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\*NOT LICENSED IN NEW MEXICO

December 16, 1996

Hand Delivered

David Catanach  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Applications for the Recovered Oil Tax Rate filed by  
Devon Energy Corporation (Nevada)

Dear David:

Enclosed are two proposed advertisements for the above  
matters. One is for the East Shugart Unit Waterflood Project, and  
one covers all of the following waterflood projects:

Keel-West  
C.A. Russell  
Hudson Federal  
Turner "A"  
Turner "B"  
Friess-Fren

I split them up because the East Shugart Unit is in another  
township and concerns a different pool than the remaining  
applications.

Please set these for the January 9, 1997 hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY, L.L.P.

James Bruce

Attorneys for Devon Energy  
Corporation (Nevada)

PROPOSED ADVERTISEMENT

CASE 11696: Application of Devon Energy Corporation (Nevada) to qualify six waterflood expansion projects for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks to qualify expansions of the following waterflood projects for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5):

Keel-West Waterflood Project

C.A. Russell Waterflood Project

Hudson Federal Waterflood Project

Turner "A" Waterflood Project

Turner "B" Waterflood Project

Friess-Fren Waterflood Project

The foregoing projects collectively encompass the Grayburg-Jackson Pool underlying all or parts of Sections 3 through 10, 17 through 20, 29, and 30, Township 17 South, Range 31 East. Said projects are located approximately five miles northeast of Loco Hills, New Mexico.