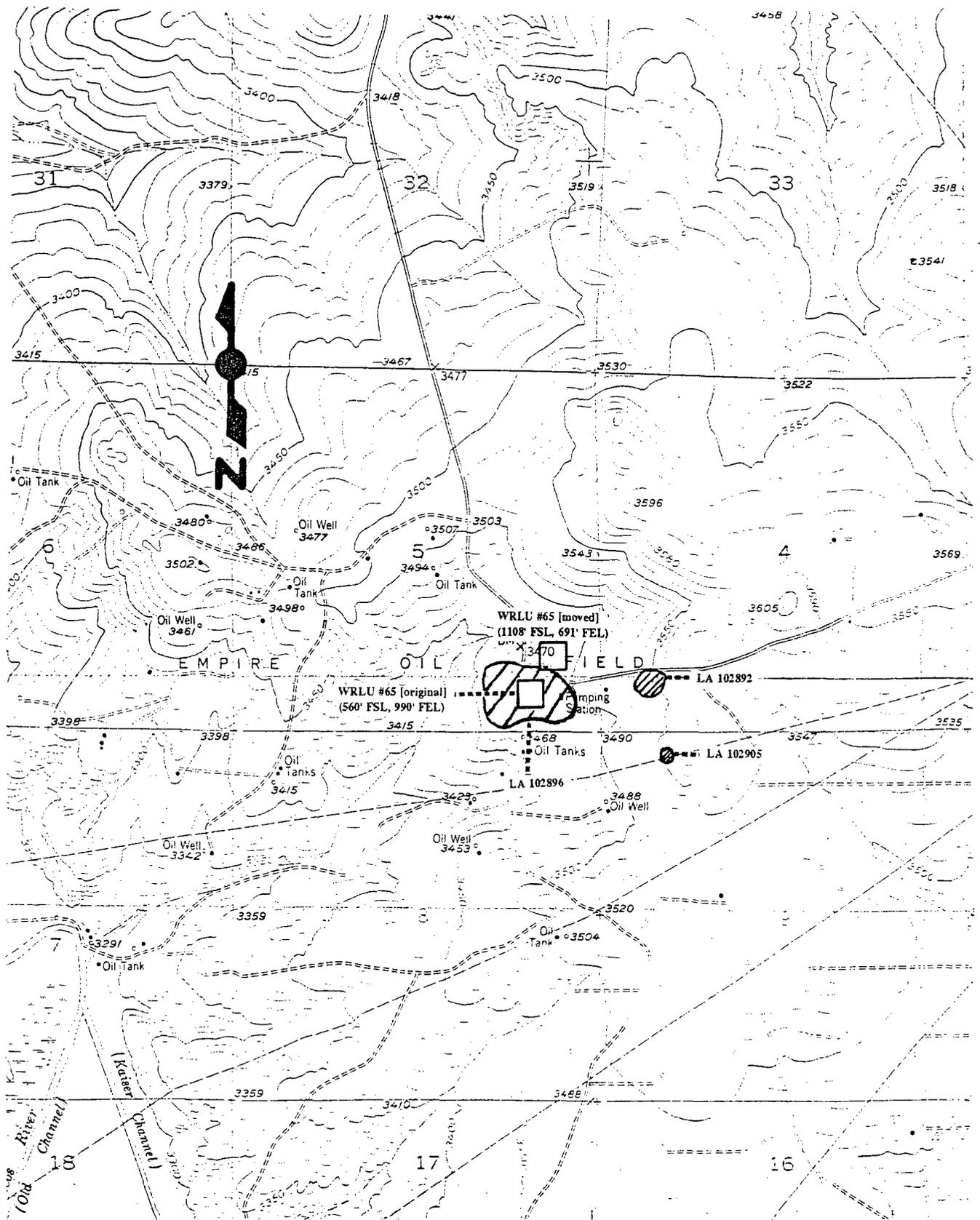
Elevation: 3486'

Aspect: westerly

Lithic Resources: outside of surveyed area

Water Source: (Permanent): Pecos River, west, 2 miles

(Potential): Scoggin Draw, east/southeast, 1.75 miles



**Figure 1. Showing DEVON ENERGY CORPORATION's proposed West Red Lake Unit No.65 [original](1108' FSL; 691' FEL); Unit No.65 [moved] (1108' FSL; 691' FEL); LA 102896, LA 102892 and LA 102905, located in Section 5, T18S, R27S, NMPM, Eddy County, New Mexico**

**4. EXAMINATION PROCEDURE:**

Straight and zig-zag line transects, spaced not greater than 15 meters apart.

Visibility: 80-100%, due to vegetation

Area Delineation: staked by client

Lighting Conditions: excellent (all 3 days)

Hours worked on ground: 2 hours - October 19, 1995 (1 archaeologist)

1 hour - December 8, 1995 (1 archaeologist)

30 minutes - February 29, 1996 (3 archaeologists)

Weather: October 19, 1995 - sunny, clear, breezy and warm

December 8, 1995 - sunny with high thin clouds, breezy and cool

February 29, 1996 - sunny with high thin clouds, breezy and cold

**5. FINDINGS:**

BLM prefield conducted by Arita Slate on October 19, 1995. According to BLM records, there are four previously recorded sites within a half mile radius of the proposed project area, however, if provided stipulations are followed, the closest site (LA 102896) will have a 100' bufferzone between it and the proposed project impact zone.

**6. RESULTS OF SURVEY:**

One previously recorded site (LA 102896) was encountered and updated during the archaeological survey of DEVON ENERGY CORPORATION's proposed well pad.

**Archaeological Site**

LA 102896 - updated 12/8/95

Category 2 site (BLM USE ONLY)

Field Site Number: MA 1072-A5

Activity Number: 44265

Location: NW1/4SE1/4SE1/4SE1/4; SW1/4NE1/4SE1/4SE1/4; SE1/4NW1/4SE1/4SE1/4;  
NE1/4SW1/4SE1/4SE1/4, Section 5, T18S, R27E, NMPM, Eddy County, NM

UTM: Zone 13 E566,080; N3,625,900

Map Reference: USGS 7.5 minute series, Spring Lake, NM (1955 photo revised 1975)

Ownership: Federal (BLM)

Site Dimensions: 280 x 440 meters

Typological Designation: Task specific locale/ Industrial

Authorship/Temporality: Anglo/Euro-American

See Laboratory of Anthropology Site Record sheet for details

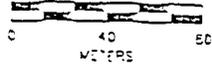
**7. RECOMMENDATIONS:**

Archaeological clearance for DEVON ENERGY CORPORATION's proposed DEVON ENERGY CORPORATION's West Red Lake Unit No.65 (1108' FSL; 691' FEL), located in Section 5, T18S, R27S, NMPM, Eddy County, New Mexico is recommended **provided a fence is placed 100' north of the proposed southern boundary of the well pad area; all oil and gas activity for the West Red Lake Unit No.65 is restricted to the northern side of said fence; and access to the proposed well pad area be routed in from the western side of the location, connecting with Chalk Bluff Road (CR 201). Monitoring of fence placement is also recommended.** If any further cultural remains are encountered during construction, the BLM and DWAS should be notified immediately. Clearance, of course, is granted by the BLM.

Reviewed by JmR Blachwelder

Reviewed by J.K. Hollen

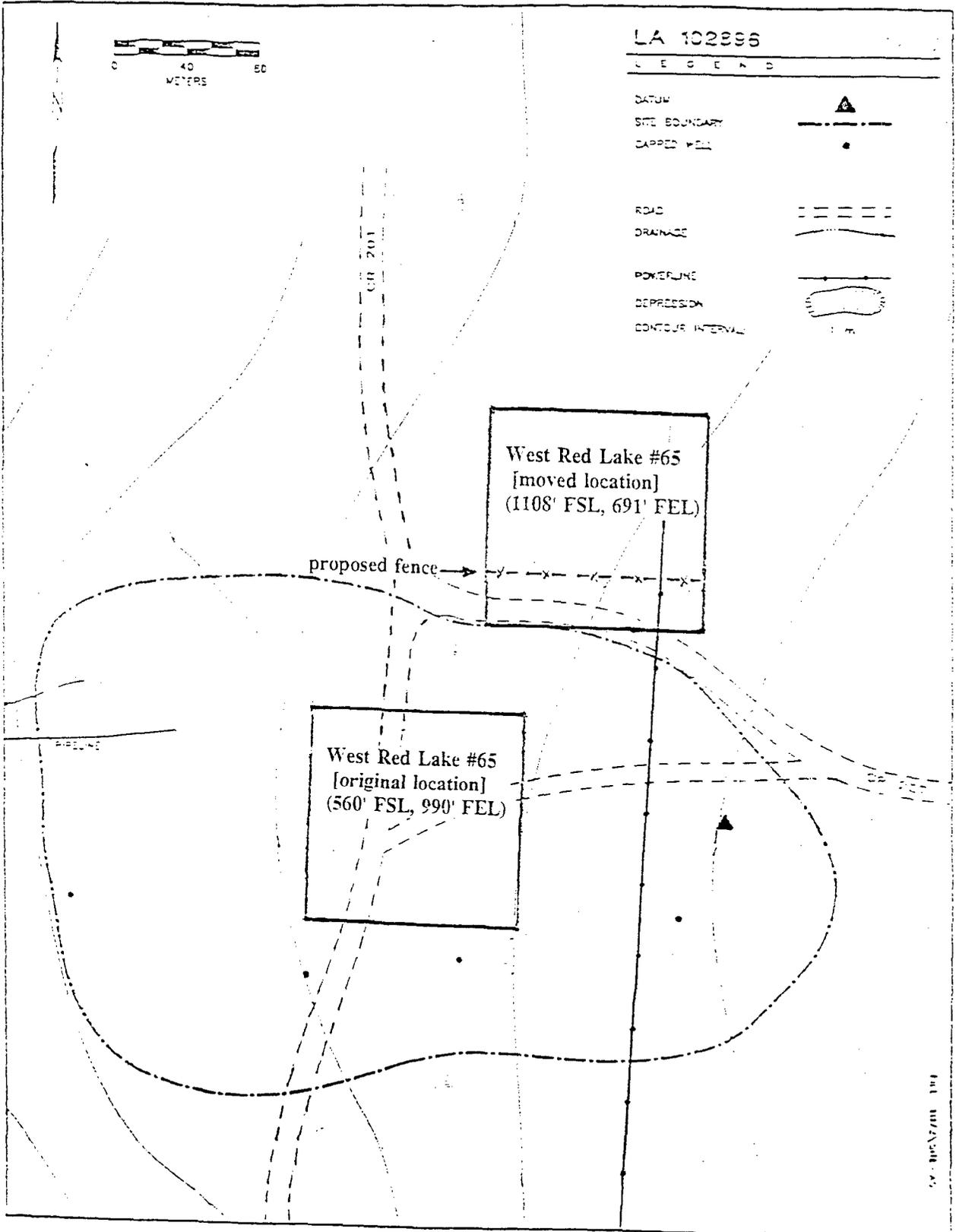
Reviewed by [Signature]



LA 102886

LEGEND

DATUM	
SITE BOUNDARY	
CAPPED WELL	
ROAD	
DRAINAGE	
POWERLINE	
DEPRESSION	
CONTOUR INTERVAL	1 m.





ENERGY CORPORATION

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Telephone 405/235-3611  
FAX 405/552-4550

April 18, 1996

**Certified Mail No. Z 253 342 832**

Amoco Production Company  
Post Office Box 4891  
Houston, Texas 77210

RE: Non-Standard Location Approval  
West Red Lake Unit #65  
1108' FSL & 691' FEL  
Sec. P-5-18S-27E  
Eddy County, New Mexico

Gentlemen:

We have applied for a permit to drill the referenced well. This unorthodox location is necessary due to the original location being on an archaeological site. The proposed wellsite is within our West Red Lake Unit in Eddy County and offsets the following property which our records show you operate.

Compton Federal #A2

West Red Lake Unit #65  
Non-Standard Location Approval  
April 18, 1996  
Page Two

Amoco Production Company

The NMOCD Non-Standard Location Approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please contact Ernie Buttross, Jr., at (405) 235-3611, X4509.

Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)



Ms. Candace R. Graham  
Engineering Tech.

/cg

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

**devon**

**ENERGY CORPORATION**

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Telephone 405/235-3611  
FAX 405/552-4550

April 18, 1996

**Certified Mail No. Z 253 342 831**

Yates Petroleum Corporation  
105 South 4th  
Artesia, New Mexico 88201

RE: Non-Standard Location Approval  
West Red Lake Unit #65  
1108' FSL & 691' FEL  
Sec. P-5-18S-27E  
Eddy County, New Mexico

Gentlemen:

We have applied for a permit to drill the referenced well. This unorthodox location is necessary due to the original location being on an archaeological site. The proposed wellsite is within our West Red Lake Unit in Eddy County and offsets the following property which our records show you operate.

Yates-Collier #1  
Choque "AMX" Federal #1

West Red Lake Unit #65  
Non-Standard Location Approval  
April 18, 1996  
Page Two

Yates Petroleum Corporation

The NMOCD Non-Standard Location Approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please contact Ernie Buttross, Jr., at (405) 235-3611, X4509.

Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)

A handwritten signature in black ink that reads "Candace R. Graham". The signature is written in a cursive style with a large initial 'C'.

Ms. Candace R. Graham  
Engineering Tech.

/cg

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

## (MESA QUEEN UNIT - Cont'd.)

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

## IT IS THEREFORE ORDERED:

(1) That the Mesa Queen Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) 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.

WEST RED LAKE UNIT  
Eddy County, New Mexico

Order No. R-3453, Approving the West Red Lake Unit Agreement, Eddy County, New Mexico, July 12, 1968.

Application of Atlantic Richfield Company for Approval of the West Red Lake Unit Agreement, Eddy County, New Mexico.

CASE NO. 3802  
Order No. R-3453

## ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a. m. on July 10, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 12th day of July, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

## FINDS:

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

(2) That the applicant, Atlantic Richfield Company, seeks approval of the West Red Lake Unit Agreement covering 1236.85 acres, more or less, of Federal and Fee lands described as follows:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 4: NE/4 SW/4 and S/2 SW/4  
Section 5: SE/4 SE/4 and S/2 SW/4  
Section 6: SE/4 SE/4 and SW/4 SW/4  
Section 7: NE/4, E/2 NW/4, NW/4 NW/4, E/2 SW/4, W/2 SE/4, and NE/4 SE/4  
Section 8: N/2 and NE/4 SE/4  
Section 9: N/2 NW/4

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

## IT IS THEREFORE ORDERED:

(1) That the West Red Lake Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) 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.

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

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

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

CASE NO. 3824  
Order No. R-3469

**ORDER OF THE COMMISSION**

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

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

**FINDS:**

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Atlantic Richfield Company, seeks permission to institute a waterflood project in its West Red Lake Unit Area, Red Lake Queen-Grayburg-San Andres Pool, by the injection of water into the Premier zone of the Grayburg formation and the San Andres formation through 13 injection wells in Sections 4, 5, 7, 8, and 9, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

**IT IS THEREFORE ORDERED:**

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

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

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

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

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

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

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

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

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

CASE NO. 3048  
Order No. R-3072

**ORDER OF THE COMMISSION**

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

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

**FINDS:**

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Marathon Oil Company, seeks permission to institute a waterflood project in the Shugart Pool by the injection of water into the Queen formation through three injection wells in Sections 10 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

OGRID Idn : 6137 API Well No: 30 15 28926 APD Status(A/C/P): A  
Opr Name, Addr: DEVON ENERGY CORP (NEVADA) Aprvl/Cncl Date : 04-01-1996  
20 N BROADWAY SU 1500  
OKLAHOMA CITY,OK 73102

Prop Idn: 3491 WEST RED LAKE UNIT Well No: 65

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: P	5	18S	27E			FTG 1108 F S	FTG 691 F E
OCD U/L	: P		API County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3486

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 2500 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

- PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
- PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12