

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

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COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

RECEIVED OCC

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

Attn: Ms. Katie A. McDonnell

RE: Custer Mountain North Unit Lea County, New Mexico

Dear Ms. McDonnell:

March 12, 2015

This office is in the process of reviewing all oil and gas units that contain New Mexico State Trust Lands. Our records reflect that Devon Energy Corporation is the current operator for the Custer Mountain North Unit, and it has come to our attention that, in some cases, we are not receiving required unit information including current Plans of Development. Many 2015 Plans of Development are due to the OCD, the BLM, and this office in the near future, we would like to take this opportunity to remind you to submit them on a timey basis. Please refer to your Unit Agreement regarding the due dates for submittal of Plans of Development.

Your Unit Agreement may state that Plans of Development are to be filed from "time to time", or whenever a change in the current Plan of Development is necessary. If you're Unit falls under this category please submit a current Plan of Development to this office by April 15, 2015.

In order to help you put together your 2015 Plan of Development, we have included a list of the information to be submitted to this office. We recognize the time involved in putting together the Unit Plans of Development and appreciate your cooperation in this matter.

Plans of Development

Please include the following when submitting current Plans of Development.

- 1.) A summary of the 2014 unit activities including new wells drilled, wells completed, wells shut in, dry holes, and wells converted to injection.
- 2.) If you have not submitted a Plan of Development within the past 12 months, please include a summary of unit activities since you last Plan of Development was approved by the Commissioner of Public Lands.
- 3.) A summary of the anticipated unit activity for 2015 including the wells to be drilled, worked over, shut in or converted to injection wells.
- 4.) A list of the wells in the unit indicating which ones are currently producing, shut in, or are injection wells. Please identify which wells are unit wells and which produce on a lease basis and the formation and pool from which they produce.
- 5.) The monthly production history of each well in the unit for the past two years. This may be a production decline graph or it may be in tabular form.

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6.) Current copies of Exhibits A and B to the Unit Agreement and current maps of existing participating areas.

If you have any questions, please contact Mr. Pete Martinez at (505)-827-5791.

Very truly yours,

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COMMISSIONER OF PUBLIC LANDS

TERRY WARNELL, Director

Oil, Gas and Minerals Division

AD/TW/sk

xc: Reader File

OCD-Daniel Martinez

BLM - Attn: Ed Fernandez