

MEWBOURNE OIL COMPANY

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July 14, 1997

Certified Mail-Return Receipt Requested P 268 434 168

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
Fax #(405) 552-4550

Attn: Ken Gray

Re: Carlsbad "15" Prospect
Carlsbad "15" Federal Com. #1 Well
S/2 of Section 15-21S-26E
Eddy County, New Mexico

Gentlemen:

Please be advised that Mewbourne Oil Company (Mewbourne) intends to operate the captioned well and asks that Devon Energy Corporation (Devon) support Mewbourne as operator based on the following:

- 1) Mewbourne maintains a fully staffed operations office located in Hobbs, New Mexico and an exploration office in Midland, Texas.
- 2) Due to Mewbourne's thirty years of operations in Southeast New Mexico, Mewbourne has established and maintains excellent long term relationships with the service companies and suppliers in the area.
- 3) Mewbourne has drilled approximately thirty-five Morrow wells in Eddy County, New Mexico within the last ten years and many more in the past thirty years. With this experience in drilling deep Morrow wells, we believe we can minimize any operational problems encountered in the drilling of this well.
- 4) Mewbourne's estimated completed well costs are \$31,000.00 less than Devon's.
- 5) Mewbourne has contracted a rig and plans to drill this well by December 1, 1997.

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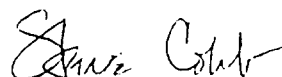
- 6) Mewbourne initiated this geological idea and brought it to Devon's attention. On March 13, 1997 at a meeting in your Oklahoma City office, Mewbourne approached Devon regarding the formation of a Strawn Sand working interest area encompassing T21S-R26E Eddy County, New Mexico. It was evident at this meeting that Devon had no knowledge of the developing Strawn Sand play.

Ken, since you obviously agree with the merits of our proposal, we are hopeful that you will acknowledge that Mewbourne is entitled to be the operator. We have enjoyed an excellent relationship with Devon over the years, and hope that we can avoid an expensive and time-consuming hearing at the New Mexico OCD. We are ready to meet with you to negotiate a mutually acceptable Joint Operating Agreement naming Mewbourne Oil Company as operator.

Should you have any questions, please do not hesitate to call.

Sincerely yours,

MEWBOURNE OIL COMPANY



Steve Cobb
District Landman

SC/gb