



13501

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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May 22, 2006

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

Attn: Mr. Mark A. Oates

Re: Subsequent Joinder Approval Tract No. 8
Custer Mountain North Exploratory Unit
Lease No V-6369-3 N/2, SW/4, W/2SE/4 Sec. 16-23S-35E
Lea County, New Mexico

Dear Mr. Oates:

Thank you for your letter of May 15, 2006 requesting the subsequent joinder approval of Magnum Hunter as the Lessee of Record for Lease No. V-6369-3, (50% title) Tract No. 8 for the Custer Mountain North Exploratory Unit, Lea County, New Mexico. We had previously received a ratification from Yates Petroleum Corporation (50% title) for this lease.

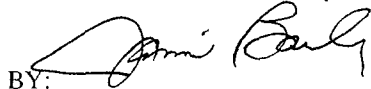
The Commissioner of Public Lands has this date approved the subsequent joinder of Magnum Hunter to the Custer Mountain North Exploratory Unit Agreement. Pursuant to article 28 of the Unit Agreement, this joinder will become effective as of the date of filing with the AO, the Land Commissioner and Division of duly executed counterparts of all or any papers necessary to establish effective commitment.

Please notify all interested parties of this action.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY
Oil, Gas & Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,

OCD-Santa Fe, Attn: Mr. Roy Johnson

TRD-Attn: Mr. Valdean Severson

RMD-Attn: Ms. Linda Vieira

BLM-Attn: Mr. John Simitz

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

****SUBSEQUENT JOINDER EFFECTIVE MAY 22, 2006**
UNIT NAME: CUSTER MOUNTAIN NORTH EXPLORATORY UNIT
OPERATOR: DEVON ENERGY PRODUCTION CORPORATION
COUNTY: LEA

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 03/09/2006	CASE NO. 13501 ORDER NO. R-12374	2680.32	2680.32	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--3-09-2006
 OCD--6-24-2005

TOWNSHIP 22 SOUTH, RANGE 35 EAST

SECTION 33: S/2

TOWNSHIP 23 SOUTH, RANGE 35 EAST

SECTION 4: Lots 1, S/2N/2, S/2
 SECTION 9: ALL
****SECTION 16: N/2, SW/4, W/2SE/4**
 SECTION 21: ALL

24 1 Wd 42 HLL 9002

EXHIBIT "A"

To Custer Mountain North Federal/State Unit
Contract No. NM _____
Township 22 South, Range 35 East and
Township 23 South, Range 35 East, Lea County, NM
Operated by Devon Energy Production Co., L.P.

Tract 9 VO-6399 9/30/2006		33
Tract 1 NMNM 108047 2/29/2012	AL	4
Tract 5 VO-6366 8/31/2006		
Tract 7 VO-6368 8/31/2006	Tract 6 VO-6367 8/31/2006	9
Tract 8 VO-6369-3 8/31/2006		16
Comitted		
Tract 2 B0-1040-1 HBP AL		
Tract 3 VO-6334 7/31/2006		21
Tract 4 VO-6317 7/31/2006		

Exhibit "B"

Custer Mountain North Federal/State Unit

Tract No.	Description of Land	No. of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentages	Lessee of Record	Committed Working Interest and Percentage	Uncommitted Working Interest and Percentage
1	Section 4: Lots 2, 3, 4 <i>Lea County, New Mexico</i>	120.96	NMMN 108047	12.50%	Daniel Gonzales		Robert E. Landreth - 100%
2	Section 16: E/2SE/4	80.00	B0-1040-001 HBP	12.50%	Amerada Hess Corp.	Amerada Hess Corp - 50% Bass, et al - 31.14%	OXY WPT - 6.29% Kerr McGee - 12.57%
3	Section 21: N/2	320.00	V0-6334 7/31/2006	16.67%	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P. - 87.5%	
4	Section 21: S/2	320.00	V0-6317 7/31/2006	16.67%	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P. - 87.5%	
5	Section 4: Lot 1, S/2N/2 S/2	520.32	V0-6366 8/31/2006	16.67%	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P. - 87.5%	
6	Section 9: E/2	320.00	V0-6367 8/31/2006	16.67%	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P. - 87.5%	
7	Section 9: W/2	320.00	V0-6368 8/31/2006	16.67%	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P. - 87.5%	
8	Section 16: N/2, SW/4 <i>Cancelled</i> W/2SE/4	560.00	V0-6369-003 8/31/2006	16.67%	Yates Petroleum Corp - 50% Magnum Hunter - 50%	Yates Petroleum Corp - 50%	Magnum Hunter Prod., Inc - 50%
9	Section 33: S/2 (T2S-R35E)	320.00	V0-6399 9/30/2006	16.67%	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P. - 87.5%	
Total - 9 Tracts		2680.32	Acres in Unit				
Federal Acres		120.960		4.198%	Committed Acreage	2465.232 ac.	
State Acres		2760.320		95.802%	Uncommitted Acreage	416.048 ac.	
Total Unit Acres		2881.280	100.000%			2881.280 ac.	