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December 29, 1998

OL CONSERVATION DIV.

98 DEC 29 AM 8:09

12/21

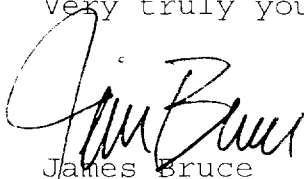
Hand Delivered

Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for pool contraction/expansion, together with a proposed advertisement, filed on behalf of Devon Energy Corporation (Nevada). Please set this matter for the January 21, 1999 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy
Corporation (Nevada)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.

98 DEC 29 AM 8:09

APPLICATION OF DEVON ENERGY CORPORATION
(NEVADA) TO ABOLISH ONE POOL AND EXPAND
ANOTHER POOL, EDDY COUNTY, NEW MEXICO.

No. 13121

APPLICATION

Devon Energy Corporation (Nevada) applies for an order abolishing the Sand Dunes-Cherry Canyon Pool, and expanding the Ingle Wells-Delaware Pool to include the Cherry Canyon interval now included within the Sand Dunes-Cherry Canyon Pool, and in support thereof, states:

1. Applicant is an operator in the Sand Dunes-Cherry Canyon Pool, which covers the following described acreage:

Township 23 South, Range 31 East, N.M.P.M.

Section 23:	SE $\frac{1}{4}$
Section 24:	W $\frac{1}{2}$
Section 25:	W $\frac{1}{2}$
Section 26:	E $\frac{1}{2}$
Section 35:	N $\frac{1}{2}$

The Sand Dunes-Cherry Canyon Pool includes only the Cherry Canyon interval of the Delaware Mountain Group.

2. The Sand Dunes-Cherry Canyon Pool is entirely overlain by the Ingle Wells-Delaware Pool. The Ingle Wells-Delaware Pool also includes acreage in addition to that described in ¶1 above. Wells completed in the Ingle Wells-Delaware Pool produce from the entire Delaware interval, including the productive interval of the Sand Dunes-Cherry Canyon Pool.

3. Both pools are governed by the Division's statewide rules.

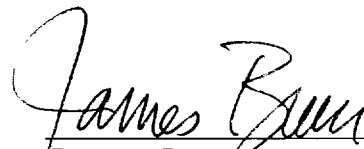
4. Applicant requests that the Sand Dunes-Cherry Canyon Pool be abolished, and that the Ingle Wells-Delaware Pool be expanded to include the Cherry Canyon interval of the Delaware Mountain Group underlying the acreage described in ¶1 above.

5. Notice of this application has been given to all operators or lessees entitled to receive notice.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after hearing, the Division grant the relief requested above.

Respectfully submitted,



James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Devon Energy Corporation
(Nevada)

PROPOSED ADVERTISEMENT

OIL CONSERVATION DIV.

CASE 12121: Application of Devon Energy Corporation (Nevada) 98 DEC 29 AM 8:10
for pool abolishment and pool expansion, Eddy
County, New Mexico. Applicant seeks an order
abolishing the Sand Dunes-Cherry Canyon Pool, which
covers portions of Sections 23, 24, 25, 26, and 35,
Township 23 South, Range 31 East, NMPM, and the
concomitant expansion of the Ingle Wells-Delaware
Pool to include the Cherry Canyon interval of the
Delaware Mountain Group underlying the acreage
currently within the Sand Dunes-Cherry Canyon Pool.
Said pools are centered approximately 20 miles east
of Loving, New Mexico.