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PATRICK H. LYONS  
COMMISSIONER

2008 MAY 7

State of New Mexico  
Commissioner of Public Lands

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P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
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www.nmstatelands.org

May 5, 2008

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

Attn: Mr. Kelly W. Robertson

Re: Custer Mountain North Unit  
Initial Delaware Participating Area  
S/2NW/4, SW/4 Sec. 4-23S-35E  
Lea County, New Mexico

Dear Ms. Robertson:

We are in receipt of your letter of April 8, 2008 together with your application for approval of the Initial Delaware Participating Area for the Custer Mountain North Unit, Lea County, New Mexico. The Initial Delaware Participating Area is predicated upon the knowledge and information first obtained from the Custer Mountain North Unit Well No. 1 that was completed on November 6, 2007.

The Commissioner of Public Lands has this date approved the above mentioned participating area effective as follows:

INITIAL DELAWARE PARTICIPATING AREA  
Effective November 6, 2007

WELL	DESCRIPTION	ACRES
30-025-36643 Custer Mountain North Unit Well No. 1 (Keller 4 State Well No. 1-K)	Sec. 4-T-23S-R35E S/2NW/4, SW/4  (Lots 3, 4 Not Committed)	240.00  (80.64)

Please note that since Tract No. 1, Lots 3, 4, Sec. 4-23S-35E is not committed to the unit it will not be a part of the participating area until the appropriate subsequent joinder is approved.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

-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

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

PL/JB/pm

pc: Reader File,  
OCD-Attention: Mr. Ed Martin  
BLM-Attention: Mr. John Simitz  
TRD-Attention: Mr. Valdean Severson  
RMN-Attention: Mr. Kurt McFall