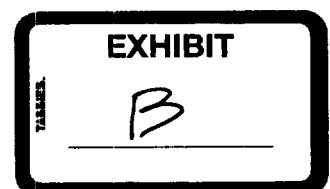
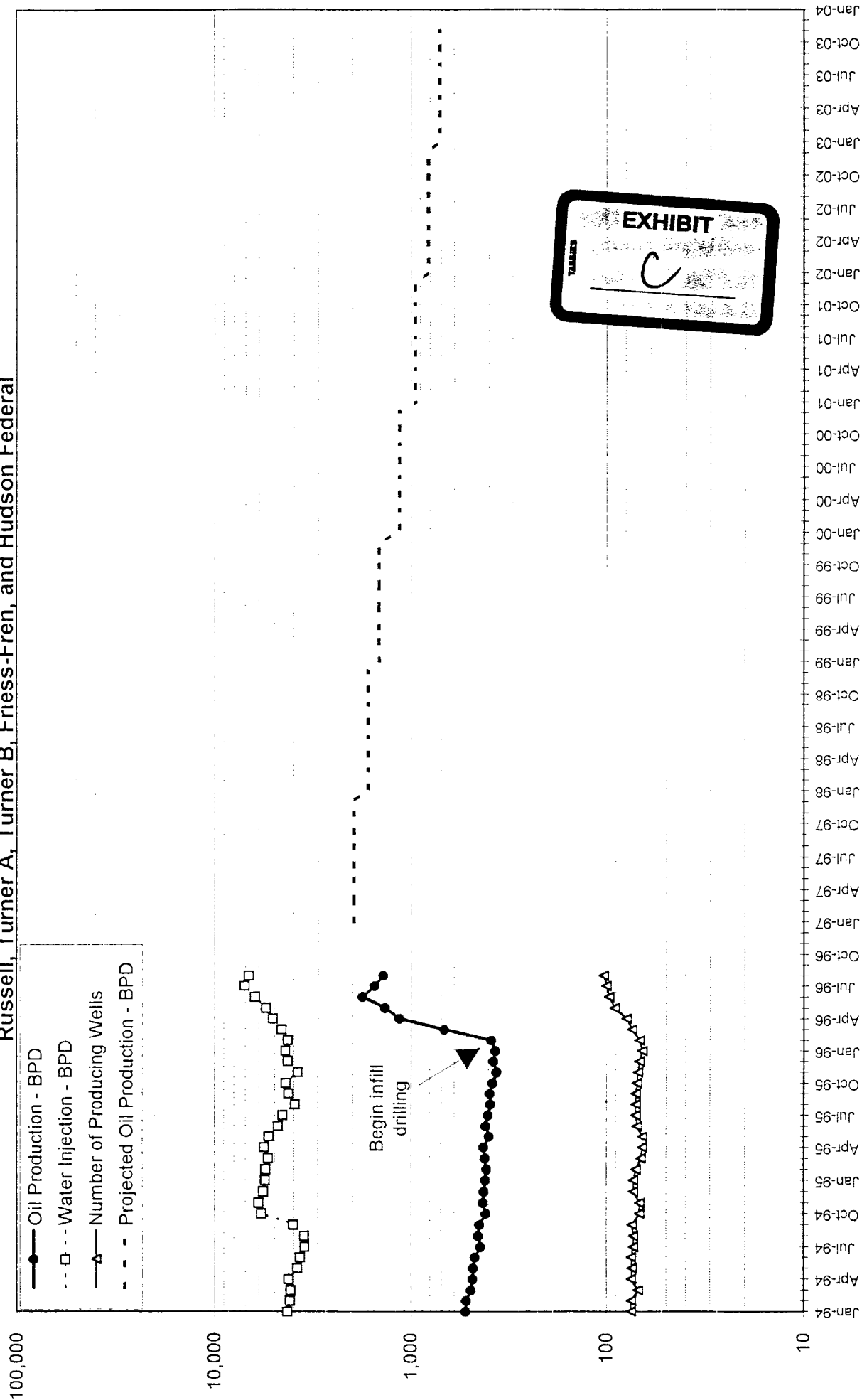


DEVON ENERGY
TURNER 'B' WATERFLOOD PROJECT

Number of Producing Wells:	January, 1994	44
	August, 1996	42
	Full Development	35
Number of Injection Wells:	January, 1994	15
	August, 1996	14
	Full Development	45
Total Capital Cost	Through August, 1996	\$2,004,167
	Full Development	\$5,664,961
Injection Volumes:	January, 1994	3103 BWPD
	August, 1996	4323 BWPD
	Full Development	18,000 BWPD
Anticipated injection commencement date:		April, 1997
Estimated net value of incremental production:		\$20,469,000



DEVON ENERGY SOUTHERN AREA WATERFLOOD PROJECTS Russell, Turner A, Turner B, Friess-Fren, and Hudson Federal



BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

ADMINISTRATIVE APPLICATION OF DEVON
ENERGY CORPORATION (NEVADA) TO
QUALIFY A WATERFLOOD EXPANSION
PROJECT FOR THE RECOVERED OIL
TAX RATE, EDDY COUNTY, NEW MEXICO.

APPLICATION

Devon Energy Corporation (Nevada) files this application pursuant to the Enhanced Oil Recovery Act (L. 1992, Ch. 38) and Division Order No. R-9708. In support thereof, applicant states:

1. The name of the operator is Devon Energy Corporation (Nevada), whose address is Suite 1500, 20 North Broadway, Oklahoma City, Oklahoma 73102.

2. The waterflood project is referred to as the Turner "B" Waterflood Project, and the project area for the expansion is as follows:

Township 17 South, Range 31 East, N.M.P.M.

Section 17: NW $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ S $\frac{1}{2}$
Section 20: All
Section 29: All
Section 30: Lots 3,4, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$

containing 1786.15 acres, more or less.

A plat outlining the project area for the Turner "B" Waterflood Project is attached hereto as Exhibit A. The subject pool is the Grayburg-Jackson Pool.

3. The project area is not unitized. The entire project area is comprised of Federal Lease LC 029395(B). Devon Energy Corporation (Nevada) is the sole working interest owner under the lease as to the Grayburg-Jackson Pool.

4. Secondary recovery shall be by a waterflood project. The injection formation is the Grayburg-San Andres formation of the Grayburg-Jackson Pool, with the injected water consisting of produced water from the Grayburg-Jackson Pool, and makeup water from the Keel-West fresh water system. The waterflood project was approved by Division Order No. R-3185, as amended, and Order No. R-3528, as amended.

5. Pursuant to Order No. R-9708, project data is summarized on Exhibit B attached hereto, and includes:

- (a) Number of producing wells;
- (b) Number of injection wells;¹
- (c) Capital cost of additional facilities;
- (d) Estimated net value of incremental production recovered from the project;
- (e) Anticipated injection commencement date; and
- (f) Anticipated injection volumes.

This project qualifies as an expansion which is entitled to the recovered oil tax rate because the number of injection and producing wells is being significantly increased, greatly expanding the waterflood pattern. Also, fracture stimulation and completion technology has improved significantly since the waterflood project was instituted, which will allow greater recovery of oil within the project area.

6. The projected primary plus secondary production from the

¹The injection and producing wells in the project area are shown on Exhibit A. The number of producing wells in August 1996 is greater than the number of producing wells at full development because certain wells will initially be producers, but will later be converted to injection.

project expansion is shown on Exhibit C² attached hereto.³

WHEREFORE, Applicant requests that the Division administratively qualify the expansion of the Turner "B" Waterflood Project as an Enhanced Oil Recovery Project, and certify the project for the Recovered Oil Tax Rate.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

Attorneys for Devon Energy
Corporation (Nevada)

cc: Artesia District Office

²Exhibit C shows the combined projected production from the C.A Russell Waterflood Project, Hudson Federal Waterflood Project, Turner "A" Waterflood Project, Turner "B" Waterflood Project, and Friess-Fren Waterflood Project. EOR applications regarding all of these waterflood projects are being submitted to the Division.

³The initial increase in production is due to drilling new wells in the project area, which are being produced before being converted to injection.

VERIFICATION

STATE OF OKLAHOMA)
COUNTY OF OKLAHOMA)

Dick Morrow, being duly sworn upon his oath, deposes and states that: he is a petroleum engineer and an employee of applicant; he is familiar with the matters set forth in the foregoing application; and the statements therein are true and correct to the best of his knowledge.

Dick Morrow
Dick Morrow

SUBSCRIBED AND SWORN TO before me this _____ day of November, 1996 by Dick Morrow.

Aida Peter
Notary Public

My Commission expires:

Jan. 24, 1998

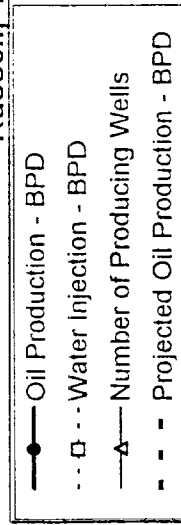
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DEVON ENERGY SOUTHERN AREA WATERFLOOD PROJECTS

Russell, Turner A, Turner B, Friess-Fren, and Hudson Federal



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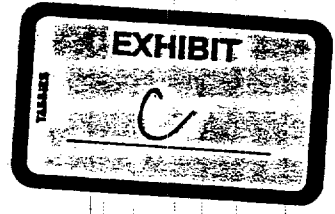
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Begin infill
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Jan-94 Apr-94 Jul-94 Oct-94 Jan-95 Apr-95 Jul-95 Oct-95 Jan-96 Apr-96 Jul-96 Oct-96 Jan-97 Apr-97 Jul-97 Oct-97 Jan-98 Apr-98 Jul-98 Oct-98 Jan-99 Apr-99 Jul-99 Oct-99 Jan-00 Apr-00 Jul-00 Oct-00 Jan-01 Apr-01 Jul-01 Oct-01 Jan-02 Apr-02 Jul-02 Oct-02 Jan-03 Apr-03 Jul-03 Oct-03