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IN REPLY REFER TO:

NM 66425
3160 (522)

United States Department of the Interior
BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Rd.
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.nm.blm.gov



July 22, 2008

Your Reference:

NM 66425

Laguna Salado 22 Federal 4H

SHL 1240'/N. 2510'/W., sec. 22, T. 23 S., R. 29 E.

BHL 330'/S. & 1980'/E., sec. 22, T. 23 S., R. 29 E.

Eddy County, New Mexico




CERTIFIED—RETURN RECEIPT REQUESTED
7005 1160 0000 3302 2040

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

Gentlemen:

We have approved your application at the well location requested. The drill island is defined as a 150-foot radius around the existing well, Laguna Salado Federal No. 2, which is located 1090' FNL & 2510' FWL. sec. 22, T. 23 S., R. 29 E. The application for permit to drill (APD) is being approved, under the drill island provision of the 1986 Secretarial Order, largely because of its proximity to the Laguna Salado 22 Federal No. 2. Oil and gas wells within the enclave are de facto drill islands with radii of 150 feet. However, future APDs in this area may be denied to avoid enlargement of this drill island in light of the existence of substantial potash reserves in the area. A copy of the approved application with stipulations is enclosed. Please contact our Carlsbad Field Office at (575) 234-5972, should you have any questions or if we can be of any additional help.

Sincerely,


Linda S.C. Rundell
State Director

1 Enclosure
DEC-OKS
WESTERN OPS ENGR
JUL 28 2008
RECEIVED