

**InterCoast
Oil and Gas**

SENT VIA FAX TO 405/552-4550

January 20, 1997

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-6283 Telephone
918 488-6182 Fax

Mr. Ken Gray
Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

RE: State of New Mexico #20-1 Well
Request for Extension
Farmout dated 9/20/96
NE/4 Sec. 20-20S-28E
Eddy County, NM

Dear Mr. Gray:

On January 16, 1997, InterCoast Oil and Gas Company received Order No. R-10731 from the Oil Conservation Division which, among other things, designates InterCoast as operator of the captioned well and spacing unit. At this time InterCoast is making a diligent effort to contract a drilling rig which can be available to spud the proposed well by the February 18, 1997 commencement date provided by the Farmout Agreement from Kerr-McGee Corporation. As we have been unable to locate the necessary rig, InterCoast does hereby respectfully request a thirty (30) day extension to the February 18, 1997 commencement date. With the requested extension, InterCoast must commence the well on or before March 20, 1997.

If you are in agreement, please so indicate by signing, dating and returning one (1) copy of this letter to the undersigned at your earliest convenience. Should you have any questions or wish to discuss this matter, please contact me at 918/491-4176.

Very truly yours,

Rock A. Quinn

Rock A. Quinn
Senior Landman

RAQ:rkw

dec12097

AGREED TO AND ACCEPTED THIS 21
day of January, 1997.

DEVON ENERGY CORPORATION (NEVADA)

By: *Ken Gray*

KEN GRAY
DISTRICT LANDMAN

RECEIVED

JAN 23 1997

AND DEPARTMENT

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