



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

December 31, 2009

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

Attn: Mr. Ken Gray

Re: 2009 Plans of Development
Cotton Draw Unit
Eddy and Lea Counties, New Mexico

Dear Mr. Gray:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

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:

Lamy D. Rydahl
for JAMI BAILEY, Director

Oil, Gas and Minerals Division

PL/JB/jm

xc: Reader File

OCD-Ed Martin

BLMC-Wesley Ingram

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COMMISSIONER'S OFFICE
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December 22, 2010

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

Attention: Mr. Sam McCurdy

Re: Preliminary Approval for Proposed Unit Expansion
Cotton Draw Unit
Eddy County, New Mexico

Dear Mr. McCurdy:

This office has received your letter of December 6, 2010 wherein you have requested preliminary approval for the expansion of the Cotton Draw Unit area, Eddy County, New Mexico. The proposed expansion meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval to expand the unit area.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. The unit expansion date should be prior to the date of first production. Our records reflect that the date of first production from the expanded area is April 2010.
2. On Exhibit "B", Tract No. 21-A, the correct acreage should be 160.00 acres. Please also update the summary page to reflect the amended total acreage. Total Federal land is 8,107.02 acres. Total acreage in the unit after expansion is 9,624.90 acres.
3. On Exhibit "B", Tract Nos. 34, 35 and 39 have typos on the land description.
4. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
5. Pursuant to SLO Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.

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