



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

April 4, 1995

Devon Energy Corporation (Nevada)
20 North Broadway - Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attention: E. L. Buttross, Jr.

Administrative Order NSL-3514

Dear Mr. Buttross:

Reference is made to your application dated March 8, 1995 for an non-standard oil well location for the purpose of completing an efficient production/injection pattern within the East Shugart Waterflood Project Area, established by Division Order No. R-3769, dated May 28, 1969.

It is our understanding that the proposed East Shugart Unit Well No. 74 is to be drilled 510 feet from the South line and 2455 feet from the West line (Unit N) of Section 35, Township 18 South, Range 31 East, NMPM, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, East Shugart Unit Area, Eddy County, New Mexico.

Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of said Section 35, which is currently dedicated to the East Shugart Well No. 24 (API No. 30-015-05691), located at a standard oil well location 990 feet from the South line and 1650 feet from the West line of said Section 35.

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

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a horizontal line.

William J. LeMay
Director

WJL/MES/kv

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