

R:1186 C:1446

Aubrey Dunn 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

January 7, 2015

Devon Energy Corporation 333 West Sheridan Ave Oklahoma City, Oklahoma 73102-8260

Attention: Mr. Samuel Walker

Re:

Cotton Draw Unit

Commercial Well Determinations

Cotton Draw Unit Well Nos. 117H, 219H and 220H

Sec. 36-24S-31E Bone Spring Formation

Eddy and Lea Counties, New Mexico

Dear Mr. Walker:

This office is in receipt of your letter of May 14, 2014, together with the data that supports your commercial determination regarding the Cotton Draw Unit Well Nos. 117H, 219H and 220H.

The Bureau of Land Management, by their letter of August 13, 2014, has advised this office that they have concurred with your determination that the Cotton Draw Unit Well Nos. 117H, 219H and 220H are capable of producing unitized substances in paying quantities from the Bone Spring formation.

Please be advised that the Commissioner of Public Lands concurs with Devon and the Bureau of Land Management's determinations that the above captioned Cotton Draw Unit Wells are commercial wells in the Bone Spring formation and are entitled to participate in the Bone Spring participating area. Please submit a copy of the proposed Bone Spring participating area to this office for our approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

AUBREY DUNN

COMMISSIONER OF PUBLIC LANDS

BY:

Terry Warnell

Oil, Gas and Minerals Division

(505) 827-5744 AD/TW/pm

cc:

Reader File.

NMOCD Attention: Mr. Daniel Sanchez TRD-Attention: Ms. Joan Ishimoto RMD-Attn: Mr. Kurt McFall

BLM Carlsbad - Attn: Mr. Ed Fernandez