



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

March 21, 1996

Devon Energy Operating Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102
Attention: Karen Byers

Administrative Order NSL-3641

Dear Ms. Byers:

Reference is made to your application dated February 26, 1996 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the Russel (Lease) Grayburg-Jackson Waterflood Project Area, established by Division Order No. R-3185, as amended by Order Nos. R-3185-A, R-3528, and R-3528-A.

It is our understanding that the proposed C. A. Russell Well No. 17 is to be drilled 2332 feet from the North line and 330 feet from the West line (Lot 2/Unit E) of Section 18, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

The 32.10 acres comprising Lot 2 (the SW/4 NW/4 equivalent) of said Section 18 is to be dedicated to said well.

By the authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is stylized with a large, sweeping "W" and a long, horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Carlsbad