

OIL _____
 GAS XX
 DATE 6/23/2003

DEVON ENERGY CORPORATION

20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

AUTHORIZATION FOR EXPENDITURE DEVELOPMENT DRILLING AND COMPLETION COST ESTIMATE

AFE No.:
 Lease Name: Joell 6-2
 Legal Description: Section 6-23S-27E
 Footage: 1320' FNL & 1320' FEL

County or Parish, State: Eddy Co., NM
 Field Group: Catclaw Draw
 Field: Carlsbad
 Field Number: 4120
 Prepared By: D. C. Jennings/G. T. Pepper

Type 11 Development Drilling and Completion
 Category 1-Production
 Reserve Assoc (1)-Booked Proven Development Or (2)-New Reserves Development

AUTHORITY REQUESTED FOR: Drill and equip a 12,000' vertical Morrow producer- no 7" intermediate

Account Number	Sub	Description	Estimated Costs
203	1	INTANGIBLE DRILL AND DEV COSTS (For AFE Closure Process Only)	0
203	2	COMPL - INTANGIBLE COSTS (For AFE Closure Process Only)	0
204	1	EQUIPMENT (For AFE Closure Process Only)	0
204	2	COMPL - EQUIPMENT (For AFE Closure Process Only)	0
206	11	LAND, LEGAL	1000
206	12	SURFACE DAMAGES / RIGHT OF WAY	10000
206	13	LOCATION,ROADS,PITS,FENCES	40000
206	14	ARCHEOLOGICAL TESTING	0
206	19	OTHER SITE PREPARATION Conductor, rat/mousehole, pit liner	10000
206	41	TURNKEY DRILLING COSTS	0
206	42	FOOTAGE	0
206	43	DAYWORK 38 Days @ \$7500/day	285000
206	44	MOBILIZATION/DEMObILIZATION	35000
206	45	DIRECTIONAL DRILLING	0
206	49	OTHER CONTRACTOR SERVICES	0
206	55	TRAVEL	0
206	56	MEALS AND ENTERTAINMENT	0
206	101	DRILL BITS 1-17-1/2", 1-12-1/4", 5-8-3/4"	50000
206	102	DRLG FLUIDS	50000
206	103	SURFACE RENTAL TOOLS & EQUIPMENT	19000
206	104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	6000
206	109	OTHER MATERIALS & SUPPLIES	5000
206	201	WELDING, ROUSTABOUTS & OTHER SERV	3000
206	202	DIRT WORK & HEAVY EQUIPMENT	2000
206	203	TRUCKING & HOTSHOT	4000
206	204	PIPELINE INSTALLATION (Wellhead to LACT, CDP, etc. only)	0
206	251	CEMENT & CEMENTING SERVICES 13-3/8" & 9-5/8"	20000
206	255	LOGGING	50000
206	257	OPEN HOLE EVALUATION 28 days @ 800	22400
206	259	CASING & TUBULAR SERVICES	12000
206	263	FLUID DISPOSAL	0
206	266	HELICOPTER TRANSPORTATION	0
206	267	MARINE TRANSPORTATION	0
206	269	CONSULTANTS 38 days @ \$800	30400
206	271	FISHING SERVICES	0
206	281	COMMUNICATIONS SERVICES	1900
206	301	ELECTRICITY USAGE	0
206	302	WATER	40000
206	303	INJECTED CO2	0
206	305	DYED DIESEL-TEXAS	0
206	306	DRILL - POWER & FUEL 38 days @ 950	36100
206	501	INACTIVE CODE - DO NOT USE	0
206	502	SNUBBING UNIT & COILED TUBING	0
206	503	BACKFILL PITS/RESTORE LOCATION	3000
206	552	SAFETY EQUIPMENT & TRAINING	2000
206	559	ENVMNT & SAFETY MISCELLANEOUS	0
206	711	COMPANY SUPERVISION	0
206	721	DRILLING OVERHEAD	0
206	741	WELL CONTROL INSURANCE	0
206	751	LOST & DAMAGED EQUIPMENT	0
206	794	OBO IDC-AFE'D	0
206	801	FIELD LABOR	0
206	802	GENERAL LABOR	0
206	831	VEHICLE EXPENSE	0
206	861	FIELD OFC EXPENSE (SHOREBASE)	0
206	865	COMPANY BENEFITS	0
206	895	TAXES - OTHER 5% GR tax + 5% contingency	73000
206	996	IDC ACCRUAL (For JIB use only)	0
		INTANGIBLE DRILLING COSTS	810800
207	794	OBO EQUIPMENT AFE'D	0
207	895	TAXES - OTHER	0

207	901	SURFACE CASING 450' 13-3/8" 48# H-40 STC @ \$16.66	8500
207	902	INTERMEDIATE CASING 2600' 9-5/8" 36# J-55 STC @ \$12.88	36200
207	904	CONDUCTOR CASING/DRIVE PIPE	0
207	911	LINER	0
207	925	SUBSURFACE EQUIP - CIBP & Whipstock	0
207	931	WELLHEAD VALVES & EQUIPMENT	7500
207	996	EQUIPMENT ACCRUAL (For JIB Use Only)	0
601	1	OBO/DELETED INT CUTBACK CLRG (For JIB Use Only)	0
		TANGIBLE DRILLING COSTS	52200
		TOTAL DRILLING COSTS	863000
For Completion Purposes:			
216	11	LAND, LEGAL	0
216	12	SURFACE DAMAGES RIGHT OF WAY	0
216	19	OTHER SITE PREPARATION	0
216	41	TURNKEY COMPLETION COSTS	0
216	43	DAYWORK	15000
216	44	MOBILIZATION/DEMOBILIZATION	0
216	49	OTHER CONTRACTOR SERVICES	20000
216	55	TRAVEL	0
216	56	MEALS AND ENTERTAINMENT	0
216	101	DRILL BITS	0
216	102	COMPLETION FLUIDS	4540
216	103	SURFACE RENTAL TOOLS & EQUIPMENT	11250
216	104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	7700
216	109	OTHER MATERIALS & SUPPLIES	3500
216	201	WELDING, ROUTABOUTS & OTHER SERV	1000
216	202	DIRT WORK & HEAVY EQUIPMENT	0
216	203	TRUCKING & HOTSHOT	0
216	204	PIPELINE INSTALLATION	0
216	251	CEMENT & CEMENTING SERVICES	32000
216	254	FLOWBACK EQUIPMENT--TESTING SERVICES	3500
216	255	LOGGING	12000
216	259	CASING & TUBULAR SERVICES	10000
216	263	FLUID DISPOSAL	0
216	265	STIMULATION & GRAVEL PACK	190000
216	266	HELICOPTER TRANSPORTATION	0
216	267	MARINE TRANSPORTATION	0
216	269	CONSULTANTS	1600
216	271	FISHING SERVICES	0
216	281	COMMUNICATIONS SERVICES	200
216	301	ELECTRICITY USAGE	0
216	302	WATER	0
216	305	DYED DIESEL-TEXAS (Use only when coding for tax deduction)	0
216	306	COMPL - OTHER POWER & FUEL	0
216	501	PULLING & SWABBING UNITS	8750
216	502	SNUBBING UNIT & COLIED TUBING	54500
216	503	BACKFILL PITS/RESTORE LOCATION	0
216	552	SAFETY EQUIPMENT & TRAINING	0
216	559	ENVNMT & SAFETY MISCELLANEOUS	0
216	711	COMPANY SUPERVISION	0
216	721	DRILLING OVERHEAD	0
216	741	WELL CONTROL INSURANCE	0
216	751	LOST & DAMAGED EQUIPMENT	0
216	794	OBO ICC--AFE'D	0
216	801	FIELD LABOR	0
216	802	GENERAL LABOR (ENGINEER)	0
216	831	VEHICLE EXPENSE	0
216	861	FIELD OFC EXPENSE (SHOREBASE)	0
216	865	COMPANY BENEFITS	0
216	895	TAXES-OTHER	13800
216	996	IDC ACCRUAL (For JIB use only)	0
		INTANGIBLE COMPLETION COSTS	389340
217	794	OBO--EQUIPMENT--AFE'D	0
217	895	TAXES-OTHER	0
217	903	PRODUCTION CASING 12000' 5-1/2" 17# HCP-110 LTC @ \$7.08	92000
217	911	LINER	0
217	915	TUBING	35650
217	921	SUCKER RODS	0
217	925	SUBSURFACE EQUIPMENT	8500
217	931	WELLHEAD VALVES & EQUIPMENT	24500
217	935	ARTIFICIAL LIFT EQUIPMENT	0
217	941	TANKS	17000
217	945	TREATING EQUIPMENT	17500
217	951	COMPRESSORS	0
217	953	CATHODIC PROTECTION	0
217	955	WATER DISPOSAL PUMPS	0

217	961	LINE PIPE, METERS & FITTINGS	10000
217	986	SURFACE-OTHR TANG EQUIP	0
217	996	EQUIPMENT ACCRUAL (For JIB use only)	0
TANGIBLE COMPLETION COSTS			205150
TOTAL COMPLETION COSTS:			594490
For P&A Purposes Only:			
206	253	INACTIVE-DO NOT USE	0
206	712	INACTIVE-DO NOT USE	0
206	799	INACTIVE-DO NOT USE	0
206	803	INACTIVE-DO NOT USE	0
206	832	INACTIVE-DO NOT USE	0
206	866	INACTIVE-DO NOT USE	0
INTANGIBLE P&A COSTS			0
207	799	INACTIVE-DO NOT USE	0
207	905	INACTIVE-DO NOT USE	0
207	906	INACTIVE-DO NOT USE	0
207	907	INACTIVE-DO NOT USE	0
207	908	INACTIVE-DO NOT USE	0
207	909	INACTIVE-DO NOT USE	0
207	910	INACTIVE-DO NOT USE	0
TANGIBLE P&A COSTS			0
TOTAL P&A COSTS:			0
DRY HOLE INTANGIBLE COSTS (Drilling + P&A)			810800
DRY HOLE TANGIBLE COSTS (Drilling + P&A)			52200
TOTAL DRY HOLE COSTS			863000
COMPLETED WELL INTANGIBLE COSTS (Drilling +Completion)			1200140
COMPLETED WELL TANGIBLE COSTS (Drilling +Completion)			257350
TOTAL ESTIMATED COSTS			\$1,457,490

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Title:

Date: