

State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505

OIL CONSERVATION DIVISION

DRUG FREE

January 12, 1995

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

Attention: Randy Jackson

Administrative Order NSL-3456

Dear Mr. Jackson:

Reference is made to your application dated December 28, 1994 for seventeen unorthodox oil well locations for the purpose of completing an efficient injection/production pattern within your Keel West Waterflood Project Area, established by Division Order No. R-2268 dated June 21, 1962.

These seventeen wells are to be located in Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Keel West Unit Area, Eddy County, New Mexico.

| Name & Well No. | Footage Location | Section | Unit | Dedicated 40-Acre Tract |
|-----------------|-----------------------|---------|------|----------------------------|
| Keel "A" No. 27 | 2630' FSL - 85' FEL | 7 | Ι | NE/4 SE/4 |
| Keel "A" No. 31 | 1359' FNL - 2448' FWL | 7 | F | SE/4 NW/4 |
| Keel "A" No. 33 | 2593' FNL - 1310' FEL | 7 | Н | SE/4 NE/4 |
| Keel "A" No. 34 | 1053' FSL - 2604' FWL | 7 | N | SE/4 SW/4 |

VILLAGRA BUILDING - 408 Galisteo Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830 Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco Office of the Secretary 827-5950 Administrative Services 827-5925 Energy Conservation & Management 827-5900 Mining and Minerals 827-5970 Oil Conservation 827-7131

| Name & Well No. | Footage Location | Section | Unit | Dedicated 40-Acre Tract |
|-----------------|-----------------------|---------|------|----------------------------|
| Keel "A" No. 35 | 1430' FSL - 90' FEL | 7 | I | NE/4 SE/4 |
| Keel "B" No. 55 | 110' FNL - 1220' FWL | 8 | D | NW/4 NW/4 |
| Keel "B" No. 61 | 1410' FNL - 150' FEL | 6 | H | SE/4 NE/4 |
| Keel "B" No. 62 | 2650' FS & WL | 6 | G | SW/4 NE/4 |
| Keel "B" No. 64 | 1180' FSL - 2350' FWL | 6 | N | SE/4 SW/4 |
| Keel "B" No. 66 | 50' FSL - 2510' FWL | 6 | 0 | SW/4 SE/4 |
| Keel "B" No. 70 | 1338' FNL - 40' FEL | 5 | Н | SE/4 NE/4 |
| Keel "B" No. 71 | 2521' FNL - 67' FEL | 6 | Н | SE/4 NE/4 |
| Keel "B" No. 84 | 2620' FSL - 10' FWL | 4 | L | NW/4 SW/4 |
| Keel "B" No. 87 | 40' FN & EL | 8 | A | NE/4 NE/4 |
| Keel "B" No. 89 | 1194' FNL - 100' FEL | 8 | A | NE/4 NE/4 |
| Keel "B" No. 90 | 2575' FNL - 1335' FWL | 8 | F | SE/4 NW/4 |
| Keel "B" No. 92 | 2630' FSL - 1182' FEL | 8 | I | NE/4 SE/4 |

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

Sincerely, William J. LeMay Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs State Land Office - Santa Fe US Bureau of Land Management - Carlsbad