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State of New Mexico
Commissioner of Public Lands 1: 26

Ray Powell, M.S., D.V.M.
COMMISSIONER

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

310 OLD SANTA FE TRAIL

P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

February 5, 2013

Devon Energy Corporation
333 West Sheridan Ave.
Oklahoma City, Oklahoma 73102-8260

Attention: Mr. Samuel Walker

Re: Cotton Draw Unit
Commercial Well Determination
Cotton Draw Unit Well No. 113H (30-015-39517)
Sec. 36-24S-31E
Delaware Formation
Eddy and County, New Mexico

Dear Mr. Walker:

This office is in receipt of your letter of October 23, 2012, together with the data that supports your commercial determination regarding the Cotton Draw Unit Well No. 113H, SHL 220' FSL & 650' FWL, BHL 270' FNL & 1263' FWL Sec. 36-24S-31E.

The Bureau of Land Management has advised this office that they have concurred with your determination that the Cotton Draw Unit Well No. 113H is capable of producing unitized substances in paying quantities from the Delaware formation.

Please be advised that the Commissioner of Public Lands concurs with Devon and the Bureau of Land Management's determinations that the Cotton Draw Unit Well No. 113H is a commercial well in the Delaware formation and is entitled to participate in the Delaware participating area. Please submit a copy of the proposed Delaware participating area to this office for our approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
Larry J. Roybal, Director

Oil, Gas and Minerals Division
(505) 827-5744

RP/LR/pm

cc: Reader File,

OCD-Attention: Mr. Ed Martin

BLM-Attention: Mr. Wesley Ingram



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RECEIVED OCD

2011 OCT 11

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
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October 4, 2011

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: Mr. Sam McCurdy

Re: Preliminary Approval for Proposed 2nd Unit Boundary Expansion
Cotton Draw Unit
S/2 Sec. 11-25S-31E
Eddy County, New Mexico

Dear Mr. McCurdy:

This office has received your letter of September 19, 2011 wherein you have requested preliminary approval for the 2nd expansion of the Cotton Draw Unit area, Eddy County, New Mexico. The proposed expansion meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval to expand the unit area.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. The unit expansion date should be prior to any production.
2. On Exhibit "B", Tract No. 33, the correct lessee of record for Lease No. E-2129-7 is Devon Energy Prod. and Chevron U.S.A., Inc.
3. On Exhibit "B", Tract No. 34, the correct lessee of record for Lease No. E-5009-1 is ConocoPhillips Company.
4. On Exhibit "B", Tract No. 35, the correct lessee of record for Lease No. K-4562-4 is Devon Energy Prod. and Chevron U.S.A., Inc.
5. On Exhibit "B", Tract No. 39, the correct lessee of record for Lease No. E-9127-6 is Devon Energy Prod. and Chevron U.S.A., Inc.
6. On Exhibit "B", Tract No. 40, the correct lessee of record for Lease No. E-9789-10 is Pogo Producing Co.
7. Application for final approval by the Commissioner setting forth the tracts that have been committed.

8. Pursuant to SLO Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
4. Designation/concurrence from the Bureau of Land Management.
5. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.
6. The filing fee for a Unit expansion is \$30.00 for every section or partial section thereof. Please submit a filing fee in the amount of \$30.00.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
Larry J. Roybal, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/LR/pm

cc: Reader File,
OCD-Attention: Mr. Ed Martin
BLM Carlsbad, Attn: Mr. Wesley Ingram



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COMMISSIONER

September 20, 2011

Devon Energy Production Company
P.O. Box 1678
Oklahoma City, Oklahoma 73101--1678

Attn: Mr. Sam McCurdy

Sub Operator for the Delaware Sand participating area
Cotton Draw Unit
Eddy County, New Mexico

Dear Mr. McCurdy:

This office was notified by the Bureau of Land Management by their letter of September 09, 2011, together with a Sub Operator for the Cotton Draw Unit dated June 07, 2011. The document designates Oxy USA, Inc. as a Sub Operator for the drilling, testing, completion, and production of all wells in the Delaware Sand formation.

The Commissioner of Public Lands has this date approved the designation of Sub Operator. It is our understanding that this Sub Operator does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and all oil and gas regulations. Our approval is subject to like approval by the New Mexico Oil Conservation and the Bureau of Land Management.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505)-827-5791.

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LARRY J. ROYBAL, Director
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