



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO
3162.3-1 (211)

June 9, 2008

Devon Energy production Company, L.P.
Attn: Melisa Castro
20 North Broadway
Oklahoma City, OK 73102-8260

RCVD JUN 10 '08
OIL CONS. DIV.
DIST. 3

Dear Ms. Castro:

Enclosed is your Application for Permit to Drill (APD) the following well:

A
NEBU #34E, with a proposed surface location of 995' FNL and 1235' FEL, Section 24, T30N, R8W, and a proposed bottomhole location of 1210' FNL and 3000' FEL section 19, T30N., R. 7W., San Juan County, New Mexico on federal lease No. NMNM 03845. API No. 3004533976

The Bureau of Reclamation (BOR) by letter dated May 21, 2008, notified Jeff Williford of your office that the subject well, if drilled, could create a instability problem on the embankment and foundation of Navajo Dam. The BOR recommended to our office that the APD not be approved due to the high risk associated with drilling, completion and production activities. After careful consideration, the subject APD is hereby returned, unapproved with no further action taken.

If you wish to drill this well at some later date, the permit must be re-filed and modified to avoid the Navajo Dam Structure.

Sincerely,

Jim Lovato
Senior Technical Advisor, Petroleum Engineer
Petroleum Management Team

Enclosures

cc: NMOCD ✓

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