

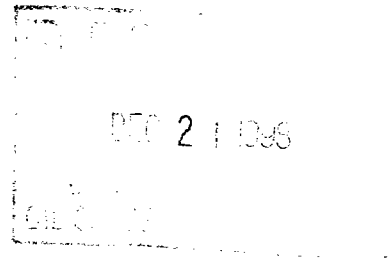
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December 18, 1998

**Hand Delivered**

David R. Catanach  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Case 12061 (Application of Devon Energy Corporation  
(Nevada) for Lease Commingling)

Dear Mr. Catanach:

Regarding the above case, enclosed are an original and two copies  
of the following:

Exhibit 1: The Sundry Notice filed with the BLM, identifying  
the wells and property involved.

Exhibit 2: An affidavit by Devon's engineer, stating that  
there are no compatibility problems between production from  
the Red Lake Queen-Grayburg-San Andres Pool and production  
from the Glorieta/Yeso formations.

Exhibit 3: An affidavit of notice. Notice was given to all  
working, royalty, and overriding royalty interest owners.  
Interest ownership is uniform in each lease from the top of  
the Queen formation to the base of the Yeso formation.

Exhibit 4: Production data from the Glorieta and Yeso  
formations in this area. Production from these formations is  
marginal, which is why Devon would like to use the same tank  
battery it uses for Red Lake Pool production. (Only one copy  
of this exhibit is enclosed.)

Devon has received approval on a number of surface commingling  
applications in this same area over the last few years. Enclosed  
is a hearing transcript from one of the cases.

Please call me if you need anything further.

Very truly yours,

*James Bruce*  
James Bruce