Wednesday, November 18, 1998

Mr. Tim Gum New Mexico Oil Conservation Division 811 South First Street Artesia, New Mexico 88210

RE: Winston #4 SWD, Section 31, T21S, R24E, Eddy County, NM

Dear Tim,



As per our conversation today, I am writing this letter to inform you of a recent turn of events concerning the subject well. I spoke with Armando Lopez with the BLM in Roswell, NM concerning the subject well today. Mr. Lopez informed me that the BLM was turning over jurisdiction for this well to the NMOCD. Mr. Lopez indicated to me that he had already discussed this matter with you and both you and he were in agreement on the matter.

For your clarification Devon Energy Corporation (Nevada) plans to drill a salt-water disposal well at 1,535' FNL and 660' FWL in Section 31, T21S, R24E, Eddy County, New Mexico. The well name will be the Winston #4 SWD. This well will dispose of produced water from Lease Number NM-LC063246 and NM-NM025235-A. No other off lease water is expected to be disposed of at this site.

The original APD to drill a SWD well to service these two leases was proposed, and approved by the BLM, in Section 30, T21S, R24E. This well was located at 225' FSL and 1,650' FWL and was called the Martha Creek #4 SWD. Because of offset operators' concerns, and our wish to proceed with the project, we agreed to move the location approximately 1,800' to the south and west. This location was agreed to by all offset operators.

I have attached a completed C-101 form and location plats for the Winston #4 SWD. If there is any other information that you require before you approve this application please contact me at the number above.

Best Wishes,

Walter M. Frank District Engineer

