



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

April 7, 2004

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Re: IN THE MATTER OF THE APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO. Case No. 13048.

Gentlemen:

Yesterday, at the request of Mr. Hall, we conducted a conference in this case. At the request of Joanna Prukop, Department Secretary and Acting Director of the Oil Conservation Division, I served as hearing officer for the conference.

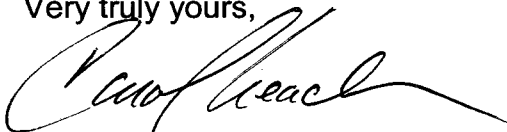
This matter had been consolidated with two other cases and set for hearing before the Oil Conservation Commission on April 8, 2004. E.G.L Resources, Inc. and Robert Landreth (collectively referred to as EGL), through their attorney Mr. Hall, had requested dismissal of the two pending appeals initiated by EGL. Mr. Kellahin, on behalf of Devon Energy Production Company, L.P., requested a continuance until June for its appeal. Mr. Hall then indicated EGL had not agreed to the continuance, filed a Motion To Dismiss, and requested the conference.

At the conference it was decided that the matter would be continued until the June meeting of the Oil Conservation Commission. The parties hope to reach a resolution before that time. Additionally, any response to the Motion To Dismiss is due twenty days from April 6, 2004.

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Good luck in your efforts to reach an agreement to resolve this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Carol Leach", with a long, sweeping horizontal line extending to the right.

Carol Leach
General Counsel

CL/m