



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

June 18, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102

Attention: Randy Jackson

Administrative Order NSL-3258

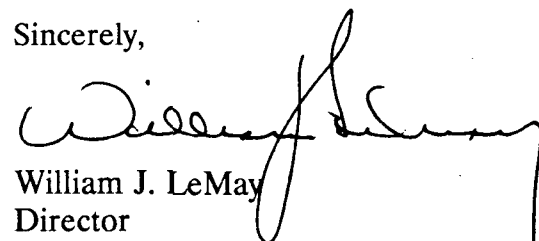
Dear Mr. Jackson:

Reference is made to your application dated May 25, 1993 for an unorthodox oil well location for the purpose of completing an efficient production/injection pattern within the East Shugart Waterflood Project Area established by Division Order No. R-3769, dated May 28, 1969.

It is our understanding that the proposed East Shugart Unit Well No. 38 is to be drilled 1060 feet from the South line and 2430 feet from the East line (Unit O) of Section 34, Township 18 South, Range 31 East, NMPM, Shugart Yates-Seven Rivers-Queen Pool, East Shugart Unit Area, Eddy County, New Mexico. Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 of said Section 34 which is currently dedicated to the East Shugart Well No. 27 located at a standard oil well location 990 feet from the South line and 1650 feet from the East line of said Section 34.

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

Sincerely,



William J. LeMay
Director

WJL/MES/ag

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