



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

AUG 14

IN REPLY REFER TO:

NMNM 116734(CA)

3105 (21110)

August 11, 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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

Dear Ms. Koehn:

Enclosed is one approved copy of Unit Communitization Agreement (CA) NMNM 116734, involving 120.00 acres of Federal land in lease NMNM-03356 and 40.00 acres of Fee land in San Juan County, New Mexico. This acreage comprises a 160.00 acre spacing unit for the Northeast Blanco Unit No. 231 on Federal land.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Pictured Cliffs Formation in the NW $\frac{1}{4}$ of Section 14, T. 31 N., R. 7 W., NMPM, and is effective October 11, 2005. This CA shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities, and subject lands are not included in a participating area. You are requested to furnish all interested principals with appropriate evidence of this approval.

If this well is producing, this approval requires the submission of a Payor Information Form MMS-4025 to the Minerals Management Service (MMS) within 30 days (30 CFR 210.51). Please notify the designated payor or payors (purchasers, working interest owners, or others) as soon as possible regarding this requirement. Any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or clarification, please contact the Minerals Management Service at 1-800-525-9167 or 303-231-3504.

If you have any questions, please contact me at the above address or telephone (505) 599-8918.

Sincerely,
/s/ Margie Dupre
Margie Dupre
Legal Instruments Examiner
Petroleum Management Branch

Enclosure

1 - Approved Unit Communitization Agreement
cc: MMS, MS-357 B1, Denver, CO
NMOCD, Santa Fe (w/o encl.)
NM Tax & Rev. Dept