

devon
ENERGY CORPORATION

Ken Gray, District Landman

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

Telephone: 405/552-4633
Fax: 405/552-8113

5 1998

November 2, 1998

State of New Mexico
Energy, Mineral & Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87504

DK
CASE
FILE

Case 12055
12056

Gentlemen:

Devon Energy Corporation (Nevada) owns an interest in the mineral estate in the SW/4 of Section 30, Township 20 South, Range 33 East, Lea County, New Mexico. Hallwood Petroleum, Inc. has proposed drilling two (2) Delaware wells in the SW/4 to further develop the Hat Mesa Delaware field. There are producing Delaware wells in the E/2 and the NW/4 of Section 30. We understand that development of our minerals in the SW/4 is being prevented due to objections raised by a potash mining company that does not even own a potash lease on these lands. As an owner of the minerals in the SW/4 we hereby consent to Hallwood's proposed drilling activities.

We request that the Oil Conservation Division of the State of New Mexico protect our correlative rights in the SW/4 by allowing development drilling as proposed by Hallwood Petroleum, Inc. under the Bass #5 and Bass #6 wells. If an adjacent lessee of potash is allowed to prevent our oil and gas from being developed in this manner, we believe it would constitute an unconstitutional taking of mineral rights.

Yours very truly,

DEVON ENERGY CORPORATION (NEVADA)

Ken Gray

Ken Gray
District Landman

KG:mb\bass.1

cc: D. Ligon, General Counsel &
Vice President