



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 6, 1999

Devon Energy Corporation (Nevada)
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

RE: Administrative applications on behalf of Devon Energy Corporation (Nevada) for two unorthodox oil well locations in the Red Lake (Queen Grayburg-San Andres) Pool, in Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

Dear Mr. Bruce:

In reviewing your applications dated October 5, 1998 for Devon's Logan "35" Federal Well Nos. 7 and 10 to be drilled at unorthodox oil well locations in Units "N" and "O", respectively, of Section 35, I found the information to be incomplete for these two applications as requested. It appears that the Red Lake (Queen-Grayburg-San Andres) Pool underlying the SE/4 SW/4 and SW/4 SE/4 of Section 35 is already dedicated to four existing wells belonging to Mason Phillips Properties of Florida, who is also the Unit operator of the South Red Lake Unit Area and the corresponding South Red Lake Unit Waterflood Project (see copies of orders attached). Further, the two APD's filed by Devon indicate that they wish to complete both wells in the Glorieta and Yeso formations. Even though your application was filed in October, I have not received an amended request. In these applications you referenced the testimony given in Case 11966 (which an order is being reviewed by the Director at this time), this evidence was only for the Red Lake (Queen-Grayburg-San Andres) Pool and would of course not be applicable for the other two zones of interest.

I am returning these two applications to you at this time.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
Kathy Valdes, NMOCD - Santa Fe

See Logan 35 Federal #7 for complete application