

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Certified Mail

Return Receipt #: 7006 0810 0000 5448 5367

February 15, 2007

Mr. Steve Zink Devon Energy Production Co., LP PO Box 6459 Navajo Dam, New Mexico 87419

Re: Northeast Blanco Unit #340, API 30-045-33212, S31, T31N, R07W. San Juan County, NM

SHUT IN DIRECTIVE

Dear Mr. Zink:

As we discussed on the telephone on Monday February 12, 2007 the above listed well is producing without Non Standard Location (NSL) approval and does not conform to R-10987 B-2 according the maps provided by Devon.

Order R-10987 B-2 puts responsibility on the operator for proving that a well in a Federal Exploratory Unit is exempt from the 660' setback (see Paragraph C.3 from Appendix A)

After reviewing the Devon PA maps on file it was determined the well is not within the PA for the Northeast Blanco Unit and is at a non-standard location at the BHL. From the directional survey, the BHL is 615/N and 1775/E, Section 31.T31N, R7W.

You are hereby directed to shut in the well until the well is in compliance with OCD rules and regulations.

Thank you for your assistance in this matter. If you have any questions please do not hesitate to call. (505) 334-6178 ext 11

Sincerely yours,

Charlie T. Perrin

District III Supervisor

Charlie T. L. rrin

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