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RECEIVED

MAR 21 2003

LAND DEPARTMENT

March 19, 2003

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Devon Energy Corporation  
Attention: Richard Winchester  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102

Re: Application of EGL Resources for compulsory pooling, Lea County, New Mexico.

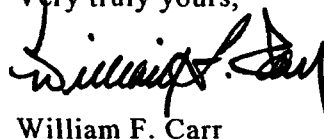
Ladies and Gentlemen:

This letter is to advise you that EGL Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of a 640-acre spacing and proration units comprised of Section 4, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Said units will be dedicated to the Rio Blanco "4" Federal Well No. 1 which it proposes to re-enter and drill at a standard gas well location 1980 feet from the North and West lines of said Section 4 to test all formations from the base of the Morrow formation to the base of the Devonian formation, North Bell Lake-Devonian Gas Pool.

This application has been set for hearing before a Division Examiner on April 10, 2003. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,



William F. Carr

WFC:keh

cc: Bob Landreth

BEFORE THE  
OIL CONSERVATION EXAMINER  
Case No. 13048 Exhibit No. 28  
Submitted By:  
Devon Energy Production Co.  
Hearing Date: April 10, 2003

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

**RECEIVED**

IN THE MATTER OF THE APPLICATION  
OF EGL RESOURCES, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

MAR 18 2003

CASE NO. \_\_\_\_\_ Oil Conservation Division

**APPLICATION**

EGL RESOURCES, INC., ("EGL") through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests from the base of the Morrow formation to the base of the Devonian formation in the 640-acre spacing and proration unit comprised of Section 4, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support of its application states:

1. EGL is a working interest owner in said Section 4 and has the right to drill thereon.
2. EGL proposes to dedicate the above-referenced spacing or proration unit to the Rio Blanco "4" Federal Well No. 1 (API No. 30-025-34515) to be re-entered at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 4 and drill to a depth sufficient to test any and all formations from the base of the Morrow formation to the base of the Devonian formation, Undesignated North Bell Lake-Devonian Gas Pool.
3. EGL has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the EGL to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and EGL Resources, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, EGL Resources, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 10, 2003 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating EGL Resources, Inc. operator of this unit and the well located thereon,
- C. authorizing EGL Resources, Inc. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by EGL Resources, Inc. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,  
HOLLAND & HART LLP

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR EGL RESOURCES, INC.

CASE \_\_\_\_\_:

**Application of EGL Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the Morrow formation to the to the base of the Devonian formation, North Bell Lake-Devonian Gas Pool, in the 640-acre spacing and proration unit comprised of Section 4, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Said unit is to be dedicated to the Rio Blanco "4" Federal Well No. 1 to be re-entered at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 4. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EGL Resources, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 20 miles southwest of Eunice, New Mexico.