



Ken Gray, District Landman

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October 26, 1998

VIA FACSIMILE

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505
(Facsimile #: 505-827-1389)

Re: Case 11966; Case 12036
Application of Devon Energy Corporation (Nevada) for
23 Unorthodox Oil Well Locations in the Red-Lake
Queen-Grayburg-San Andres Pool and One Unorthodox Oil Well
Location in the Grayburg Jackson Pool

Dear Mr. Stogner:

In accordance with our telephone conversation of October 23, 1998, Devon Energy Corporation (Nevada) ("Devon") has resumed its drilling program in the Red Lake field and we plan to drill one (1) well per week for the remainder of the year and for the better part of 1999. Most, if not all, of the referenced locations will be a part of our drilling program. Based upon your suggestion, we are submitting the following four (4) locations for your verbal and/or written approval to proceed with drilling while the pending Order is being processed. Those four (4) locations are as follows:

<u>Well Name</u>	<u>Unit</u>	<u>Section</u>	<u>Location</u>
Falcon "3N" Federal No. 18	N	3-T18S-R27E	680' FSL & 1350' FWL
Patton "B" Federal No. 4	K	6-T18S-R27E	1593' FSL & 1469' FWL
Patton "6" Federal No. 3	N	6-T18S-R27E	930' FSL & 1450' FWL
Kaiser No. 1	A	18-T18S-R27E	330' FNL & 1110' FEL

The Kaiser No. 1 is located on private lands and the Artesia State Office has withheld our permit pending the approval of the unorthodox location. Accordingly, your "pre-approval" will necessarily need to be communicated to the Artesia State Office in order for the permit to issue.

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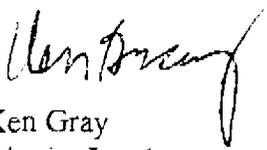
Additionally, we would like to resume a two (2) well drilling program in the Grayburg Jackson Pool. An Order in Case 12036 (Turner "B" No. 115) is also currently pending and we would appreciate your verbal approval to proceed with the drilling of the Turner "B" No. 115.

Please provide me with your verbal approval at your earliest convenience. My direct phone number is (405) 552-4633.

Thank you for your cooperation.

Yours very truly,

DEVON ENERGY CORPORATION (NEVADA)



Ken Gray
District Landman

KG:mb\case 11966 & case 12036