

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

Case No. 13335

SUPPLEMENTAL
RESPONSE OF DEVON ENERGY PRODUCTION COMPANY, L.P.
IN OPPOSITION TO MOTION TO DISMISS

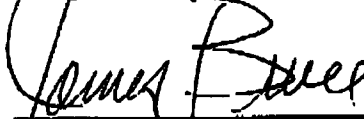
Devon files this supplemental response to the reply filed by Marbob.

1. The See-Tea Mining case cited by Marbob is not on point: it deals with a signed contract, and ratification of the acts of an officer of a closely held corporation who may not have had the authority to sign the contract. Likewise, the Yucca Mining case cited in the reply has to do with rescission of a signed agreement. Neither case is applicable here.
2. Marbob argues that Devon drilled under the 1968 agreement to spread the drilling risk across the 320 acre unit. Devon could have done the same thing by obtaining a compulsory pooling order, so Marbob's point is unclear. Also, a pooling order would no doubt have provided for a cost plus 200% penalty, rather than the cost plus 100% penalty under the 1968 operating agreement, so its difficult to see how Marbob has been harmed by Devon's actions in drilling the No. 1 well.
3. Marbob has said it will join in the drilling of the No. 2 well, so its argument on non-consent risk charges has no bearing on this case.

WHEREFORE, Devon requests that Marbob's motion be denied.

WJB
8/31/04

Respectfully submitted,



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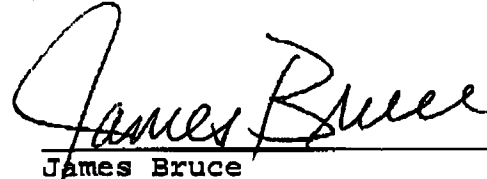
Attorney for Devon Energy
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 31st day of August, 2004:

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