



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

April 4, 2006

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

Attn: Ms. Janna Koehn

Re: Northeast Blanco Unit
Commerciality Determinations
Dakota Formation
San Juan and Rio Arriba Counties, New Mexico

Dear Ms. Koehn:

We are in receipt of your letter of March 8, 2006 together with data that supports your commercial determinations regarding the following Northeast Blanco Unit Wells:

Well Name & Number	Dedication	Completion Date	Determination
Northeast Blanco Unit #66MB	W/2 30-31N-7W	1/31/2005	Commercial
Northeast Blanco Unit #1M	E/2 27-31N-7W	7/8/2004	Non-Commercial
Northeast Blanco Unit #11A	E/2 25-31N-7W	11/23/2003	Commercial

2006 APR 27 PM 1 03

The Bureau of Land Management, by their letter of March 16, 2006, has advised this office that they have concurred with your determination of the commerciality for the above-mentioned Dakota wells. The Commissioner of Public Lands concurs with the above-mentioned commerciality determinations. The wells that are determined to be commercial wells are to be included in the Dakota participating area

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:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

pc: Reader File
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira

-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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

Northeast Blanco Unit (Dakota PA)
3162.7 (07100)

June 11, 2003

Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

RECEIVED

JUN 17 2003

LAND DEPARTMENT

RE: Northeast Blanco Unit (NEBU)
Commerciality Determinations
Dakota Formation
San Juan County, New Mexico

Dear Mr. Gary Kump:

In response to your paying well determinations received April 28, 2003, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
NEBU #33A	W/2 Sec.12,T31N,R7W	FEE	12/6/00	Non-Commercial
NEBU #52A	E/2 Sec.15,T31N,R7W	NMNM03356	11/27/00	Non-Commercial
NEBU #58M	E/2 Sec.13,T31N,R7W	NMNM03358	10/15/01	Commercial
NEBU #59A	E/2 Sec.24,T31N,R7W	NMSF079010	5/21/02	Commercial
NEBU #57M	E/2 Sec.21,T31N,R6W	NMSF079045	12/19/01	Non-Commercial
NEBU #60A	E/2 Sec.7,T31N,R6W	NMSF078988	11/6/02	Commercial
NEBU #71A	E/2 Sec.23,T31N,R7W	NMSF079010	6/25/02	Commercial
NEBU #73A	W/2 Sec.35,T31N,R7W	NMSF079003	7/18/02	Non-Commercial
NEBU #77A	W/2 Sec.15,T31N,R7W	NMNM03356	6/8/02	Non-Commercial
NEBU #310	W/2 Sec.4,T30N,R7W	NMSF079043	12/13/01	Non-Commercial
NEBU #311	W/2 Sec.13,T31N,R7W	NMNM03358	11/19/00	Non-Commercial
NEBU #312	E/2 Sec.14,T31N,R7W	NMNM03358	10/28/01	Commercial
NEBU #318	E/2 Sec.12,T31N,R7W	NMNM03358	12/18/02	Commercial
NEBU #320M	S/2 Sec.6,T31N,R6W	NMSF078988	10/29/02	Commercial
NEBU #321	E/2 Sec.18,T31N,R6W	NMSF078988	9/24/02	Commercial
NEBU #322	W/2 Sec.18,T31N,R6W	NMSF078988	8/29/02	Commercial
NEBU #323	W/2 Sec.19,T31N,R6W	NMSF078988	8/11/02	Commercial

After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Dakota formation are to be included in the Dakota participating area. It is required that revisions be submitted to include these wells in the Northeast Blanco Unit Dakota Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communization agreement number.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,



Wayne Townsend
Petroleum Engineer
Petroleum Management Team



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

Northeast Blanco Unit (Dakota PA)
3162.7 (07100)

September 19, 2003

Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

RECEIVED

SEP 23 2003

LAND MANAGEMENT

RE: Northeast Blanco Unit (NEBU)
Commerciality Determinations
Dakota Formation
San Juan County, New Mexico

Dear Ms. Janet Wooldridge:

In response to your letter dated September 2, 2003, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
NEBU #41A	E/2 Sec.25,T31N,R8W	NMSF079082A	3/25/03	Commercial
NEBU #65A	E/2 Sec.11,T31N,R7W	FEE	1/24/03	Commercial
NEBU #69A	E/2 Sec.26,T31N,R7W	NMSF079010	3/14/03	Commercial
NEBU #311M	W/2 Sec.13,T31N,R7W	NMNM03358	3/28/03	Commercial
NEBU #319M	W/2 Sec.7,T31N,R6W	NMSF078988	8/17/02	Commercial
NEBU #322M	W/2 Sec.18,T31N,R6W	NMSF078970	6/14/03	**
NEBU #323M	W/2 Sec.19,T31N,R6W	NMSF078988	6/3/03	**
NEBU #324	W/2 Sec.14,T31N,R7W	NMNM03356	12/24/02	Commercial
NEBU #325	W/2 Sec.23,T31N,R7W	NMSF079010	1/29/03	Commercial
NEBU #325M	W/2 Sec.23,T31N,R7W	NMSF079010	4/5/03	**

** A commerciality determination is not necessary for the Dakota formation in wells No. 322M, 323M and 325M Northeast Blanco Unit. These wells are located in 320-acre spacing units that were previously determined to be commercial. These wells will automatically be admitted to the Dakota Participating Area.

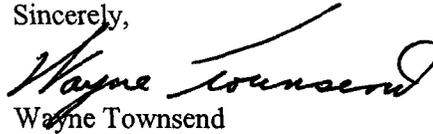
After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Dakota formation are to be included in the Dakota participating area. It is required that revisions be submitted to include these wells in the Northeast Blanco Unit Dakota Participating Area.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Townsend". The signature is written in black ink and is positioned above the typed name.

Wayne Townsend
Petroleum Engineer
Petroleum Management Team



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
Northeast Blanco Unit (Dakota PA)
3162.7 (07100)

September 21, 2004

Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

RE: Northeast Blanco Unit (NEBU)
Commerciality Determinations
Dakota Formation
San Juan and Rio Arriba Counties, New Mexico

Dear Mr. Gary Kump:

In response to your paying well determinations received August 25, 2004, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation:

Well Name & Number	Dedication	Lease	Completion Date	Determination
NEBU #12M	E/2 Sec.18,T30N,R7W	NMSF079073	3/6/04	Commercial
NEBU #50A	W/2 Sec.25,T31N,R8W	NMSF079082	2/28/03	Commercial
NEBU #61A	E/2 Sec.19,T31N,R6W	NMSF078988	10/29/03	Commercial
NEBU #68A	E/2 Sec.2,T30N,R7W	NMSF079003	1/24/04	Commercial
NEBU #302E	E/2 Sec.30,T31N,R6W	NMNM03357	11/15/03	Commercial
NEBU #306	W/2 Sec.26,T31N,R7W	NMSF079010	9/10/92	Commercial
NEBU #307M	W/2 Sec.2 ⁴ 6 ,T31N,R7W	NMSF079010	4/9/03	Commercial
NEBU #327	W/2 Sec.20,T31N,R6W	NMSF078988	9/22/03	Commercial
NEBU #2A	W/2 Sec.15,T31N,R7W	NMSF079045	1/23/03	Non-Commercial
NEBU #78A	W/2 Sec.21,T31N,R7W	NMSF079045	1/29/03	Non-Commercial
NEBU #105B	E/2 Sec.24,T30N,R8W	NMSF078615A	1/7/04	Non-Commercial
NEBU #304	W/2 Sec.30,T31N,R6W	NMNM03357	11/25/87	Non-Commercial
NEBU #307	W/2 Sec.24,T31N,R7W	NMSF079010	5/21/03	Non-Commercial

After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Dakota formation are to be included in the Dakota participating area. It is required that revisions be submitted to include these wells in the Northeast Blanco Unit Dakota Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communization agreement number.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

If you have any questions concerning this matter, please contact Adrienne Brumley at the above address or telephone (505) 599-6358.

Sincerely,



Adrienne Brumley
Petroleum Engineer,
Petroleum Management Team

cc: Commissioner of Public Lands
State of New Mexico
PO Box 1148
Santa Fe, NM 87505



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

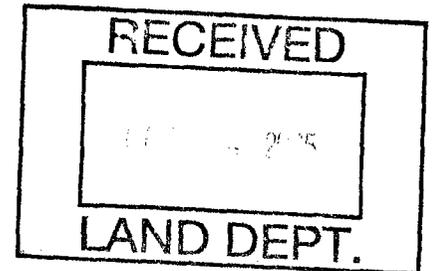
Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
Northeast Blanco Unit DK PA
3162.7 (21110)

October 21, 2005

Ms. Janet Wooldridge
Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

RE: Northeast Blanco Unit (NEBU)
Commerciality Determination
Dakota Formation
Rio Arriba and San Juan Counties, NM



Dear Ms. Wooldridge:

In response to your letter dated October 10, 2005, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
NEBU #13B	W/2 Sec. 20, T30N, R7W	NMSF079060	10/15/2003	Commercial
NEBU #42A	W/2 Sec. 19, T31N, R7W	NMSF080557	4/29/2004	Commercial
NEBU #55E	E/2 Sec. 22, T31N, R7W	NMSF079003	7/14/2004	Non-Commercial
NEBU #304E	W/2 Sec. 30, T31N, R6W	NMN03357	12/16/2003	Commercial
NEBU #330	W/2 Sec. 27, T31N, R7W	NMSF079003	5/27/2004	Commercial

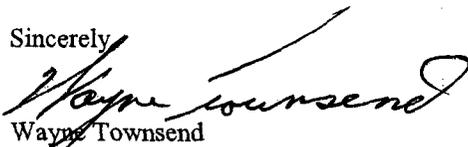
After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Dakota formation are to be included in the Dakota participating area. It is required that revisions be submitted to include these wells in the Northeast Blanco Unit Dakota Participating Area. The well that was determined to be non-commercial is to report its production under the lease number.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,


Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401



IN REPLY REFER TO:
NEBU Dakota PA
3162.7 (21110)

March 16, 2006

Ms. Janna Koehn
Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

RE: Northeast Blanco Unit (NEBU)
Commerciality Determination
Dakota Formation
San Juan and Rio Arriba Counties, NM

Dear Ms. Koehn:

In response to your letter dated March 8, 2006, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
NEBU #66M	W/2 Sec. 30, T31N, R7W	NMSF079082	1/31/2005	Commercial
NEBU #1M	E/2 Sec. 27, T31N, R7W	NMSF079003	7/8/2004	Non-Commercial
NEBU #11A	E/2 Sec. 25, T31N, R7W	NMSF079010	11/23/2003	Commercial

After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Dakota formation are to be included in the Dakota participating area. It is required that revisions be submitted to include these wells in the Northeast Blanco Unit Dakota Participating Area. The well that was determined non-commercial is to report its Dakota formation production under the lease number.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,

Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management