



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

May 12, 2003

Devon Energy Production Company, L.P.
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attention: Mr. Gerald T. Pepper

Re: Division Order No. WFX-747
West Red Lake Unit Waterflood Project
Eddy County, New Mexico

Dear Mr. Pepper:

I have received and reviewed your letter dated March 19, 2003, whereby you requested an exception to certain provisions contained within Division Order No. WFX-747, which order authorized Devon to expand its West Red Lake Unit Waterflood Project by converting to injection eleven (11) wells located within Sections 4, 6, 7, 8, and 9, Township 18 South, Range 27 East, NMPM. As a condition of approval, this order required that Devon, prior to commencing injection operations, demonstrate that the Julia "A" Federal Well No. 2, located in Unit P of Section 5, Township 18 South, Range 27 East, NMPM, was adequately cemented across the injection zone, or in the alternative, to perform remedial cement operations on the well.

It is our understanding that:

- (a) Order No. WFX-747 authorized injection into the San Andres formation throughout the interval from 1,520 feet to 2,240 feet;
- (b) the Julia "A" Federal Well No. 2 is within the "area of review" for the WRLU Wells No. 43 and 45, located respectively in Units N and M of Section 4;
- (c) the actual injection perforations in the WRLU Well No. 43 are in the interval from 2,142 feet to 2,194 feet. The actual injection perforations in the WRLU Well No. 45 are in the interval from 1,723 feet to 2,115 feet;

- (d) the total depth of the Julia "A" Federal Well No. 2 is 1,260 feet; and
- (e) there are several impermeable intervals between the depths of 1,260 feet and 1,723 feet that would effectively preclude migration of fluid from the injection interval into the Julia "A" Federal Well No. 2.

For the reasons outlined above, the provision contained within Order No. WFX-747 that required Devon to demonstrate that the Julia "A" Federal Well No. 2 was adequately cemented across the proposed injection interval in the West Red Lake Unit Waterflood Project, or in the alternative to perform remedial cement operations, is hereby **deleted**.

Devon is further authorized to re-commence injection operations into the WRLU Well No. 43.

Should it become apparent in the future that the Julia "A" Federal Well No. 2 is providing an avenue of escape for injected fluid within the West Red Lake Unit Waterflood Project, the Division may require Devon to perform remedial work on this well.

Sincerely,



Lori Wrotenberg
Division Director

Xc: OCD-Artesia
File-WFX-747