

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

BEFORE THE  
OIL CONSERVATION DIVISION  
Case 13501 Exhibit No. 1  
Submitted By:  
*Devon Energy Production Co.*  
Hearing Date: June 2, 2005

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION  
FOR THE PURPOSES OF CONSIDERING:**

**CASE NO. 13 501**

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P.  
FOR APPROVAL OF A UNIT AGREEMENT,  
LEA COUNTY, NEW MEXICO.**

**AFFIDAVIT OF  
RICHARD WINCHESTER AND STEVE HULKE,**

**STATE OF OKLAHOMA           §  
  § ss.  
COUNTY OF OKLAHOMA     §**

Before me, the undersigned authority, personally appeared Richard Winchester and Steve Hulke who being fully sworn stated:

A. Our names and qualifications as experts are as follows:

Richard Winchester

Education:           MBA University of Oklahoma – 2005  
Experience:          Practicing Landman for 15 years in Texas and New Mexico  
Certification:       Registered Professional Landman #29884

Steve Hulke

Education:           MS in Geology, Univeristy of Texas - 1978  
Experience:          Practicing geologist for 27 years, Texas, Oklahoma, New Mexico, California, North Dakota  
Certification:       Certified Petroleum Geologist #2600

B. We are over the age of majority and competent to make this Affidavit.

We are each responsible for and involved in preparing the necessary documents for submittal to the New Mexico Oil Conservation Division for this case.

We are each personally knowledgeable and familiar with the facts and circumstances of this case and the following factual statements.

**Affidavit of Devon Energy Production Company, L.P.**

This affidavit has been prepared in accordance with the New Mexico Oil Conservation Division Rule 1207.A(1)(b).

C. Our expert opinions are based on the following facts and events:

### CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS

1. Devon Energy Production Company, L.P. ("Devon") has more than a 73% working interest ownership in the oil and gas minerals underlying the proposed unit area and proposes to be designated the unit operator. (The Unit map is attached as Exhibit "A") ✓
2. Devon, the designated Unit Operator in the Custer Mountain North Unit, proposes the formation of this Unit to test all formations from the surface to the base of the Pennsylvanian formations. ✓
3. Devon has proposed to drill its Keller "4" Well No. 1 at a standard location 1980 feet FSL and 1475 feet FWL of Section 4, T23S, R35E to be drilled to a proposed total depth of 14,200 feet or a depth sufficient to test the Morrow formation with the W/2 of Section 4 being designated as the standard 320-acre gas spacing unit for this well. The estimated costs for this well are \$2,668,153. (The AFE is attached as Exhibit "B") ✓
4. Devon has submitted its request for preliminary approval of this unit to the State Land Office ("SLO") and the Bureau of Land Management ("BLM"). ✓
5. Devon proposes to use the approval form of unit agreement approved by the SLO and BLM. (The Unit Agreement is attached as Exhibit "C")
6. Devon's proposed Unit Operating Agreement is attached as Exhibit "D".
7. All of Devon's interest within the Unit Area will be committed to the Unit. ✓
8. Devon's geologic interpretation and supporting exhibits are attached as follows:
  - (a) Written summary by Steve Hulke (Attached as Exhibit "E")
  - (b) West-East Stratigraphic cross-section (Attached as Exhibit "F")
  - (c) North-South Stratigraphic cross-section (Attached as Exhibit "G")
  - (d) Isopach Map-Atoka Clastics (Attached as Exhibit "H")
  - (e) Structure Map-top of Atoka Clastics (Attached as Exhibit "I")

### OPINIONS

9. Based upon the foregoing we are of the opinion that

**Affidavit of Devon Energy Production Company, L.P.**

- (a) The unit covers an area that can be reasonably developed under a unit plan. ✓
- (b) The primary target is the Atoka formation ✓
- (c) If the initial unit well is successful, additional wells will be drilled in the Unit Area. Accordingly, approval of the unit agreement will result in the efficient recovery of hydrocarbons. ✓

**RECOMMENDATIONS**

10. Approval of the Custer Mountain North Federal State Unit and the development of the Unit Area pursuant to this unit plan are in the best interest of conversation, the prevention of waste and the protection of correlative rights.

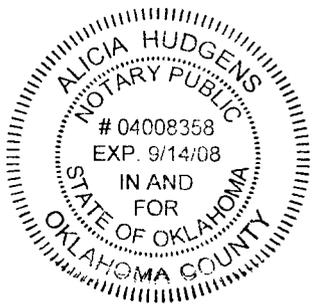
**FURTHER AFFIANT SAYETH NOT:**

*Richard C. Winchester*  
 \_\_\_\_\_  
 Richard Winchester

*Steven D. Hulke*  
 \_\_\_\_\_  
 Steve Hulke

STATE OF OKLAHOMA                   §  
   §  
 COUNTY OF OKLAHOMA               §

SUBSCRIBED AND SWORN TO before me this 19 day of May 2005, by Richard Winchester and Steve Hulke



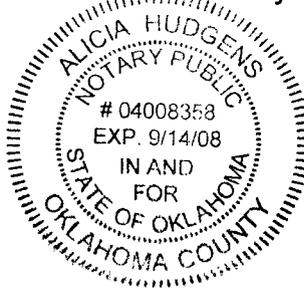
*Alicia Hudgens*  
 \_\_\_\_\_  
 Notary Public

**ACKNOWLEDGMENT**

STATE OF OKLAHOMA   §  
                                  §       SS:  
COUNTY OF OKLAHOMA §

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 19 day of May, 2005, personally appeared Richard Winchester and Steve Hulke to me known to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



*Alicia Hudgens*  
Notary Public

My Commission expires:

9-14-08