

Devon Energy Production Company, L. P. 333 West Sheridan Avenue Oklahoma City, OK 73102-8260 Phone 405-552-8102 * fax 405-552-8113

Joe Hammond Land Advisor

December 30, 2014



WORKING INTEREST OWNERS (see attached list)

RE: Hadar 10 Fed Com 3 H
SHL 2155' FSL & 5' FWL
BHL 1980' FSL & 340' FEL
N/2 S/2 of Section 10-T19S-R31E
Eddy County, New Mexico

Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon"), hereby proposes to drill and complete the Hadar 10 Fed Com 3 H, a 2nd Bone Spring sand formation at an estimated TVD of 9,116' and TMD of 13,806', covering the proration unit/project area of the N/2 S/2 of Section 10-T19S-R31E, Eddy County, New Mexico. Enclosed for your consideration is the Authority for Expenditure in the estimated amount of \$7,694,006.00 for this well. Your working interest percentage is reflected on the attached addressee list.

Please indicate your participation or non-participation election on page 2 of this letter by executing and returning one copy to my attention via U.S. mail to the address above or by fax to 405-552-8113 or by e-mail to janelle.miller@dvn.com. If your election is to participate, please also execute and return the AFE and attach a copy of any special well data requirements. If you decline participation, Devon would like to negotiate a Term Assignment of your leasehold interest.

A proposed Operating Agreement ("JOA") will be delivered under separate cover.

Should you have any questions or concerns, please feel free to contact me at 405-552-8102.

Sincerely,

Devon Energy Production Company, L.P.

Joe Hammond Land Advisor

Permian - New Mexico

Oil Conservation Division

Exhibit No.

I/We hereby elect to participate in the drillin	ng of the Hadar 10 Fed Com 3H.
I/We hereby elect not to participate in the de	rilling of the Hadar 10 Fed Com 3H
Owner Name:	
Ву:	-
Date:	-
Fax No. and E-Mail Address:	

WORKING INTEREST OWNERS

HADAR 10 FED COM 3 H N/2 S/2 of Section 10-T19S-R31E Eddy County, New Mexico

Devon Energy Production Company, L.P.

36.250% GWI

333 West Sheridan Avenue Oklahoma City, OK 73102

COG Operating LLC

15.107421% GWI (includes 7.607421% from Marbob)

.400391% GWI (from Marbob)

Concho Oil & Gas LLC

LLC

Attn: Greg Geist

600 West Illinois Avenue

Midland, TX 79701

9.375% GWI

McCombs Energy, LLC

Attn: Ricky Haikin

5599 San Felipe, Suite 1200

Houston, TX 77056

12.50% GWI

Occidental Permian LP

Attn: Bruce Vollertsen

P.O. Box 27570.

Houston, TX 77227-7570

Badger Energy, Inc. 1.367188% GWI

c/o Lynx Petroleum Consultants

Attn: Larry Scott P.O. Box 1708

Hobbs, NM 88241

Enduro Operating LLC

-

Attn: Katie Lane

777 Main Street, Suite 800

Ft. Worth, TX 7**6**102-5350

25.00% GWI

100.00%

25•

1 • 367188 +

12 • 5 +

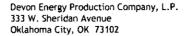
9 • 375 +

15 • 107421 +

0 • 400391 +

36 • 25 +

100 * *



405 235 3611 Phone www.devonenergy.com



January 16, 2015



WORKING INTEREST OWNERS (see attached list)

RE: Hadar 10 Fed Com 3H

N2 S2 Section 10-19S-31E Eddy County, New Mexico

Working Interest Owner:

Pursuant to our proposal letter dated December 30, 2014, please find enclosed a proposed Operating Agreement ("JOA") for the above referenced Hadar 10 Fed Com 3H, Eddy County, New Mexico.

If this meets with your approval, please have the appropriate parties execute the Operating Agreement and acknowledge where indicated and return original signature pages to our office for recording.

If you have any questions regarding this matter, please do not hesitate to contact me.

Şincerely,

Joe Hammond, CPL

Land Advisor

Enclosures

WORKING INTEREST OWNERS

HADAR 10 FED COM 3 H N/2 S/2 of Section 10-T19S-R31E Eddy County, New Mexico

Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 73102

COG Operating LLC Concho Oil & Gas LLC Attn: Greg Geist 600 West Illinois Avenue Midland, TX 79701

McCombs Energy, LLC Attn: Ricky Haikin 5599 San Felipe, Suite 1200 Houston, TX 77056

Occidental Permian LP Attn: Bruce Vollertsen P.O. Box 27570. Houston, TX 77227-7570

Badger Energy, Inc. c/o Lynx Petroleum Consultants Attn: Larry Scott P.O. Box 1708

Hobbs, NM 88241Enduro Operating LLC Attn: Katie Lane 777 Main Street, Suite 800 Fort Worth, TX 76102