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Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102  
(405) 552-4626  
(405) 552-7843 (Fax)

July 28, 2006

Commissioners of Public Lands  
State of New Mexico  
PO Box 1148  
Santa Fe, NM 87501  
Attn: Larry Kehoe, Director

United States Department of the Interior  
Bureau of Land Management  
Farmington Resource Area  
1235 La Plata Highway  
Farmington, NM 87401  
Attn: Mark Kelly

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attn: Roy E. Johnson

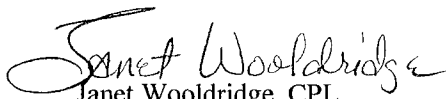
RE: 2006 Plan of Development  
CORRECTED Revision No. 1  
Northeast Blanco Unit Agreement  
No. 1, Section 929  
San Juan & Rio Arriba Counties,  
New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), Revision No. 1 to the Initial 2006 Northeast Blanco Unit Plan of Development dated January 13, 2006 was discovered to have an error with the regard to spacing unit descriptions on one (1) well (see page 8). For simplification, the correction has been highlighted. The Corrected Revision No. 1 Plan of Development enclosed herein is submitted in full. We regret the inconvenience this may cause you. Please consider this Corrected Revision No. 1 as a replacement for the January 13, 2006 Plan of Development.

Sincerely,

**DEVON ENERGY PRODUCTION COMPANY, L.P.**

  
Janet Wooldridge, CPL  
Senior Petroleum Landman

Encl.



Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102  
(405) 552-4626  
(405) 552-4554 (Fax)

**Corrected July 28, 2006 (all corrections highlighted)**

January 13, 2006

Commissioners of Public Lands  
State of New Mexico  
PO Box 1148  
Santa Fe, NM 87501  
Attn: Larry Kehoe, Director

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Bureau of Land Management  
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RE: 2006 Plan of Development  
Northeast Blanco Unit Agreement  
No. 1, Section 929  
San Juan & Rio Arriba Counties,  
New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), as unit operator, on behalf of itself and all owners of oil and gas leases within the Northeast Blanco Unit, hereby submits a 2006 Plan of Development which includes:

1. Summary of 2005 Operations;
2. Participating Area Review;
3. Current Well Status;
4. Unit Production;
5. Operations Proposed in 2006; and
6. Plat which shows current participating areas.

## **SUMMARY OF OPERATIONS**

**Northeast Blanco Unit activity in 2005 is summarized as follows:**

### **I. Wells Drilled and Completed in 2005**

	<b>WellName</b>	<b>Location</b>	<b>Formation</b>
1	NEBU 428A	Sec. 24-31N-7W 1870' FSL 750' FEL	Fruitland Coal
2	NEBU 434A	Sec. 23-31N-7W 1315' FNL 30' FWL	Fruitland Coal
3	NEBU 450A	Sec. 32-31N-7W 1920 FNL 1920 FWL	Fruitland Coal
4	NEBU 454A	Sec. 33-31N-7W 905' FSL 2145' FEL	Fruitland Coal
5	NEBU 492A	Sec. 12-31N-7W 1030' FSL 1165' FEL	Fruitland Coal
6	NEBU 49M	Sec. 30-31N-7W 2450' FNL 2' FEL	Dakota/Mesaverde Commingle
7	NEBU 71E	Sec. 23-31N-7W 860' FNL 825' FEL	Dakota/Pictured Cliffs
8	NEBU 229	Sec. 12-31N-7W 1930' FNL 870' FEL	Pictured Cliffs
9	NEBU 230	Sec. 13-31N-7W 1435' FNL 1095' FEL	Pictured Cliffs
10	NEBU 230J	Sec. 13-31N-7W 1160' FSL 1680' FEL	Pictured Cliffs
11	NEBU 231	Sec. 14-31N-7W 1820' FNL 2575' FWL	Pictured Cliffs
12	NEBU 236	Sec. 24-31N-7W 620' FSL 630' FWL	Pictured Cliffs
13	NEBU 237	Sec. 26-31N-7W 925' FSL 1205' FEL	Pictured Cliffs
14	NEBU 339	Sec. 26-31N-7W 1140' FSL 1045' FEL	Mesaverde/Pictured Cliffs Commingle
15	NEBU 235	Sec. 24-31N-7W 1915' FSL 665' FEL	Pictured Cliffs
16	NEBU 234	Sec. 23-31N-7W 1440' FSL 660' FEL	Pictured Cliffs
17	NEBU 229J	Sec. 12-31N-7W 970' FSL 1080' FEL	Pictured Cliffs
18	NEBU 223	Sec. 18-31N-6W 1715' FSL 1300' FWL	Pictured Cliffs
19	NEBU 42E	Sec. 19-31N-7W 2215' FSL 2115' FEL	Dakota
20	NEBU 340	Sec. 30-31N-7W 65' FSL 2480' FEL	Dakota
21	NEBU 403A	Sec. 9-30N-7W 945' FSL 1625' FEL	Fruitland Coal
22	NEBU 411A	Sec. 10-30N-7W 1775' FSL 2130' FEL	Fruitland Coal
23	NEBU 487A	Sec. 35-31N-7W 1300' FNL 1580' FWL	Fruitland Coal
24	NEBU 219M	Sec. 30-31N-6W 2215' FSL 830' FEL	Mesaverde/Pictured Cliffs Commingle
25	NEBU 239	Sec. 7-31N-6W 1230' FSL 1690' FWL	Pictured Cliffs
26	NEBU 227	Sec. 30-31N-7W 1990' FNL 685' FWL	Pictured Cliffs
27	NEBU 228	Sec. 14-31N-7W 1640' FNL 630' FEL	Pictured Cliffs
28	NEBU 224	Sec. 19-31N-6W 1900' FNL 1940' FWL	Pictured Cliffs
29	NEBU 401A	Sec. 9-30N-7W 1795' FNL 1800' FWL	Fruitland Coal
30	NEBU 409A	Sec. 10-30N-7W 940' FNL 1315' FWL	Fruitland Coal
31	NEBU 412A	Sec. 29-31N-7W 1190' FNL 1480' FWL	Fruitland Coal
32	NEBU 231J	Sec. 14-31N-7W 1510' FSL 690' FWL	Pictured Cliffs
33	NEBU 232	Sec. 14-31N-7W 1995' FSL 1980' FEL	Pictured Cliffs
34	NEBU 233	Sec. 23-31N-7W 1400' FNL 1' FWL	Pictured Cliffs
35	NEBU 233J	Sec. 23-31N-7W 2000' FSL 2480' FWL	Pictured Cliffs
36	NEBU 338	Sec. 16-31N-7W 790' FNL 940' FWL	Mesaverde
37	NEBU 471A	Sec. 25-31N-8W 1150' FSL 1840' FEL	Fruitland Coal

**Well Spud Dates, Dakota Production Dates, Mesaverde Production Dates, Pictured Cliffs Production Dates and Fruitland Coal Production Dates for these wells are listed below:**

	WellName	SpudDate	FirstSalesFC	FirstSalesDK	FirstSalesPC	FirstSalesMV
1	NEBU 428A	5/30/2005	6/25/2005			
2	NEBU 434A	7/17/2005	10/17/2005			
3	NEBU 450A	10/6/2005	11/30/2005			
4	NEBU 454A	8/12/2005	9/12/2005			
5	NEBU 492A	6/29/2005	7/21/2005			
6	NEBU 49M	9/12/2005		10/10/2005		12/29/2005
7	NEBU 71E	5/9/2005		7/11/2005	7/6/2005	
8	NEBU 229	7/14/2005			8/9/2005	
9	NEBU 230	7/13/2005			8/22/2005	
10	NEBU 230J	8/10/2005			8/31/2005	
11	NEBU 231	9/14/2005			10/13/2005	
12	NEBU 236	10/12/2005			10/21/2005	
13	NEBU 237	7/4/2005			7/14/2005	
14	NEBU 339	11/19/2005				12/8/2005
15	NEBU 235	5/25/2005			6/25/2005	
16	NEBU 234	6/24/2005			7/16/2005	
17	NEBU 229J	6/7/2005			7/21/2005	
18	NEBU 223	6/9/2005			7/15/2005	
19	NEBU 42E	4/27/2005		5/26/2005		
20	NEBU 340	10/7/2005				
21	NEBU 403A	4/6/2005	5/3/2005			
22	NEBU 411A	11/7/2005				
23	NEBU 487A	5/19/2005	7/8/2005			
24	NEBU 219M	10/28/2005				11/14/2005
25	NEBU 239	9/3/2005			9/14/2005	
26	NEBU 227	10/23/2005			11/5/2005	
27	NEBU 228	8/27/2005			9/14/2005	
28	NEBU 224	10/18/2005			10/27/2005	
29	NEBU 401A	11/30/2005				
30	NEBU 409A	11/13/2005				
31	NEBU 412A	9/7/2005	9/21/2005			
32	NEBU 231J	7/10/2005			7/29/2005	
33	NEBU 232	6/7/2005			6/20/2005	
34	NEBU 233	5/20/2005			8/9/2005	
35	NEBU 233J	5/19/2005			9/14/2005	
36	NEBU 338	7/30/2005				8/24/2005
37	NEBU 471A	12/21/2005				

**Note: The following Dakota/Mesaverde well was on the 2005 Plan of Development, but was not drilled. This well will be drilled during 2006.**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 337	E/2 Sec. 19-31N-7W

**Note: The following Dakota wells were on the 2005 Plan of Development, but were not drilled. These wells will be drilled in 2006.**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 42F	Lots 5-8, E/2 W/2 Sec. 19-31N-7W & Lot 5, NE/4 NW/4 Sec. 30-31N-7W
2. NEBU 66F	Lots 6, 9 & 10, E/2 SW/4, SE/4 NW/4 Sec. 30-31N-7W & Lots 7-8, E/2 NW/4 Sec. 31-31N-7W
3. NEBU 336	E/2 Sec. 28-31N-7W
4. NEBU 41E	E/2 Sec. 25-31N-8W

**Note: The following Pictured Cliffs wells were on the 2005 Plan of Development, but were not drilled. These wells will be drilled in 2006.**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 225	SW/4 Sec. 19-31N-6W
2. NEBU 238	NE/4 Sec. 36-31N-7W
3. NEBU 203J	SW/4 Sec. 11-31N-7W

**Note: The following Fruitland Coal wells were on the 2005 Plan of Development, but will be drilled in 2006.**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 402A	E/2 Sec. 5-30N-7W
2. NEBU 466A	E/2 Sec. 34-31N-7W
3. NEBU 455A	E/2 Sec. 31-31N-7W

## **II. Wells Temporarily Abandoned in 2005**

None

## **III. Lewis Interval to Existing Mesaverde Completions in 2005**

1. NEBU 5R

2. NEBU 32
3. NEBU 45
4. NEBU 56A
5. NEBU 56
6. NEBU 71

**III. Wells Repaired in 2005**

None

**IV. Wells Plugged & Abandoned in 2005**

None

**V. Wells Commingled Downhole in 2005**

1. NEBU 105B
2. NEBU 42A
3. NEBU 11A
4. NEBU 304E
5. NEBU 302E
6. NEBU 303E
7. NEBU 321M
8. NEBU 330M
9. NEBU 307N
10. NEBU 324M
11. NEBU 327
12. NEBU 61A
13. NEBU 307M
14. NEBU 325N
15. NEBU 323M
16. NEBU 324M
17. NEBU 60A
18. NEBU 330
19. NEBU 66M

**PARTICIPATING AREA 2005 REVIEW**

Fifty-one (51) Fruitland Coal Wells were cleaned out in 2005.

Devon installed additional wellhead compression on nineteen (19) conventional wells.

All lands in the Northeast Blanco Unit are included in the Blanco Mesaverde Pool and the Basin Fruitland Coal Pool Expanded Participating Areas. Because these participating areas are fully expanded, no revisions were made in 2005. We have enclosed a plat of the Northeast Blanco Unit showing the current participating areas.

## CURRENT WELL STATUS

Following is a summary of Northeast Blanco Unit wells by formation:

I.	Blanco Mesaverde:	194 Total Wells Drilled 10 Plugged & Abandoned 0 Shut in, not producing <u>0 Shut in, new drills waiting on facilities</u> 184 Total Producing
II.	Basin Dakota:	74 Total Wells Drilled 5 Plugged & Abandoned 0 Shut in, not producing <u>0 Shut in, new drills waiting on facilities</u> 69 Producing Wells
III.	Gallup, Laguna Seca: Gallup, R.A. Und.: Gallup-Mancus Und.:	1 Producing Well 1 Producing Well 1 Producing Well
IV.	Los Pinos Fruitland Sand/PC:	44 Total Wells Drilled 5 Plugged & Abandoned <u>3 Shut-In</u> 36 Producing Wells
V.	Basin Fruitland Coal:	174 Total Wells Drilled 10 Pressure Observation 6 Plugged & Abandoned 1 Shut In (443A) <u>0 Shut in, new drills waiting on facilities</u> 157 Producing Wells
VI.	Morrison-Entrada:	1 Well Drilled in 1988 (SM SWD #1 – in operation) 1 Well Drilled in 1989 (MM SWD #1 – in operation) 1 Well Drilled in 1990 (PM SWD #1 – in operation) 1 Well Drilled in 1991 (MM SWD #2 – in operation) <u>operation)</u> 4 Disposal Wells

An Existing Well Status Summary is attached as Exhibit 1, which lists the current status of all wells in the Northeast Blanco Unit.

## **UNIT PRODUCTION**

Following is a summary of Unit production during 2005 and cumulative volumes, by formation or pool, since inception.

	GAS (MCF @ 15.025 psig)		CONDENSATE	
	<u>2005</u>	<u>Cumulative</u>	<u>2005</u>	<u>Cumulative</u>
Mesaverde	10,313,221	442,725,581	3,909	188,393
Dakota	4,732,664	26,469,220	0	0
Gallup	5,693	204,760	0	0
Mancos Und.	48,219	637,042	0	0
Ft. Sand-PC	2,384,375	6,661,838	4,146	16,785
Und. PC	39,663	2,252,220	8	4,154
Wildcat; PC	0	58		0
(309 SI)	0	0	0	0
Ft. Coal	47,860,636	1, 095,080,027	0	0
Total	65,384,471	1,574,030,746	8,063	209,332

## **OPERATIONS PROPOSED IN 2006**

Three (3) Fruitland Coal wells carried over from the 2005 Plan of Development are:

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 402A	E/2 Sec. 5-30N-7W
2. NEBU 466A	E/2 Sec. 3-30N-7W
3. NEBU 455A	E/2 Sec. 31-31N-7W

Five (5) Dakota & Dakota Mesaverde wells carried over from the 2005 Plan of Development are:

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 336	E/2 Sec. 28-31N-7W
2. NEBU 41E	E/2 Sec. 25-31N-8W
3. NEBU 42F	Lots 5, 6, 7, 8 & E/2 W/2 Sec. 19-31N-7W & Lot 5 & NE/4 NW/4 Sec. 30-31N-7W
4. NEBU 66F	Lots 6, 9, 10 & SE/4 NW/4 & E/2 SW/4 Sec. 30-31N-7W & Lots 7 & 8 E/2 NW/4 Sec. 31-31N-7W
5. NEBU 337	E/2 Sec. 19-31N-7W

Three (3) Pictured Cliff wells carried over from the 2005 Plan of Development are:



<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 225	SW/4 Sec. 19-31N-6W
2. NEBU 238	NE/4 Sec. 36-31N-7W
3. NEBU 203J	SW/4 Sec. 11-31N-7W

**In addition, we intend to drill the following:**

**Nine (9) Dakota/Mesaverde wells:**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 34E	Lots 6, 7, 12 & 13 & E/2 W/2 Sec. 19-30N-8W & Lots 13-14 Sec. 18-30N-8W
2. NEBU 342	W/2 Sec. 17-30N-7W
3. NEBU 13M	W/2 Sec. 20-30N-7W
4. NEBU 337M	E/2 Sec. 19-31N-7W
5. NEBU 51M	W/2 Sec. 29-31N-7W
6. NEBU 321N	E/2 Sec. 18-31N-6W
7. NEBU 2M	W/2 Sec. 20-31N-7W
8. NEBU 323N	W/2 Sec. 19-31N-6W
9. NEBU 340M	E/2 Sec. 31-31N-7W

**Two (2) Dakota/Pictured Cliff well:**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 19M	E/2 (DK) & SE/4 (PC) Sec. 20-30N7W
2. NEBU 68M	E/2 (DK) & NE/4 (PC) Sec. 35-31N-7W

**Three (3) Mesaverde/Pictured Cliffs wells:**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 4M (Formerly 7M)	W/2 (MV) & NW/4 (PC) Sec. 21-30N-7W
2. NEBU 63M	S/2 (MV) & E/2 of S/2 (PC) Sec. 1-31N-7W
3. NEBU 339M	NW/4 (PC) & W/2 (MV) Sec. 25-31N-7W

**Five (5) Pictured Cliffs wells:**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 219R	NE/4 Sec. 30-31N-6W
2. NEBU 240	NW/4 Sec. 18-31N-6W

3. NEBU 241	SE/4 Sec. 18-31N-6W
4. NEBU 226	SE/4 Sec. 19-31N-6W
5. NEBU 245	SW/4 Sec. 26-31N-7W

**Fifteen (15) Fruitland Coal wells:**

<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 400A	W/2 Sec. 7-31N-6W
2. NEBU 416A	E/2 Sec. 21-31N-7W
3. NEBU 425A	E/2 Sec. 8-30N-7W
4. NEBU 451A	E/2 Sec. 6-30N-7W
5. NEBU 452A	E/2 Sec. 15-31N-7W
6. NEBU 473A	E/2 Sec. 36-31N-8W
7. NEBU 476A	W/2 Sec. 22-31N-7W
8. NEBU 493A	W/2 Sec. 25-31N-7W
9. NEBU 415A	E/2 Sec. 2-30N-7W
10. NEBU 427A	W/2 Sec. 16-30N-7W
11. NEBU 429A	W/2 Sec. 17-30N-7W
12. NEBU 439A	W/2 Sec. 13-30N-8W
13. NEBU 461A	Lots 6-9, 12-15 ada W/2 of Sec. 7-30N-7W & Lots 7-8 & E/2 NW/4 Sec. 18
14. NEBU 465A	E/2 Sec. 1-30N-8W
15. NEBU 481A	W/2 Sec. 36-31N-7W

**Two (2) Mesaverde wells:**

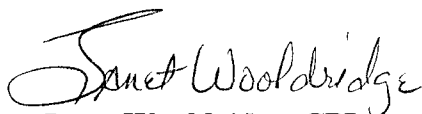
<u>WELL #</u>	<u>SPACING UNIT</u>
1. NEBU 10B	W/2 Sec. 16-30N-7W
2. NEBU 341	E/2 Sec. 16-31N-7W

All wells will be drilled by Devon Energy Production Company, L.P., Unit Operator. In addition, Devon will seek approval to expand the Dakota and Pictured Cliffs Participating Areas, and create the Mancos Participating Area and will supplement this 2005 Plan of Development accordingly.

Please review and approve this Plan of Development and advise us if you have any questions.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Janet Wooldridge, CPL  
Senior Petroleum Landman

Encl.

Approved \_\_\_\_\_

Date \_\_\_\_\_

United States Department of the Interior  
Bureau of Land Management  
Farmington Resource Area  
1235 La Plata Highway  
Farmington, NM 87401

Approved \_\_\_\_\_

Date \_\_\_\_\_

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Approved \_\_\_\_\_

Date \_\_\_\_\_

Commissioners of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, NM 87504-1148

The foregoing approvals are for the Northeast Blanco Unit Agreement No. 1, Sec 929, San Juan and Rio Arriba Counties, New Mexico, 2006 Plan of Development.

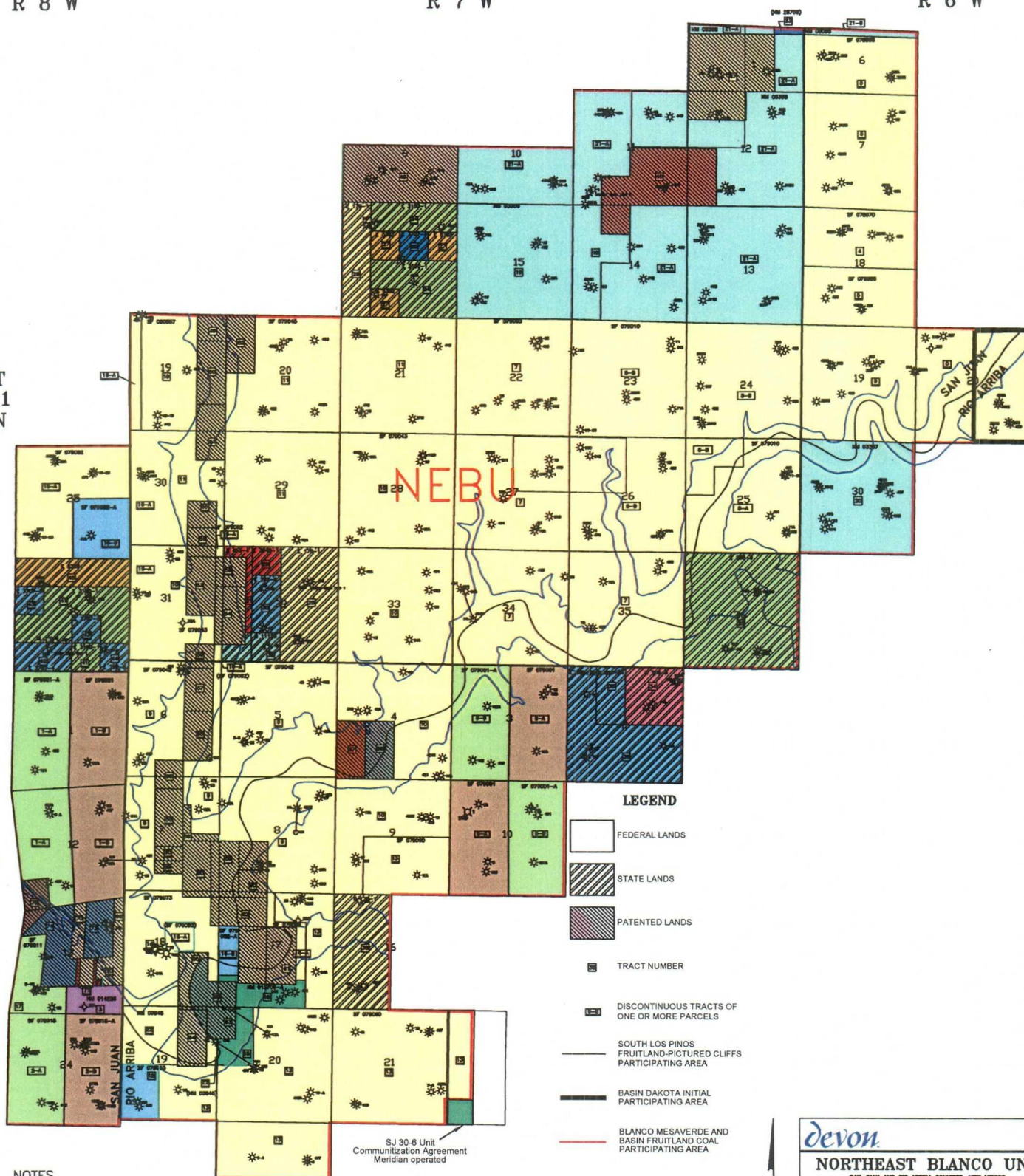
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## NOTES

- TRACTS FROM OCTOBER 26, 1918 G.L.O. PLAT.
- SAN JUAN - RIO ARriba COUNTY LINE DIGITIZED FROM UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY PINE RIVER, BURNT MESA AND BANCOS MESA QUADRANGLES.
- TOTAL AREA OF TRACTS AND SECTIONS ON EACH SIDE OF THE COUNTY LINE CALCULATED WITH AUTOCAD AND THE RESULTS PROPORTIONED TO LOTS AND TRACTS.

devon

## NORTHEAST BLANCO UNIT

SAN JUAN AND RIO ARriba COUNTIES, NEW MEXICO

UNIT AGREEMENT  
PLAN OF DEVELOPMENT  
FOR 2006

NMCS 14A-2006

2000 0 2000 4000 6000 8000  
Feet  
1/06