

Gray, Ken

From: Gray, Ken
Sent: Wednesday, May 22, 2013 1:43 PM
To: 'RKC Inc'
Subject: RE: Harroun well proposals

Thanks, Maria. We will proceed with the pooling hearing next week. But there will still be time prior to issuance of a pooling order to agree on a plan going forward.

-----Original Message-----

From: RKC Inc [<mailto:rkcincog@msn.com>]
Sent: Wednesday, May 22, 2013 1:38 PM
To: Gray, Ken
Subject: RE: Harroun well proposals

Ken,

I am leaving for vacation tomorrow and won't be back in the office until June 5. I will discuss and refer to my husband/boss Anthony, and Randy Howard. Randy is contract with RKC and has much more experience than I.

Sincerely,

Maria Kochevar
RKC, Inc.
7500 E Arapahoe Road, Suite 380
Centennial, CO 80112
303.773.3465
303.689.0921 fax

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Oil Conservation Division
Case No. 413
Exhibit No. 413

-----Original Message-----

From: Gray, Ken [<mailto:Ken.Gray@divn.com>]
Sent: Monday, May 20, 2013 9:04 AM
To: rkcincog@msn.com
Subject: Harroun well proposals

Good morning Maria, would still like to talk to you about the Harroun well proposals on Eddy Co, NM. We still intend to pool the RKC interest on Thursday of next week but I would be more than happy to cancel the hearing if we could agree on a plan going forward for RKC. If you need anything more from me please let me know.

Sent from my iPhone

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Gray, Ken

From: Gray, Ken
Sent: Monday, May 06, 2013 11:25 AM
To: 'RKC Inc'
Subject: RE: Harroun Trust 4H & 5H

Good morning Maria, just wanted to let you know that in order to maintain our drilling schedule, we will need to file a compulsory pooling application on the Harroun 4H & 5H, which will be set for hearing with the New Mexico oil Conservation Division on May 30. You should be receiving a notice of our pooling application soon. It would be in everyone's best interest to reach an agreement with respect to RKC's interest in these wells rather than go through the hearing process. We certainly have time to come to agreement prior to the hearing date, so if you can let me know your decision prior to that date, I would appreciate it.

If you any additional information from me with regard to any of our prior correspondence or with the pooling application, please let me know.

From: RKC Inc [mailto:rkcincog@msn.com]
Sent: Tuesday, April 23, 2013 3:09 PM
To: Gray, Ken
Subject: RE: Harroun Trust 4H & 5H

Ken,

I have a call into our land person.

Maria

From: Gray, Ken [mailto:Ken.Gray@dvn.com]
Sent: Monday, April 22, 2013 4:26 PM
To: RKC
Subject: RE: Harroun Trust 4H & 5H

Maria, have you heard anything with regard to the term assignment and/or the well proposal?

From: Gray, Ken
Sent: Tuesday, March 26, 2013 5:11 PM
To: 'RKC'
Subject: RE: Harroun Trust 4H & 5H

Maria, I would be glad to talk them if you wish, just let me know.

From: RKC [mailto:rkcincog@msn.com]
Sent: Tuesday, March 26, 2013 5:05 PM
To: Gray, Ken
Subject: RE: Harroun Trust 4H & 5H

Ken,

I did not read this correctly. I am going to refer this to our contract Land Person who has more experience for his advice.

From: Gray, Ken [<mailto:Ken.Gray@dvn.com>]
Sent: Tuesday, March 26, 2013 6:49 AM
To: RKC
Subject: RE: Harroun Trust 4H & 5H

Maria, I'm not sure I'm understanding. The only reference to an API # or well is on the Exhibit to the term assignment where we specifically exclude from the term assignment the Malaga Harroun 31 #1 well, which is a producing well in which RKC owns an interest. We then go on to describe the lease under which RKC owns, being that part of the Harroun lease covering the NE/4 Section 31. Per the term assignment RKC would be granting a term assignment of its interest, retaining ORRRI, etc. exclusive of the producing well. Did you want to do something different?


From: RKC [<mailto:rkcincog@msn.com>]
Sent: Monday, March 25, 2013 7:02 PM
To: Gray, Ken
Subject: RE: Harroun Trust 4H & 5H

Ken,

This is referencing a different well and API Number. IF this is the correct copy, only one assignment for two wells? Since each well has it's own API number, we would prefer one assignment per API number.

Please advise,

Maria Kochevar
RKC, Inc.
7500 E Arapahoe Road, Suite 380
Centennial, CO 80112
303.773.3465
303.689.0921 fax

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From: Gray, Ken [<mailto:Ken.Gray@dvn.com>]
Sent: Monday, March 25, 2013 10:26 AM
To: RKC
Subject: RE: Harroun Trust 4H & 5H

Maris, our form of term assignment which we have used with several of the small interest owners who have elected not to participate in the wells, is attached for review. Let me know if any questions.

From: RKC [<mailto:rkcincog@msn.com>]
Sent: Thursday, March 21, 2013 11:26 AM
To: Gray, Ken
Subject: RE: Harroun Trust 4H & 5H

Ken,

Please send us the document for a term assignment(s).

Thanks,
Maria

From: Gray, Ken [mailto:Ken.Gray@dvn.com]
Sent: Tuesday, March 19, 2013 4:14 PM
To: rkcinco@msn.com
Subject: RE: Harroun Trust 4H & 5H

Hi Maria, just a follow up in case you had any questions or if a decision had been made. Thanks.

From: Gray, Ken
Sent: Thursday, February 28, 2013 5:16 PM
To: 'rkcinco@msn.com'
Subject: Harroun Trust 4H & 5H

Maria, per our telephone conversations and at your request, listed below are options, in lieu of participation, with regard to our well proposals of the Harroun Trust 4H & 5H, we would be glad to either of these:

1. We have purchased 2 year term assignments from several of the smaller interest owners, paying \$1000 per acre for a 75% NRI leasehold. In other words RKC would receive \$17,074.61 for the term assignment and retain an orri equal to the difference between existing lease burdens (which are 21.285%) and 25%, which would equal a 3.715% orri X .03557210 WI=.001321503 orri.
2. One of the other small interests owners elected to sell us all of their interest in the Harroun 31 #1, inclusive of their associated leasehold interest for approximately \$2000 per acre. We place no value on the well, so we would acquire the interest based on your acreage, which is 17.074608 net acres X \$2000= \$34,149.22 for an assignment of all interest in the well (we take over your plugging liability) and the associated leases.

Let me know if any questions.

Ken Gray
Devon Energy Production Company, L.P.

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