

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P TO EXPAND THE COTTON DRAW
UNIT, EDDY AND LEA COUNTIES, NEW MEXICO.**

Case No. 14590

VERIFIED STATEMENT OF SAM MCCURDY

Sam McCurdy, being duly sworn upon his oath, deposes and states:

1. I am a landman for Devon Energy Production Company, L.P., and have personal knowledge of the matters stated herein.

2. The Cotton Draw Unit (the "Unit") was approved by Commission Order No. R-1186, and originally covered approximately 35,144 acres, more or less, of state and federal lands in Eddy and Lea Counties. The Unit was subsequently contracted, and currently covers the lands outlined on the land plat attached hereto as Exhibit 1.

3. Five horizontal wells have been drilled with well units which include lands inside and outside the Unit. As a result, applicant, pursuant to the terms of the Unit Agreement, requests approval to expand the Unit to include the following lands which are in the well units:

Township 24 South, Range 31 East, N.M.P.M.

Section 25: W $\frac{1}{2}$ NW $\frac{1}{4}$

Section 26: N $\frac{1}{2}$

Containing 400.00 acres, more or less.

These lands are highlighted on Exhibit 1. The letter requesting expansion is attached hereto as Exhibit 2.

4. The lands in the Unit, as expanded, are described in the revised Exhibit B to the Unit Agreement, which is attached hereto as Exhibit 3. The expanded Unit will cover 9624.90 acres of state and federal lands.

5. The Bureau of Land Management and the Commissioner of Public Lands have preliminarily approved the proposed expansion of the Unit, and those letters are attached hereto

Oil Conservation Division

Case No. _____

Exhibit No. **A** _____

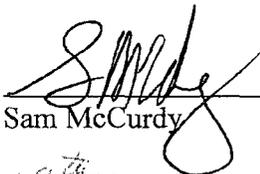
as Exhibits 4 and 5. The Division's approval is required before those agencies grant final approval.

6. The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Sam McCurdy, being duly sworn upon his oath, deposes and states that: He is a landman for Devon Energy Production Company, L.P.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.



Sam McCurdy

SUBSCRIBED AND SWORN TO before me this 18th day of January, 2011 by Sam McCurdy.

My Commission Expires: 1/22/11





Notary Public



Sam McCurdy
Landman

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 228-2406
Fax: (405) 552-8113

November 16, 2010

Bureau of Land Management
United States Department of the Interior
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220

Re: Proposed Expansion of the
Cotton Draw Unit
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P., (herein referred to as "Devon") as Unit Operator of the Cotton Draw Unit, Eddy County, New Mexico, hereby makes application for preliminary approval for the expansion of said unit area pursuant to Section 2 of the Unit Agreement. Devon has drilled and completed the Cotton Draw 26 Fed #1H, #2H, #3H & #4H as a horizontal Lower Brushy Canyon (Delaware) producers. Approximately one-half of the lateral wellbore for each of these four wells is located outside the current unit boundary in the N/2 of Section 26, Township, Township 24 South, Range 31 East, Eddy County, New Mexico. In addition, Devon intends to drill the Cotton Draw Unit #110, as reflected on Figures 4 and 6 below, to test the Lower Brushy Canyon (Delaware) formation. This request for the expansion shall include the following described lands:

<u>Land Description</u>	<u>Acres</u>
<u>T-24S-R31E, Eddy County, NM</u>	
Section 26: N/2	320 acres
Section 25: W/2 NW ¼	80 acres
Total Lands Expanded	400 acres

This proposed expansion of 400 acres, more or less, in addition to the total unit area of 9,384.52 acres will result in a unit area of 9,784.52, of which 8,266.64 acres (84.49%) are Federal lands, and 1,517.88 acres (15.51%) are State lands and 0 acres (0 %) are Patented lands as shown on the attached revised Exhibit "A" to the Unit Agreement. Enclosed are four (4) copies of Devon's application for preliminary approval. In support of the proposed unit expansion and attached to each copy of the application, Devon submits the following:

1. Geologic Summary
2. Figure 1-Base Map Full Unit Area
3. Figure 2-Base Map with Expansion Area
4. Figure 3-Type Log Lower Brushy Canyon
5. Figure 4-Structure Top Bone Spring Formation
6. Figure 5-Isopach of PHIH for Lower Brushy Canyon
7. Figure 6-Line of Cross Section in Expansion Area
8. Figure 7-Stratigraphic Cross Section Top Lower Brushy Canyon

EXHIBIT 2

9. Revised Exhibit "A" to Unit Agreement
10. Revised Exhibit "B" to Unit Agreement

Upon receipt of preliminary approval by the Bureau of Land Management ("BLM"), Devon will send out notices of the proposed expansion of unit area to each working interest owner, lessee, lessor and State or Federal agency whose interests are affected, advising them that thirty (30) days will be allowed for submission to Devon, as Unit Operator, of any objections. Devon requests the Expansion No. 1 of the Cotton Draw Unit Area be effective the first day of the month following approval by the BLM.

Your preliminary concurrence is therefore requested for the expansion of the above listed lands for the Cotton Draw Unit Area. Upon your preliminary approval, a Notice of Proposed Expansion of the Cotton Draw Unit Area will be mailed to all parties in interest to the Cotton Draw Unit Area as prescribed by Section 2 of the Unit Agreement.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Sam McCurdy
Landman

Enclosures

EXHIBIT "B"
 Revised as of 11-16-2010
 COTTON DRAW UNIT AREA
 LEA AND EDDY COUNTIES, NEW MEXICO

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS OF ALL LANDS IN THE UNIT AREA

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner
FEDERAL LAND							
1-A	<u>T-25-S, R-31-E</u> Section 1: Lots 1, 2, 3 & 4, S1/2N1/2 and S1/2 (All) Section 11: N1/2 Section 12: N1/2 and SW1/4	1,440.80	NM 0503 2-1-50	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1/2 Tom W. Heflin et ux, Frieda B. E. Spencer Estate 1/2	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
7	<u>T-24-S, R-31-E</u> Section 25: S1/2 Section 26: S1/2 Section 35: NE1/4	800.00	NM 012121 12-1-50	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1/2 Clara Loving B. E. Spencer Estate 1/2 Robert E. Ferguson J. S. Ward and Son, Inc. 1/4 of 1% 1/4 of 1%	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
11	<u>T-25-S, R-31-E</u> Section 3: Lots 1 & 2 and S1/2NE1/4	159.38	NM 042625 3-1-58	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
12	<u>T-25-S, R-31-E</u> Section 3: E1/2SE1/4	80.00	NM 042626 3-1-58	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
13	<u>T-25-S, R-31-E</u> Section 3: W1/2SE1/4	80.00	NM 046525 6-1-58	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	3% R. Hal Johnson, Jr.	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
14	<u>T-24-S, R-31-E</u> Section 34: Lots 3 & 4 and N1/2SE1/4 Section 35: Lots 1, 2, 3 & 4 and N1/2S1/2 and NW1/4	628.68	NM 036379 8-1-57	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2

3
EXHIBIT

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty Owner And Percentage	Working Interest Owner
15	T-24-S, R-31-E Section 34: NE1/4	160.00	NM 037489 10-1-57	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P.
17-A	T-25-S, R-31-E Section 12: SE1/4 Section 13: All	800.00	LC 061862 6-1-50	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1/2% 1% 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.
18-B	T-25-S, R-32-E Section 7: Lots 1 & 2, E1/2NW1/4 and NE1/4	320.15	LC 061863-A 6-1-50	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1% 1%	XTO Energy Inc. Devon Energy Production Company, L.P.
19-A	T-25-S, R-32-E Section 21: S1/2, E1/2NE1/4, and E1/2NW1/4	480.00	LC 061869 1-1-51	USA (All) 12 1/2%	Perry R. Bass, Inc. Lee M. Bass, Inc. Sid R. Bass, Inc. Keystone, Inc. Thru Line, Inc.	3% 1/2%	Surface to 5,000' Lee M. Bass 25% Sid R. Bass, Trustee 25% Keystone, Inc. 25% Fine Line, Inc. 25%
19-B	T-25-S, R-32-E Section 21: W1/2NE1/4 and W1/2 NW1/4	160.00	LC 061869 1-1-51	USA (All) 12 1/2%	Perry R. Bass, Inc. Lee M. Bass, Inc. Sid R. Bass, Inc. Keystone, Inc. Thru Line, Inc.	3% 1/2% 6.25%	Below 5,000' Perry R. Bass, Inc. 25% Lee M. Bass, Inc. 18.75% Sid R. Bass, Inc. 18.75% Keystone, Inc. 18.75%
							Thru Line, Inc. 18.75%

Surface to 5,117'
Leede Operating Co., LLC

Below 5.117

Perry R. Bass, Inc.	25%
Lee M. Bass, Inc.	18.75%
Sid R. Bass, Inc.	18.75%
Keystone, Inc.	18.75%
Thru Line, Inc.	18.75%

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner
19-C	T-25-S, R-32-E Section 20: E1/2SE1/4	80.00	LC 061869 1-1-51	USA (All) 12 1/2%	Perry R. Bass, Inc. Lee M. Bass, Inc. Sid R. Bass, Inc. Keystone, Inc. Thru Line, Inc.	25% J. A. Fairey 18.75% H. L. Arnold 18.75% 18.75% 18.75%	Perry R. Bass 1/2%
20-A	T-25-S, R-32-E Section 18: Lots 1 & 2 and E1/2 NW1/4 and NE1/4	319.45	LC 061873-A 3-1-51	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1/2 Jack B. Shaw et ux Virginia 1/2 B. E. Spencer Estate	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
20-B	T-25-S, R-32-E Section 7: Lots 3 & 4, E1/2SW1/4 and SE1/4	319.73	LC 061873 3-1-51	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1/2 Jack B. Shaw et ux Virginia 1/2 B. E. Spencer Estate	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
20-C	T-25-S, R-32-E Section 18: Lots 3 & 4, E1/2SW1/4 and SE1/4	319.31	LC 061873-B 3-1-51	USA (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	1/2 Jack B. Shaw et ux Virginia 1/2 B. E. Spencer Estate	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
21-A	T-24-S, R-32-E Section 34: SW1/4	160.00	LC 061936 7-1-51	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	1/2 Emily Flint Ray et vir G. B. 1/2	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
21-B	T-25-S, R-32-E Section 9: E1/2SE1/4 Section 10: E1/2SW1/4	160.00	LC 061936-A 7-1-51	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	1/2 Emily Flint Ray et vir G. B. 1/2	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner
21-C	T-25-S, R-32-E Section 10: W1/2SW1/4	80.00	LC 061936-A 7-1-51	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	1/2 Emily Flint Ray et vir G. B. 1/2 Charlotte Wood Runyon	Leede Operating Co., LLC 1% 1%
22-C	T-24-S, R-32-E Section 33: SE1/4	160.00	NM 054031 4-1-60	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	3/4 Joanne F. Angstman Bruce Anderson 1/4 Amax Petr. Corp. Beard Oil Co.	Surface to 8,600' Leede Operating Co., LLC 1/2 John M. Beard 1/16 John M. Beard Trust 1/16 Sensor Oil & Gas Inc. 3/8
22-D	T-25-S, R-32-E Section 4: Lots 1 & 2 and S1/2NE1/4	159.52	NM 054031 4-1-60	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	1/2 Beard Oil Co. Joanne F. Angstman Bruce Anderson Amax Petro. Corp.	Below 8,600' XTO Energy Inc. 1/4 Devon Energy Production Company, L.P. 1/4 John M. Beard 1/16 John M. Beard Trust 1/16 Sensor Oil & Gas Inc. 3/8
24-A	T-25-S, R-32-E Section 15: W1/2NE1/4, W1/2 NW1/4 and E1/2SW1/4 Section 22: NW1/4 and NW1/4SW1/4 Section 28: N1/2N1/2 and SE1/4NW1/4 Section 29: NE1/4NE1/4	680.00	LC 062300 3-1-51	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	1/2 G. E. Jordan et ux Edna 1/2 B. E. Spencer Estate	XTO Energy Inc. 1/2 Devon Energy Production Company, L.P. 1/2

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner
24-B	T-25-S, R-32-E Section 15: E1/2NW1/4 and W1/2SW1/4	160.00	LC 062300 3-1-51	USA (All) 12 1/2%	Chevron U.S.A., Inc. Devon Energy Production Company, L.P.	E1/2 NW/4 to 4901' & W1/2 SW1/4 to 4855'	Leede Operating Co., LLC
						1/2 B. E. Spencer Estate	1%
						1/2 Joe S. Hill & W.W.Meeker	459%
						Adalin Inc.	.22%
						H. D. Manning	.05%
						Elliott M. Browder	.05%
						John L. Beumeler	.02%
						Charles R. Grice	.165%
						Chevron U.S.A. Inc.	3.125%
						Pauley Petroleum Inc.	3.125%
						E1/2 NW1/4 below 4901' & W1/2 SW1/4 below	
						41	T-24-S, R-31-E Section 25: W1/2NW1/4 Section 26: N1/2
1/2 B. E. Spencer Estate	1%						
1/2 Robert E. Ferguson	1/4 of 1%						
J.S. Ward and Son, Inc.	1/4 of 1%						
B. E. Spencer Estate	1%						
Joe S.Hill & W.W.Meeker	459%						
Adalin Inc.	.22%						
H. D. Manning	.05%						
Elliott M. Browder	.05%						
John L. Beumeler	.02%						
Charles R. Grice	.165%						
B. E. Spencer Estate	1%						
XTO Energy Inc.	1/2						
Devon Energy Production Company, L.P.	1/2						
XTO Energy Inc.	1/2						
Devon Energy Production Company, L.P.	1/2						

Tract No.	Description of Land	No. of Acres	Serial No. and Date of Lease or Application	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner
	STATE LAND						
33	T-24-S, R-31-E Section 36: N1/2SE1/4	80.00	E-2129-4 9-10-48	State (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
34	T-25-S, R-32-E Section 16: E1/2NE1/4	80.00	E-5009-1 2-10-51	State (All) 12 1/2%	Conoco Inc.	None	Conoco Inc. 1/2
35	T-25-S, R-31-E Section 2: Lots 1, 2, 3 & 4, S1/2N1/2 and S1/2 (All)	639.92	K-4562 11-17-64	State (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
39	T-24-S, R-31-E Section 36: Lots 1, 2, 3 & 4, N1/2 and N1/2SW1/4	557.96	E-9127-3 6-21-55	State (All) 12 1/2%	XTO Energy Inc. Devon Energy Production Company, L.P.	None	XTO Energy Inc. Devon Energy Production Company, L.P. 1/2
40	T-25-S, R-32-E Section 16: E1/2 SE1/4, SW1/4SE1/4 and SE1/4SW 1/4	160.00	E-9789 2-21-56	State (All) 12 1/2%	Leede Operating Co., LLC Peak 9 Production Company	67.1429% Monsanto Chemical 32.8571% Company	Leede Operating Co., LLC 67.1429% Peak 9 Production Company 32.8571% 1/2

SUMMARY

	<u>Number of Tracts</u>	<u>Acreage</u>	<u>Percent of New Unit Area</u>
Federal Land	23	8,107.02	84.23
State Land	5	1,517.88	15.77
Fee Land	0	0.00	0.00
TOTAL	27	9,624.90	100.00



United States Department of the Interior

Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220
www.nm.blm.gov

IN REPLY REFER TO:
NM 70928X
3180 (P0220)

Your Reference:
Proposed Expansion of the
Cotton Draw Unit NM-70928X
Eddy County, New Mexico

NOV 24 2010

CERTIFIED—RETURN RECEIPT REQUESTED
7008 1830 0000 8071 0739

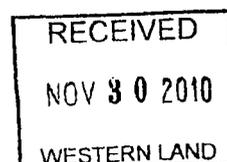
Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Gentlemen:

Your application of November 16, 2010, requests preliminary approval of the proposed expansion of the Cotton Draw Unit Area, Eddy County, New Mexico. This expansion will add 400 acres to the 9,384.52 acres, resulting in an enlarged unit area of 9,784.52 acres, more or less, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

The expansion is regarded as acceptable on the basis of the geologic/reservoir information accompanying your application. We hereby concur in the proposed expansion, provided it is accomplished pursuant to Section 2 of the unit agreement. The effective date of the proposed expansion will be December 1, 2010, and it shall become effective as of this date or from the onset of production of unitized substance, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and in accordance with your application, pursuant to Section 2(a).

EXHIBIT 4



A minimum of four copies of the application for final approval, accompanied by the appropriate joinders and supplements to Exhibits "A" and "B" should be filed with the Authorized Officer. The format of Exhibit "A" and "B" attached with you application is acceptable.

Please contact Edward G. Fernandez, Petroleum Engineer at 575-234-2220 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Peterson". The signature is stylized with a large initial "D" and a long horizontal stroke at the end.

Don Peterson
Assistant Field Manager,
Lands and Minerals



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

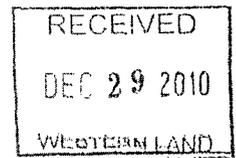
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

December 22, 2010

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

Attention: Mr Sam McCurdy

Re: Preliminary Approval for Proposed Unit Expansion
Cotton Draw Unit
Eddy County, New Mexico



Dear Mr McCurdy:

This office has received your letter of December 6, 2010 wherein you have requested preliminary approval for the 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 the date of first production. Our records reflect that the date of first production from the expanded area is April 2010.
2. On Exhibit "B", Tract No. 21-A, the correct acreage should be 160.00 acres. Please also update the summary page to reflect the amended total acreage. Total Federal land is 8,107.02 acres. Total acreage in the unit after expansion is 9,624.90 acres.
- 3 On Exhibit "B", Tract Nos. 34, 35 and 39 have typos on the land description.
4. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
- 5 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.

5
EXHIBIT

-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

- 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 \$60.00.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY 
for JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Ed Martin
BLM Carlsbad, Attn: Mr. Wesley Ingram