New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

Administrative Order DHC-4170
Order Date: 4/13/2009
Application Reference Number: pKAA0908257782

DEVON ENERGY PRODUCTION COMPANY, LP
C/o Mike Pippin
3104 N Sullivan
Farmington, NM 87401

Attention: Mike Pippin, Petroleum Engineer

NORTHEAST BLANCO UNIT Well No. 010B
API No: 30-039-29854
Unit K, Section 16, Township 30 North, Range 7 West, NMPM
Rio Arriba County, New Mexico

| Pool: | BLANCO-MESAVERDE (PRORATED GAS) | Gas 72319 |
| Names: | UNDESIGNATED LA JARA-PICTURED CLIFFS POOL | Gas 96199 |

Reference is made to your recent application for an exception to Rule 12.9A of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.
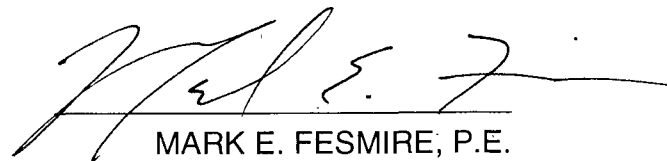
In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be based on type curves and after production testing of each Pool.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Aztec
        State Land Office - Oil, Gas, and Minerals Division