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September 11, 2001

VIA FACSIMILE

New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Attention: Michael Stogner

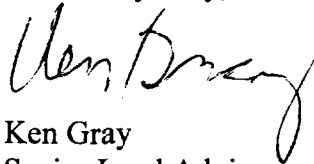
Re: Application for Unorthodox Well Location  
Rule 104 Exception  
Goodnight "35" Federal #3  
660' FWL & 440' FSL  
Section 35-T23S-R29E  
Eddy County, New Mexico

Gentlemen:

Devon SFS Operating, Inc. ("Devon") is in receipt of the referenced application submitted on behalf of Kukui Operating Company. As an offset leasehold owner and as operator of the H B 2 State #1 located in the NW/4 of Section 2-T24S-R29E, Devon hereby objects to the referenced application.

Feel free to contact the undersigned at 405-552-4633 if there are any questions.

Yours very truly,



Ken Gray  
Senior Land Advisor

KG:da\nmsantafe.ltr

cc: MBR Resources, Inc.  
810 S. Cincinnati, Suite 201  
Tulsa, OK 74119

Kaiser-Francis Oil Company  
P. O. Box 21468  
Tulsa, OK 74121-1468