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SURFACE RESOURCES

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

April 13, 2000

Devon Energy Corporation
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attn: Ms. Tonja Rutelonis

Re: Downhole Commingling Application
Logan 2 State Well No. 2
Unit Letter C, Section 2-18S-27E
Red Lake Queen-Grayburg-San Andres and Red Lake Glorieta-Yeso, NE Pools
Eddy County, New Mexico

Dear Ms. Rutelonis:

Your application to downhole commingle the Red Lake Queen-Grayburg-San Andres and Red Lake Glorieta-Yeso, NE production from within the wellbore of the above-captioned well was received on March 27, 2000.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 dollar filing fee has been received.

Also, please submit the appropriate approvals from the New Mexico Oil Conservation Division and the Bureau of Land Management

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *Anthony H. Neal*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

For

RP/JB/cpm
Enclosure
xc: Reader File

OCD--Attention: David Catanach, Ben Stone

"WE WORK FOR EDUCATION"

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148