



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

**COPY**

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  
Case No. 2 15273  
Exhibit No. 2

\_\_\_\_\_ I/We hereby elect to participate in the drilling of the Hadar 10 Fed Com 3H.

\_\_\_\_\_ I/We hereby elect **not** to participate in the drilling of the Hadar 10 Fed Com 3H.

Owner Name: \_\_\_\_\_

By: \_\_\_\_\_

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)  
Concho Oil & Gas LLC .400391% GWI (from Marbob)  
Attn: Greg Geist  
600 West Illinois Avenue  
Midland, TX 79701

McCombs Energy, LLC 9.375% GWI  
Attn: Ricky Haikin  
5599 San Felipe, Suite 1200  
Houston, TX 77056

Occidental Permian LP 12.50% GWI  
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 25.00% GWI  
Attn: Katie Lane  
777 Main Street, Suite 800  
Ft. Worth, TX 76102-5350

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100.00%

25 • +  
1 • 367188 +  
12 • 5 +  
9 • 375 +  
15 • 107421 +  
0 • 400391 +  
36 • 25 +  
100 • \*



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

405 235 3611 Phone  
[www.devonenergy.com](http://www.devonenergy.com)

January 16, 2015

COPY

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Hammond".

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