

State of New Mexico Commissioner of Public Lands

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

March 21, 2016

Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102

Attention: Ms. Kathy F. Blick

Re: Thistle Unit Commerciality Determination Thistle Unit #32H Lea County, New Mexico

API NO. 30-025-40016

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Dear Ms. Blick:

We are in receipt of your letter of May 7, 2015 together with the commercial determination data for the above referenced well.

The Bureau of Land Management has advised this office that they disagree with your determination that the Thistle Unit #32H is capable of producing unitized substances in paying quantities from the Brushy Canyon Delaware formation and is to be produced on a lease basis.

Please be advised that the Commissioner of Public Lands does not agree with your determination and concurs with the Bureau of Land Management's determination that Thistle Unit #32H is a non-commercial Brushy Canyon Delaware formation well and is to be produced on a lease basis or communitization basis.

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

Respectfully,

COMMISSIONER OF PUBLIC LANDS

AD/sk cc: Reader File, OCD-Attn: Mr. Daniel Sanchez TRD-Santa Fe, Attn: Ms. Judy Vigil BLM Carlsbad – Attn: Mr. Ed Fernandez

Aubrey Dunn COMMISSIONER