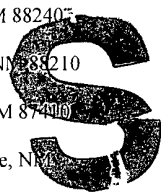


State of New Mexico
Energy, Minerals and Natural Resources



OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-015-34782
2. Name of Operator Devon Energy Production Company, LP		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-7802		6. State Oil & Gas Lease No.
4. Well Location Unit Letter <u>P</u> : <u>920</u> feet from the <u>South</u> line and <u>1310</u> feet from the <u>East</u> line Section <u>31</u> Township <u>22S</u> Range <u>26E</u> NMPM Eddy County, NM		7. Lease Name or Unit Agreement Name Hackberry 31 State
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3381'		8. Well Number 2
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		9. OGRID Number 6137
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool name or Wildcat Sheep Draw; Morrow (Gas)

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Drilling Operations 09/06/07 ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LP spud this well on April 22nd, 2006 and is continuing drilling operations to meet our lease expiration date of 5/31/06: (May 9th, 2007)

09/06/07 MIRU rat hole - drill 12 1/4" hole from 66' - 68'. Rig dwn & mv out rat hole machine.

September 6th, 2007 Drilling Report is attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Sr. Staff Engineering Technician DATE 09/27/07

Type or print name Stephanie A. Ysasaga E-mail address: Stephanie.Ysasaga@dv.com Telephone No. (405) 552-7802

For State Use Only

FOR RECORDS ONLY

OCT 10 2007

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

DATE: 9/6/2007

DISTRICT: PERMIAN BASIN
LOCATION: SEC 31-22S-26E
PROJECT: PB NEW MEXICO
FIELD: HAPPY VALLEY
COUNTY: EDDY
STATE: NM

TIGHT GROUP: UNRESTRICTED
LAT-LONG: 32 344 N - 104 328 W
KB ELEV: 3,381 00
WI: 100 00000
API: 30-015-34782

REPORT NO:	26	SPUD DATE:	
FORMATION:			
LITHOLOGY:			
DEPTH:	68	DSS:	26 00
RIG NM / NO:		FOOTAGE:	2
RIG PH #:			/

PROP. #: 022858-020
AUTH TVD: 11,675 (ft)
AUTH TMD: 11,675 (ft)

AFE #: 126323

A/E DRLG COST:	15,000	A/E COMP COST:	0	A/E TOTAL COST:	15,000
DAILY DRLG COST:	1,850	DAILY COMP COST:	0	DAILY TOTAL COST:	1,850
CUM DRLG COST:	45,050	CUM COMP COST:	0	CUM TOTAL COST:	45,050

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
-------	----------	------	------	-----------	------	----	------	-----	-----	------	-----	-----	---	---	---	---	---	---	---	---

NO BIT DATA TODAY

MUD PROPERTIES		MUD USED		HYDRAULICS			
Time	Solids	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3	
MW	Oil			Liner Size			
VISC	10 sec Gel			Lngh Strk			
pH	10 min Gel			SPM			
Chl	CA			GPM			
WL	Pm			PSI.			
HTHP	Pf			AV (DP)	AV (DC)		
FC	Ex Lime.			PSI Drop	HP/ln2		
PV	Elec Stab			SLOW PUMP RATES			
YP	MBT			PUMP #1	psi @	spm	
LCM	LGS			PUMP #2	psi @	spm	

Daily Mud Lost to Hole	bbls	Daily / Cum Mud Cost	\$ /
Cum Mud Lost to Hole	0 0 bbls	Conn Gas	Trip Gas

Bkgrd Gas

SURVEYS (Sidetrack: OH)

[illegible]

LAST CASING / BOP / NEXT CASING

Depth 0	FIT	Size	Wt	Grade	Connection	Next Casing @
Last BOP Test Date		Accident		Loss Control Inc	24 Hr Forecast	wait 20 days and drill another 2' on 09-26-2007

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
09 00	10 30	1 50	NO	Drill 2' of new hole from 66'-68' with Butches Rathole machine	Code	Description	Costs
					207-904	conductor hole	1,850 00
					Total Daily Cost 1,850 00		
					Cumulative Cost to Date 45.05		