7006 3450 0001 4287 2355

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required - Deadline Enclosed

15-May-08

DEVON ENERGY PRODUCTION COMPANY, LP

PO Box 250 Artesia, NM 88210 LOV NO. 2-08-088

LETTER OF VIOLATION Delinquent Regulatory Filings

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

PERFECTO 2 STATE COM No.002

Location: 3-22S-26E

30-015-35184-00-00

Original Well Type: Gas (Producing)

Determination or Violation Date: 5/15/2008

Well Status: New (Not Drilled /
Delinquent Report or Filing(s): - Other Paperwork or Filing - Other

Monitoring and Reporting Violation

Comments: Review of files indicate no Request for Allowable and Authorization to Transport (C-104) has been

submitted. Violation of Rule 19.15.10.801. -

CORRECTIVE ACTION ON THIS WELL DUE BY: 6/14/2008

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely.

Artesia OCD Distract Office

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210 Phone: 505-748-1283 * Fax. 505-748-9720 * http://www.emnrd state.nm us