



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-3640*

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 F. A. F. Hudson Waterflood Project Area, established by Division Order No. R-3265, dated July 10, 1967.

It is our understanding that the proposed Hudson Federal Well No. 12 is to be drilled 2390 feet from the North line and 475 feet from the West line (Unit E) of Section 17, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

Said well is to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 of said Section 17, which is currently dedicated to the Hudson Federal Well No. 3 (API No. 30-015-05179), located at a standard oil well location 1650 feet from the North line and 330 feet from the West line of said Section 17.

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,

William J. LeMay  
Director

WJL/MES/kv

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