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January 14, 2003

VIA FACSIMILE: 405-552-8113
Devon Energy Corporation
20 Broadway
Oklahoma City, OK 73101-8260
Attn: Mr. Richard Winchester

Re: Rio Blanco Devonian Prospect
Lea County, New Mexico

Dear Richard:

Updating my letter of January 8:

- 1) We agreed to a commencement of actual operations not later than May 1, 2003.
- 2) Item 4: Whatever leasehold Devon controlled in Section 33 as of, say, June 1, 2002 would be excluded from an AMI. Any leasehold interest acquired by any party in Section 33 after that date would be part of the AMI.
- 3) Item 6: You indicated that you would furnish some different language for our review.
- 4) With respect to the First Roswell Corporation interest: Let's just eliminate this from the discussion. However, EGL and myself are adamant about the requirement that if Devon does not commence their re-entry operation by the required date, it will assign all of its leasehold in Section 4 to us.

Let's get this deal finalized.

Sincerely,



Robert E. Landreth

REL/tk

BEFORE THE
OIL CONSERVATION EXAMINER
Case No. 13048 Exhibit No. 13
Submitted By:
Devon Energy Production Co.
Hearing Date: April 10, 2003