

May 27, 2004

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM

87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-34782

5. Indicate Type of Lease

STATE ☒ FEE ☐

State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Hackberry 31 State

8. Well Number

2

9. OGRID Number

6137

10. Pool name or Wildcat

Sheep Draw; Morrow (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator

Devon Energy Production Company, LP

3. Address of Operator

20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-7802

4. Well Location

Unit Letter P : 920 feet from the South line and 1310 feet from the East lineSection 31 Township 22S Range 26E NMPM Eddy County, NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3381'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: Drilling Operations 05/29/07 ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LP spud this well on April 22nd, 2006 and is continuing drilling operations to meet our lease expiration date of 5/31/06: (May 9th, 2007)

05/29/07 MIRU rat hole - drill 12 1/4" hole from 56' - 58'. Rig dwn & mv out rat hole machine.

May 29th, 2007 Drilling Report is attached.I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE [Signature] TITLE Sr. Staff Engineering Technician DATE 05/30/07Type or print name Stephanie A. Ysasaga E-mail address: Stephanie.Ysasaga@dvn.com Telephone No. (405) 552-7802

For State Use Only

APPROVED BY [Signature] TITLE Act II Supervisor DATE 5/1/07

Conditions of Approval (if any)

DATE: 5/29/2007

DISTRICT: PERMIAN BASIN
LOCATION: SEC. 31-22S-26E
PROJECT: PB NEW MEXICO
FIELD: HAPPY VALLEY
COUNTY: EDDY
STATE: NM

TIGHT GROUP: UNRESTRICTED
LAT-LONG: 32.344 N - 104.328 W
KB ELEV: 3,381.00
WI: 100.00000
API: 30-015-34782

REPORT NO:	21	SPUD DATE:	
FORMATION:			
LITHOLOGY:			
DEPTH:	58	DSS:	21.00
RIG NM / NO:		FOOTAGE:	2
RIG PH #:			/

PROP. #: 022858-020
AUTH TVD: 11,675 (ft)
AUTH TMD: 11,675 (ft)

AFE #: 126323

AFE DRLG COST:	15,000	AFE COMP COST:	0	AFE TOTAL COST:	15,000
DAILY DRLG COST:	1,850	DAILY COMP COST:	0	DAILY TOTAL COST:	1,850
CUM DRLG COST:	35,800	CUM COMP COST:	0	CUM TOTAL COST:	35,800

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
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NO BIT DATA TODAY

MUD PROPERTIES		MUD USED		HYDRAULICS		
Time:	Solids:	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3
MW:	Oil:			Liner Size: Lngh Strk: SPM: GPM:		
VISC:	10 sec Gel:					
pH:	10 min Gel:					
Chl:	CA:					
WL:	Pm:			PSI: AV (DP): PSI Drop:	AV (DC): HP/In2:	
HTHP:	Pf:					
FC:	Ex Lime:					
PV:	Elec Stab			SLOW PUMP RATES		
YP:	MBT:			PUMP #1	psi @	spm
LCM:	LGS:	PUMP #2	psi @	spm		

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ /
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:

Bkgrd Gas:

[illegible]

LAST CASING / BOP / NEXT CASING

Depth: 0	FIT:	Size:	Wt:	Grade:	Connection:	Next Casing: @
Last BOP Test Date:		Accident:		Loss Control Inc:	24 Hr Forecast:	wait 20 days and drill another 2' of new hole 06-

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
09:00	11:00	2.00	NO	Drill 2' of new hole from 56' to 58' with Butches Rathole machine . Wait 20 days and drill another 2' on hole . 06-18-2007 .	Code	Description	Costs
					207-904	conductor hole	1,850.00
					Total Daily Cost:		1,850.00

FOREMAN: Mike Dewitt

Total Daily Cost:	1,850
Cumulative Cost to Date:	35,800