



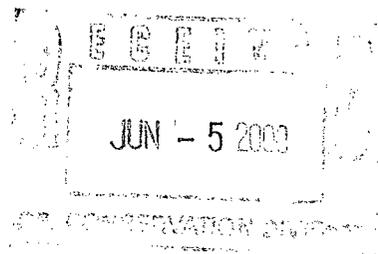
**ENERGY PRODUCTION COMPANY, L.P.**

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Telephone: (405) 235-3611  
Fax: (405) 552-8113

Wednesday, May 31, 2000

New Mexico Energy, Minerals & Natural  
Resources Department – Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, NM 87505



505/827-7131

RE: Filing Error in Administrative Order DHC-2695  
Notice of Downhole Commingling  
Falcon 3B Federal #1  
API No. 30-015-29188  
Eddy County, New Mexico

Ladies and Gentlemen:

Our engineers incorrectly checked “yes” to item No. 10 on the permit request form with respect to the question of “are all working, overriding and royalty interests identical in all commingled zones.”

We notified all such owners of this oversight by certified mail. A copy of the notification address list is enclosed for your file. The variance in ownership is only one uphole overriding royalty interest owner who will also share in Yeso production if our deepening is successful. A copy of the approval letter reflecting the basis for allocation and a copy of the letter sent to all working interest, overriding royalty interest and royalty interest owners is also enclosed for reference.

Should you have any questions, or if additional action by Devon regarding this approved application is required please contact the undersigned at (405) 228-4227, our sincere apologies for this oversight.

Sincerely,

Ken Wilpitz  
Landman



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Oklahoma City, Oklahoma 73102-8260

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TO ALL WORKING INTEREST, OVERRIDING ROYALTY INTEREST  
AND ROYALTY INTEREST OWNERS.

CERTIFIED MAIL RECEIPT NUMBER \_\_\_\_\_

RE: Notice of Downhole Commingling  
Falcon 3B Federal #1  
Eddy County, New Mexico

Ladies and Gentlemen:

Devon Energy Production Company, L.P. intends to deepen the referenced well to the Yeso and commingle with the San Andres formation, which is currently producing please be advised of the following:

We plan to allocate production after the San Andres and Yeso production is commingled pursuant to NMOCD Administrative Order DHC-2695 for the Falcon "3B" Federal No. 1 well. A copy of the approval letter reflecting the basis for allocation is enclosed. Our engineers incorrectly checked "yes" to item No. 10 on the permit request form with respect to the question of "are all working, overriding and royalty interests identical in all commingled zones." We are notifying all such owners by certified mail and will send a letter of explanation to the NMOCD.

Our apologies for this oversight.

Should you have any questions, please contact the undersigned at (405) 228-4227.

Sincerely,

Ken Wilpitz  
Landman

Jonel Susan Grasso  
11 Ocean Ridge  
Laguna Nigel, CA 92677

Alleene C. Graves  
2381 Ridgmar Plaza  
Fort Worth, TX 76116

Jane Ann Hudson Davis  
6770 Wolf Creek Court  
Rio Rancho, NM 87124

Joan A. Hudson  
8053 San Vista Circle  
Naples, FL 33942

Minerals Management Service  
Royalty Program  
Box 5810, T.A.  
Denver, CO 80217

Occidental Permian Ltd.  
OXY USA Inc.  
580 WestLake Park Blvd.  
Houston, TX 77079

Attention: Jerry D. West, Land Negotiator

Mr. Scott E. Wilson and  
Mr. Richard K. Barr  
500 West Texas Avenue  
Suite 1220  
Midland, TX 79701