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Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Janet Wooldridge, Senior Div Landman
405-552-4626
405-552-4554
Jan.wooldridge@dvn.com

July 5, 2006

Bureau of Land Management
1235 LaPlata Highway
Farmington, NM 87401
Attention: Mr. Wayne Townsend

Re: PAYING WELL DETERMINATIONS
Pictured Cliffs Formation
Northeast Blanco Unit ("NEBU")
San Juan and Rio Arriba Counties, New Mexico

Dear Mr. Townsend:

Devon Energy Production Company, L.P., as a unit operator for the Northeast Blanco Unit ("NEBU"), requests a Paying Well Determination for each of the wells listed below. Enclosed are reserve and economic runs as well as production histories for each well. If additional information is required, please advise.

WELL NAME	**FORMATION**	**LOCATION**
NEBU 228	Pictured Cliffs	NE/4 Sec. 14-31N-7W
NEBU 229J	Pictured Cliffs	NE/4 Sec. 12-31N-7W
NEBU 236	Pictured Cliffs	NW/4 Sec. 25-31N-7W
NEBU 239	Pictured Cliffs	SW/4 Sec. 7-31N-6W
NEBU 333	Pictured Cliffs	NE/4 Sec. 19-31N-6W

Should it be determined that any well is a Paying Well, a proposed expansion to the Pictured Cliffs Participating Area to include said well will be submitted for your approval. Wells that are determined to be non-commercial will be reported under their lease number or communitization agreement number.

If you have any questions don't hesitate to contact Jan Wooldridge at 405-552-4626 or email Jan.Wooldridge@dvn.com.

Sincerely

DEVON ENERGY PRODUCTION COMPANY, L.P.

Janna Koehn

Janna Koehn
Land Technician

cc: State of New Mexico
Oil Conservation Division
1220 South St. Frances Drive
Santa Fe, New Mexico 87505
Attention: Mr. Mark E. Fesmire, P.E., Director

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87505
Attention: Mr. Pete Martinez

Working Interest Owners

PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 228 (PICTURED CLIFFS)
NE 14-T31N-R7W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$570,000
OPERATING COST	-	$1,000/Month
GAS TRANSPORTATION FEE	-	$0.45/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.2%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL FORECAST = $6.00/mcf

RATE FORECAST PROCEDURE:

NEBU 228 was drilled and completed in the Pictured Cliffs (PC) in 2005. Following about 3 months of flush production, the daily production history of the well was fit to a Pictured Cliffs type decline curve (copy of type curve attached). The type curve was then used to forecast the future production profile of NEBU 228 (production curve also attached). The PC type curve was developed from monthly production volumes for PC wells in, and adjacent to, NEBU. An economic analysis was run using the above mentioned forecast along with the other parameters shown above. The attached economic run shows NEBU 228 to be a paying well.

DEVON ENERGY CORP.

ECONOMIC SUMMARY

GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/09 - 2028/07

:ASE PARAMETERS

DIVISION	WESTERN	.OPERATED		AFE NUMBER:	
DISTRICT	REQUIRED	.OPERATOR			
PROJECT AREA	REQUIRED	.STATUS		TITLE 1:	NEBU 228 PICTURED CLIFFS
FIELD GROUP	REQUIRED	.RESERVOIR		TITLE 2:	PAYING WELL DETERMINATION
FIELD	REQUIRED	.PROPERY CODE		TITLE 3:	
RES CAT CURRENT	REQUIRED	.MAJOR PHASE	REQUIRED		
RES CAT YEAREND	REQUIRED	.ENGINEER			
RES CAT PRIOR YE	REQUIRED	.RIO WELLZONENUM			

CASE DATES

REPORT START DATE	2005/09
REPORT END DATE	2028/07
EVALUATION DATE	2005/09
DISCOUNT DATE	2005/09
PRODUCTION START	2005/10
ECONOMIC LIMIT	2028/07
1ST INVESTMENT	2005/09

DATE AND TIME

DATE:	5/8/2006
TIME:	10:17

:ASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	
COND PRICE OFFSET1	
NGL PRICE BASE	
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
.NRI OIL	0.000	0.000	0.000
.NRI GAS	0.000	87.500	87.500
.NRI BYPROD	0.000	0.000	0.000
.WI OPCOST	0.000	100.000	90.564
.WI CAPITAL	100.000	100.000	100.000

CASE SCENARIOS

OIL PROD FORECAST	Base
GAS PROD FORECAST	Base
COND PROD FORECAST	Base
NGL PROD FORECAST	Base
OPERATING COSTS	Base
CAPITAL	Base
CUSTOM	Base
INTERESTS	Base
OIL PRICE	
GAS PRICE	
COND PRICE	
NGL PRICE	

:UMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	223.59	163.4
PAYOUT PERIOD	STND. (MO'S)	8.57	9.7
	PROJ. (MO'S)	8.57	9.7
UNDISC. PIR	M$/M$	5.58	3.46
10.0 PCNT. PIR	M$/M$	3.08	1.89
15.0 PCNT. PIR	M$/M$	2.47	1.51
FD COST	($/BOE)	4.409	
FDO COST	($/BOE)	12.238	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	570.000	3,177.956	1,970.333
5	570.000	2,286.285	1,412.275
8	570.000	1,938.457	1,193.954
10	570.000	1,755.144	1,078.678
12	570.000	1,600.734	981.434
14	570.000	1,469.171	898.452
15	570.000	1,410.487	861.396
16	570.000	1,355.899	826.899
18	570.000	1,257.449	764.616
20	570.000	1,171.144	709.936

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
.OIL/COND	MBBL	0.000	0.000
. GAS - PROD	MMCF	933.261	816.603
.- SALES	MMCF	886.598	775.773
.NGL	MBBL	0.000	0.000
.OIL EQ (SALES)	MBOE	147.766	129.296

ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
.OIL/COND	MBBL	0.000	0.000
.GAS	MMCF	0.000	933.261

'RODUCT, PRICE, AND REVENUE

Date	GROSS OIL/COND VOLUME	GROSS PROD GAS VOLUME	GROSS NGL VOLUME	NET OIL/COND VOLUME	NET SALES GAS VOLUME	NET NGL VOLUME	TOTAL NET OIL EQUIV VOLUME	AVG OIL/COND PRICE	AVG GAS PRICE	AVG NGL PRICE	NET OIL/COND REVENUE	NET GAS REVENUE	NET NGL REVENUE	NET OTHER INCOME	TOTAL NET REVENUE
	MBBL	MMCF	MBBL	MBBL	MMCF	MBBL	MBOE	$/Bbl	$/mcf	$/Bbl	M$	M$	M$	M$	M$
005(12)	0.000	60.290	0.000	0.000	50.116	0.000	8.353	0.000	5.756	0.000	0.000	385.912	0.000	0.000	385.912
006(12)	0.000	121.287	0.000	0.000	100.820	0.000	16.803	0.000	6.138	0.000	0.000	625.316	0.000	0.000	625.316
007(12)	0.000	84.559	0.000	0.000	70.290	0.000	11.715	0.000	6.000	0.000	0.000	421.738	0.000	0.000	421.738
008(12)	0.000	75.379	0.000	0.000	62.659	0.000	10.443	0.000	6.000	0.000	0.000	375.954	0.000	0.000	375.954
009(12)	0.000	67.841	0.000	0.000	56.393	0.000	9.399	0.000	6.000	0.000	0.000	338.358	0.000	0.000	338.358
010(12)	0.000	61.057	0.000	0.000	50.754	0.000	8.459	0.000	6.000	0.000	0.000	304.523	0.000	0.000	304.523
011(12)	0.000	54.952	0.000	0.000	45.678	0.000	7.613	0.000	6.000	0.000	0.000	274.071	0.000	0.000	274.071
012(12)	0.000	49.456	0.000	0.000	41.111	0.000	6.852	0.000	6.000	0.000	0.000	246.664	0.000	0.000	246.664
013(12)	0.000	44.511	0.000	0.000	36.999	0.000	6.167	0.000	6.000	0.000	0.000	221.996	0.000	0.000	221.996
014(12)	0.000	40.060	0.000	0.000	33.300	0.000	5.550	0.000	6.000	0.000	0.000	199.797	0.000	0.000	199.797
015(12)	0.000	36.054	0.000	0.000	29.970	0.000	4.995	0.000	6.000	0.000	0.000	179.817	0.000	0.000	179.817
016(12)	0.000	32.448	0.000	0.000	26.973	0.000	4.495	0.000	6.000	0.000	0.000	161.837	0.000	0.000	161.837
017(12)	0.000	29.203	0.000	0.000	24.275	0.000	4.046	0.000	6.000	0.000	0.000	145.652	0.000	0.000	145.652
018(12)	0.000	26.283	0.000	0.000	21.848	0.000	3.641	0.000	6.000	0.000	0.000	131.087	0.000	0.000	131.087
019(12)	0.000	23.655	0.000	0.000	19.663	0.000	3.277	0.000	6.000	0.000	0.000	117.978	0.000	0.000	117.978
;ub.	0.000	807.035	0.000	0.000	670.848	0.000	111.808	---	—	---	0.000	4,130.700	0.000	0.000	4,130.700
lem.	0.000	126.227	0.000	0.000	104.926	0.000	17.488	—	---	—	0.000	629.555	0.000	0.000	629.555
'otal	0.000	933.261	0.000	0.000	775.773	0.000	129.296	---	---	---	0.000	4,760.254	0.000	0.000	4,760.254

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Date	NUM OF WELLS	NET RECURRING LOE	NET COPAS	NET WORKOVER	NET AD VALOREM TAX	NET PRODUCT TRANSPORTATION	TOTAL NET LOE	NET SEVERANCE TAX	TOTAL NET OPERATING EXPENSE	NET OPERATING INCOME	NET DIRECT OH	NET REIMB OH	TOTAL NET OVERHEAD
		M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
005(12)	0.75	3.000	0.000	0.000	0.000	22.552	25.552	32.089	57.641	328.271	0.000	0.000	0.000
006(12)	1.00	12.000	0.000	0.000	0.000	45.369	57.369	51.172	108.541	516.775	0.000	0.000	0.000
007(12)	1.00	12.000	0.000	0.000	0.000	31.630	43.630	34.416	78.046	343.692	0.000	0.000	0.000
008(12)	1.00	12.000	0.000	0.000	0.000	28.197	40.197	30.680	70.876	305.078	0.000	0.000	0.000
009(12)	1.00	12.000	0.000	0.000	0.000	25.377	37.377	27.612	64.989	273.370	0.000	0.000	0.000
010(12)	1.00	12.000	0.000	0.000	0.000	22.839	34.839	24.851	59.690	244.833	0.000	0.000	0.000
011(12)	1.00	12.000	0.000	0.000	0.000	20.555	32.555	22.366	54.921	219.150	0.000	0.000	0.000
012(12)	1.00	12.000	0.000	0.000	0.000	18.500	30.500	20.129	50.629	196.035	0.000	0.000	0.000
013(12)	1.00	12.000	0.000	0.000	0.000	16.650	28.650	18.116	46.766	175.231	0.000	0.000	0.000
014(12)	1.00	12.000	0.000	0.000	0.000	14.985	26.985	16.304	43.289	156.508	0.000	0.000	0.000
015(12)	1.00	12.000	0.000	0.000	0.000	13.486	25.486	14.674	40.160	139.657	0.000	0.000	0.000
016(12)	1.00	12.000	0.000	0.000	0.000	12.138	24.138	13.207	37.344	124.492	0.000	0.000	0.000
:017(12)	1.00	12.000	0.000	0.000	0.000	10.924	22.924	11.886	34.810	110.842	0.000	0.000	0.000
'018(12)	1.00	12.000	0.000	0.000	0.000	9.832	21.832	10.697	32.529	98.558	0.000	0.000	0.000
'019(12)	1.00	12.000	0.000	0.000	0.000	8.848	20.848	9.628	30.476	87.502	0.000	0.000	0.000
;ub.	—	171.000	0.000	0.000	0.000	301.881	472.881	337.826	810.707	3,319.993	0.000	0.000	0.000
lem.	—	103.000	0.000	0.000	0.000	47.217	150.217	51.375	201.592	427.963	0.000	0.000	0.000
'otal	—	274.000	0.000	0.000	0.000	349.098	623.098	389.201	1,012.299	3,747.956	0.000	0.000	0.000

3T AND AT CASH FLOW

Date	NET CAPITAL LESS P&A	NET P&A	TOTAL NET CAPITAL	NET BT CASH FLOW UNDISC	CUM NET BT CASH FLOW	NET BT CASH FLOW DISC@10%	NET CAPITAL DEPRECIATION	NET CAPITAL DEPLETION	NET CAPITAL EXPENSE	NET TAXABLE INCOME	NET TAX CREDIT	NET INCOME TAXES PAYABLE	NET AT CASH FLOW UNDISC	NET AT CASH FLOW DISC@10%
	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
:005(12)	570.000	0.000	570.000	-241.729	-241.729	-246.410	14.286	0.000	470.000	-156.014	0.000	-59.285	-182.443	-187.518
:006(12)	0.000	0.000	0.000	516.775	275.046	482.225	24.490	0.000	0.000	492.285	0.000	187.068	329.707	307.612
:007(12)	0.000	0.000	0.000	343.692	618.738	290.147	17.493	0.000	0.000	326.199	0.000	123.956	219.736	185.497
:008(12)	0.000	0.000	0.000	305.078	923.816	234.069	12.495	0.000	0.000	292.583	0.000	111.181	193.896	148.763
:009(12)	0.000	0.000	0.000	273.370	1,197.186	190.655	8.925	0.000	0.000	264.445	0.000	100.489	172.881	120.570
:010(12)	0.000	0.000	0.000	244.833	1,442.018	155.230	8.925	0.000	0.000	235.908	0.000	89.645	155.188	98.392
:011(12)	0.000	0.000	0.000	219.150	1,661.168	126.315	8.925	0.000	0.000	210.225	0.000	79.885	139.264	80.269
:012(12)	0.000	0.000	0.000	196.035	1,857.203	102.732	4.462	0.000	0.000	191.572	0.000	72.798	123.237	64.581
:013(12)	0.000	0.000	0.000	175.231	2,032.433	83.473	0.000	0.000	0.000	175.231	0.000	66.588	108.643	51.753
:014(12)	0.000	0.000	0.000	156.508	2,188.941	67.777	0.000	0.000	0.000	156.508	0.000	59.473	97.035	42.021
:015(12)	0.000	0.000	0.000	139.657	2,328.598	54.981	0.000	0.000	0.000	139.657	0.000	53.070	86.587	34.088
:016(12)	0.000	0.000	0.000	124.492	2,453.091	44.561	0.000	0.000	0.000	124.492	0.000	47.307	77.185	27.628
:017(12)	0.000	0.000	0.000	110.842	2,563.933	36.064	0.000	0.000	0.000	110.842	0.000	42.120	68.722	22.360
:018(12)	0.000	0.000	0.000	98.558	2,662.491	29.153	0.000	0.000	0.000	98.558	0.000	37.452	61.106	18.075

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/09 - 2028/07

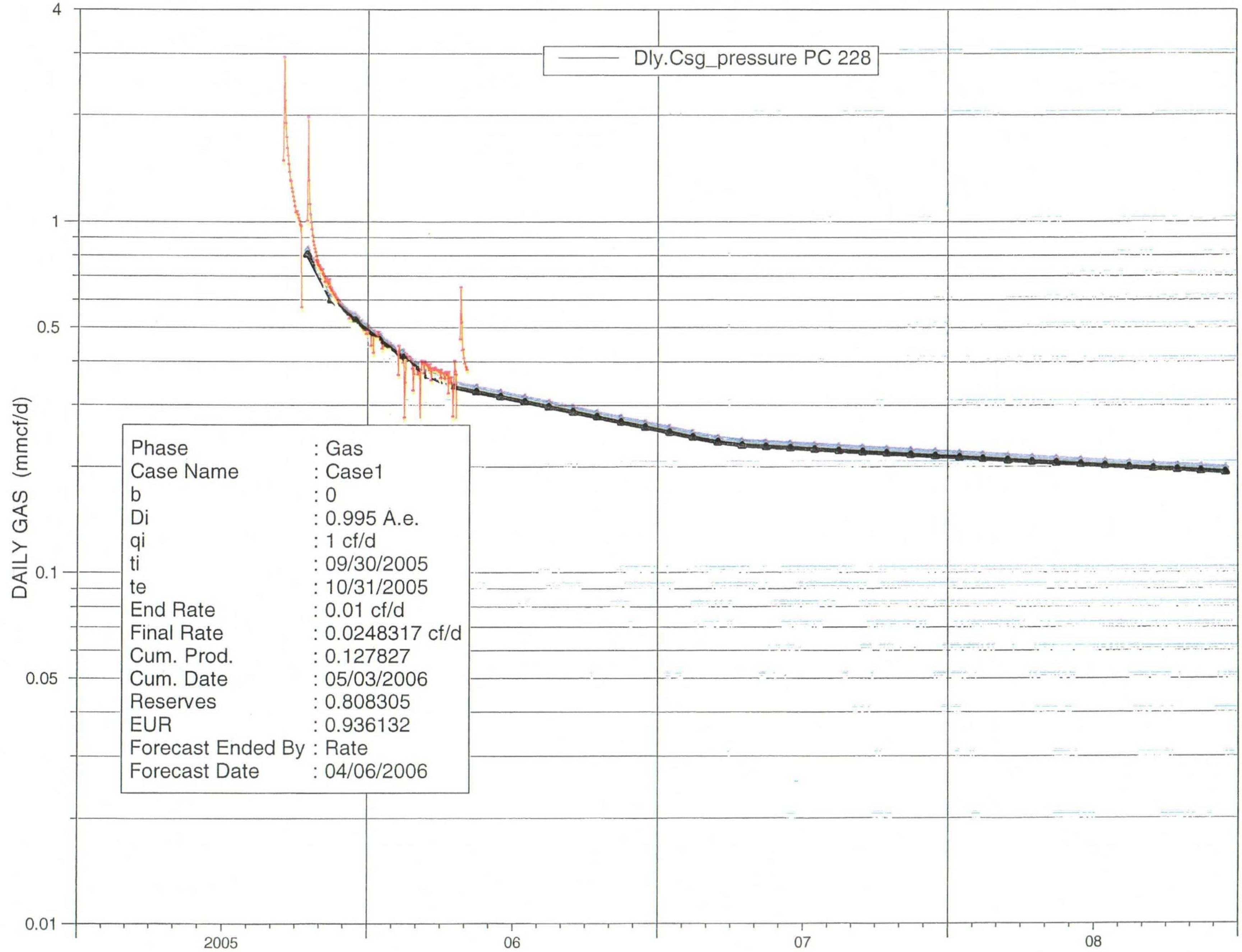
T AND AT CASH FLOW

Date	NET CAPITAL LESS P&A	NET P&A	TOTAL NET CAPITAL	NET BT CASH FLOW UNDISC	CUM NET BT CASH FLOW	NET BT CASH FLOW DISC@10%	NET CAPITAL DEPRECIATION	NET CAPITAL DEPLETION	NET CAPITAL EXPENSE	NET TAXABLE INCOME	NET TAX CREDIT	NET INCOME TAXES PAYABLE	NET AT CASH FLOW UNDISC	NET AT CASH FLOW DISC@10%
	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
)19(12)	0.000	0.000	0.000	87.502	2,749.993	23.530	0.000	0.000	0.000	87.502	0.000	33.251	54.251	14.588
ɹb.	570.000	0.000	570.000	2,749.993	2,749.993	1,674.501	100.000	0.000	470.000	2,749.993	0.000	1,044.997	1,704.996	1,028.680
em.	0.000	0.000	0.000	427.963	427.964	80.643	0.000	0.000	0.000	427.963	0.000	162.626	265.337	49.999
ɔtal	570.000	0.000	570.000	3,177.956	3,177.958	1,755.144	100.000	0.000	470.000	3,177.956	0.000	1,207.623	1,970.333	1,078.678

ASE NOTES

ɔTES Case created from consolidation run.
Consolidation Name: GEKWORK

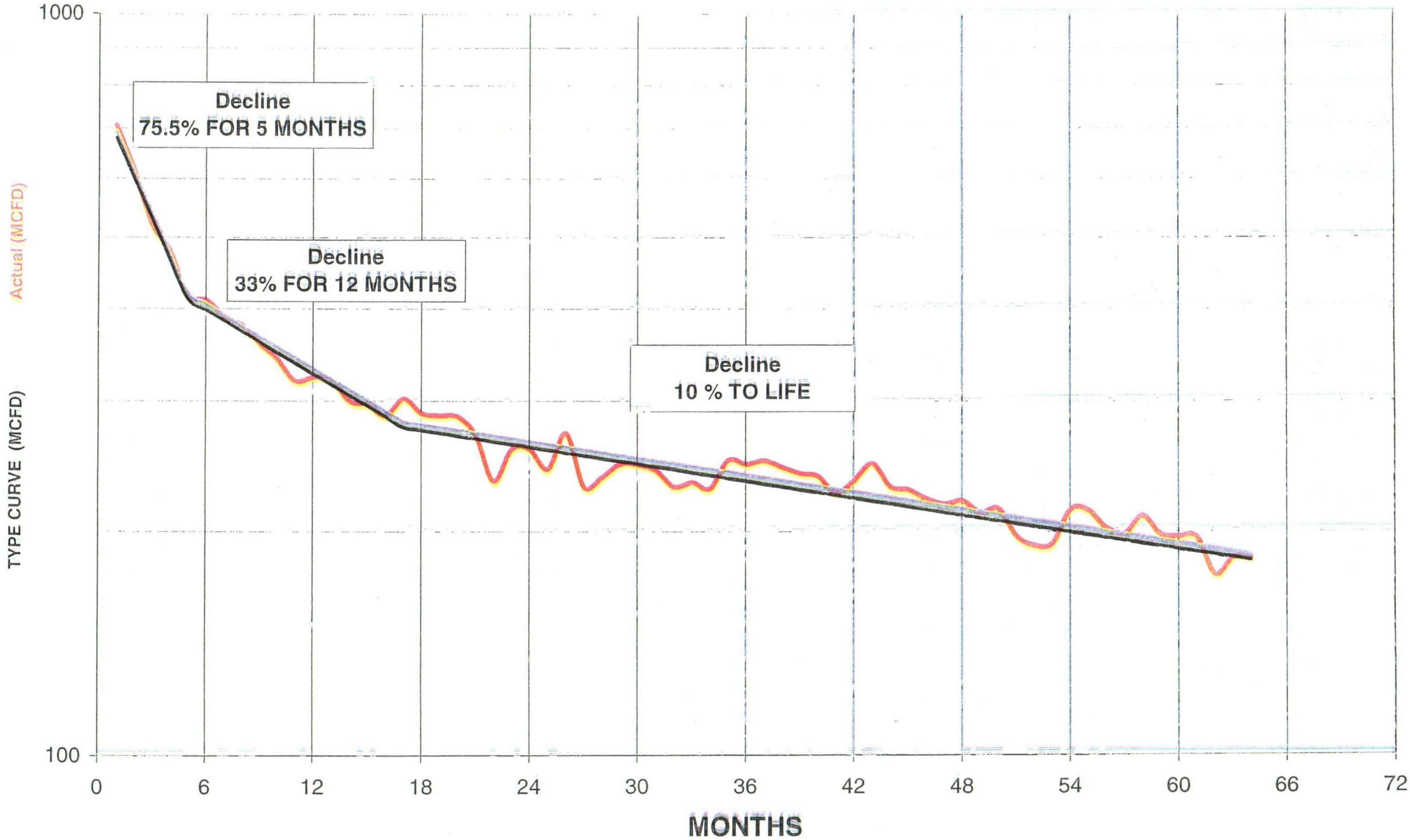
PC 228



Dly.Csg_pressure PC 228
DAILY GAS (mmcf/d)
4
1
0.5
0.1
0.05
0.01
2005
06
07
08
Phase : Gas
Case Name : Case1
b : 0
Di : 0.995 A.e.
qi : 1 cf/d
ti : 09/30/2005
te : 10/31/2005
End Rate : 0.01 cf/d
Final Rate : 0.0248317 cf/d
Cum. Prod. : 0.127827
Cum. Date : 05/03/2006
Reserves : 0.808305
EUR : 0.936132
Forecast Ended By : Rate
Forecast Date : 04/06/2006

NEBU AREA PICTURED CLIFFS TYPE CURVE

OLDER WELLS - MONTHLY DATA



PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 229J (PICTURED CLIFFS)
NE 12-T31N-R7W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$570,000
OPERATING COST	-	$1,000/Month
GAS TRANSPORTATION FEE	-	$0.45/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.2%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL FORECAST = $6.00/mcf

RATE FORECAST PROCEDURE:

NEBU 229J was drilled and completed in the Pictured Cliffs (PC) in 2005. The daily production history of the well was fit to a Pictured Cliffs type decline curve (copy of type curve attached). The type curve was then used to forecast the future production profile of NEBU 229J (production curve also attached). The PC type curve was developed from monthly production volumes for PC wells in, and adjacent to, NEBU. An economic analysis was run using the above mentioned forecast along with the other parameters shown above. The attached economic run shows NEBU 229J PC to be a paying well.

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK
Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/08 - 2024/12

CASE PARAMETERS

DIVISION	WESTERN	OPERATED		AFE NUMBER:	
DISTRICT	REQUIRED	OPERATOR			
PROJECT AREA	REQUIRED	STATUS		TITLE 1:	NEBU 229U PICTURED CLIFFS
FIELD GROUP	REQUIRED	RESERVOIR		TITLE 2:	PAYING WELL DETERMINATION
FIELD	REQUIRED	PROPERY CODE		TITLE 3:	
RES CAT CURRENT	REQUIRED	MAJOR PHASE	REQUIRED		
RES CAT YEAREND	REQUIRED	ENGINEER			
RES CAT PRIOR YE	REQUIRED	RIO WELLZONENUM			

CASE DATES

REPORT START DATE	2005/08
REPORT END DATE	2024/12
EVALUATION DATE	2005/08
DISCOUNT DATE	2005/08
PRODUCTION START	2005/09
ECONOMIC LIMIT	2024/12
1ST INVESTMENT	2005/08

DATE AND TIME

DATE:	5/4/2006
TIME:	16:45

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	
COND PRICE OFFSET1	
NGL PRICE BASE	
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	0.000	0.000	0.000
NRI GAS	0.000	87.500	87.500
NRI BYPROD	0.000	0.000	0.000
WI OPCOST	0.000	100.000	90.726
WI CAPITAL	100.000	100.000	100.000

CASE SCENARIOS

OIL PROD FORECAST	Base
GAS PROD FORECAST	Base
COND PROD FORECAST	Base
NGL PROD FORECAST	Base
OPERATING COSTS	Base
CAPITAL	Base
CUSTOM	Base
INTERESTS	Base
OIL PRICE	
GAS PRICE	
COND PRICE	
NGL PRICE	

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	108.58	86.8
PAYOUT PERIOD	STND. (MO'S)	14.68	16.2
	PROJ. (MO'S)	14.68	16.2
UNDISC. PIR	M$/M$	4.23	2.62
10.0 PCNT. PIR	M$/M$	2.27	1.39
15.0 PCNT. PIR	M$/M$	1.77	1.07
FD COST	($/BOE)	5.648	
FDO COST	($/BOE)	13.729	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	570.000	2,412.008	1,495.445
5	570.000	1,719.952	1,060.664
8	570.000	1,440.901	884.720
10	570.000	1,291.755	790.462
12	570.000	1,165.066	710.244
14	570.000	1,056.411	641.312
15	570.000	1,007.751	610.396
16	570.000	962.389	581.548
18	570.000	880.361	529.304
20	570.000	808.254	483.288

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	728.445	637.389
- SALES	MMCF	692.023	605.520
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	115.337	100.920

ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	728.445

PRODUCT, PRICE, AND REVENUE

Date	GROSS OIL/COND VOLUME MBBL	GROSS PROD GAS VOLUME MMCF	GROSS NGL VOLUME MBBL	NET OIL/COND VOLUME MBBL	NET SALES GAS VOLUME MMCF	NET NGL VOLUME MBBL	TOTAL NET OIL EQUIV VOLUME MBOE	AVG OIL/COND PRICE $/Bbl	AVG GAS PRICE $/mcf	AVG NGL PRICE $/Bbl	NET OIL/COND REVENUE M$	NET GAS REVENUE M$	NET NGL REVENUE M$	NET OTHER INCOME M$	TOTAL NET REVENUE M$
2005(12)	0.000	51.623	0.000	0.000	42.911	0.000	7.152	0.000	6.211	0.000	0.000	334.596	0.000	0.000	334.596
2006(12)	0.000	91.932	0.000	0.000	76.419	0.000	12.736	0.000	5.523	0.000	0.000	424.258	0.000	0.000	424.258
2007(12)	0.000	68.959	0.000	0.000	57.322	0.000	9.554	0.000	6.250	0.000	0.000	358.263	0.000	0.000	358.263
2008(12)	0.000	61.993	0.000	0.000	51.532	0.000	8.589	0.000	6.250	0.000	0.000	322.074	0.000	0.000	322.074
2009(12)	0.000	55.794	0.000	0.000	46.379	0.000	7.730	0.000	6.250	0.000	0.000	289.866	0.000	0.000	289.866
2010(12)	0.000	50.214	0.000	0.000	41.741	0.000	6.957	0.000	6.250	0.000	0.000	260.880	0.000	0.000	260.880
2011(12)	0.000	45.193	0.000	0.000	37.567	0.000	6.261	0.000	6.250	0.000	0.000	234.792	0.000	0.000	234.792
2012(12)	0.000	40.674	0.000	0.000	33.810	0.000	5.635	0.000	6.250	0.000	0.000	211.312	0.000	0.000	211.312
2013(12)	0.000	36.606	0.000	0.000	30.429	0.000	5.072	0.000	6.250	0.000	0.000	190.181	0.000	0.000	190.181
2014(12)	0.000	32.946	0.000	0.000	27.386	0.000	4.564	0.000	6.250	0.000	0.000	171.163	0.000	0.000	171.163
2015(12)	0.000	29.651	0.000	0.000	24.647	0.000	4.108	0.000	6.250	0.000	0.000	154.047	0.000	0.000	154.047
2016(12)	0.000	26.686	0.000	0.000	22.183	0.000	3.697	0.000	6.250	0.000	0.000	138.642	0.000	0.000	138.642
2017(12)	0.000	24.017	0.000	0.000	19.965	0.000	3.327	0.000	6.250	0.000	0.000	124.778	0.000	0.000	124.778
2018(12)	0.000	21.616	0.000	0.000	17.968	0.000	2.995	0.000	6.250	0.000	0.000	112.301	0.000	0.000	112.301
2019(12)	0.000	19.454	0.000	0.000	16.171	0.000	2.695	0.000	6.250	0.000	0.000	101.070	0.000	0.000	101.070
Sub.	0.000	657.358	0.000	0.000	546.429	0.000	91.071	---	---	---	0.000	3,428.223	0.000	0.000	3,428.223
Rem.	0.000	71.087	0.000	0.000	59.091	0.000	9.848	---	---	---	0.000	369.318	0.000	0.000	369.318
Total	0.000	728.445	0.000	0.000	605.520	0.000	100.920	---	---	---	0.000	3,797.542	0.000	0.000	3,797.542

OPCOSTS AND OH

Date	NUM OF WELLS	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
2005(12)	0.80	4.000	0.000	0.000	0.000	19.310	23.310	27.844	51.154	283.442	0.000	0.000	0.000
2006(12)	1.00	12.000	0.000	0.000	0.000	34.388	46.388	34.382	80.770	343.487	0.000	0.000	0.000
2007(12)	1.00	12.000	0.000	0.000	0.000	25.795	37.795	29.336	67.131	291.132	0.000	0.000	0.000
2008(12)	1.00	12.000	0.000	0.000	0.000	23.189	35.189	26.373	61.562	260.511	0.000	0.000	0.000
2009(12)	1.00	12.000	0.000	0.000	0.000	20.870	32.870	23.736	56.606	233.260	0.000	0.000	0.000
2010(12)	1.00	12.000	0.000	0.000	0.000	18.783	30.783	21.362	52.146	208.734	0.000	0.000	0.000
2011(12)	1.00	12.000	0.000	0.000	0.000	16.905	28.905	19.226	48.131	186.661	0.000	0.000	0.000
2012(12)	1.00	12.000	0.000	0.000	0.000	15.214	27.214	17.303	44.518	166.795	0.000	0.000	0.000
2013(12)	1.00	12.000	0.000	0.000	0.000	13.693	25.693	15.573	41.266	148.915	0.000	0.000	0.000
2014(12)	1.00	12.000	0.000	0.000	0.000	12.324	24.324	14.016	38.339	132.824	0.000	0.000	0.000
2015(12)	1.00	12.000	0.000	0.000	0.000	11.091	23.091	12.614	35.705	118.341	0.000	0.000	0.000
2016(12)	1.00	12.000	0.000	0.000	0.000	9.982	21.982	11.353	33.335	105.307	0.000	0.000	0.000
2017(12)	1.00	12.000	0.000	0.000	0.000	8.984	20.984	10.217	31.201	93.577	0.000	0.000	0.000
2018(12)	1.00	12.000	0.000	0.000	0.000	8.086	20.086	9.196	29.281	83.019	0.000	0.000	0.000
2019(12)	1.00	12.000	0.000	0.000	0.000	7.277	19.277	8.276	27.553	73.517	0.000	0.000	0.000
Sub.	---	172.000	0.000	0.000	0.000	245.893	417.893	280.808	698.701	2,729.522	0.000	0.000	0.000
Rem.	---	60.000	0.000	0.000	0.000	26.591	86.591	30.242	116.833	252.486	0.000	0.000	0.000
Total	---	232.000	0.000	0.000	0.000	272.484	504.484	311.049	815.533	2,982.008	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	NET CAPITAL LESS P&A M$	NET P&A M$	TOTAL NET CAPITAL M$	NET BT CASH FLOW UNDISC M$	CUM NET BT CASH FLOW M$	NET BT CASH FLOW DISC@10% M$	NET CAPITAL DEPRECIATION M$	NET CAPITAL DEPLETION M$	NET CAPITAL EXPENSE M$	NET TAXABLE INCOME M$	NET TAX CREDIT M$	NET INCOME TAXES PAYABLE M$	NET AT CASH FLOW UNDISC M$	NET AT CASH FLOW DISC@10% M$
2005(12)	570.000	0.000	570.000	-286.558	-286.558	-291.704	14.286	0.000	470.000	-200.844	0.000	-76.321	-210.238	-216.317
2006(12)	0.000	0.000	0.000	343.487	56.929	317.559	24.490	0.000	0.000	318.998	0.000	121.219	222.268	205.451
2007(12)	0.000	0.000	0.000	291.132	348.061	243.750	17.493	0.000	0.000	273.639	0.000	103.983	187.149	156.687
2008(12)	0.000	0.000	0.000	260.511	608.572	198.296	12.495	0.000	0.000	248.017	0.000	94.246	166.265	126.555
2009(12)	0.000	0.000	0.000	233.260	841.833	161.395	8.925	0.000	0.000	224.335	0.000	85.247	148.013	102.410
2010(12)	0.000	0.000	0.000	208.734	1,050.567	131.297	8.925	0.000	0.000	199.809	0.000	75.928	132.807	83.536
2011(12)	0.000	0.000	0.000	186.661	1,237.228	106.739	8.925	0.000	0.000	177.736	0.000	67.540	119.121	68.116
2012(12)	0.000	0.000	0.000	166.795	1,404.022	86.717	4.462	0.000	0.000	162.332	0.000	61.686	105.108	54.646
2013(12)	0.000	0.000	0.000	148.915	1,552.938	70.376	0.000	0.000	0.000	148.915	0.000	56.588	92.328	43.633
2014(12)	0.000	0.000	0.000	132.824	1,685.761	57.065	0.000	0.000	0.000	132.824	0.000	50.473	82.351	35.381
2015(12)	0.000	0.000	0.000	118.341	1,804.103	46.221	0.000	0.000	0.000	118.341	0.000	44.970	73.371	28.657
2016(12)	0.000	0.000	0.000	105.307	1,909.409	37.396	0.000	0.000	0.000	105.307	0.000	40.017	65.290	23.185
2017(12)	0.000	0.000	0.000	93.577	2,002.986	30.206	0.000	0.000	0.000	93.577	0.000	35.559	58.018	18.728
2018(12)	0.000	0.000	0.000	83.019	2,086.005	24.362	0.000	0.000	0.000	83.019	0.000	31.547	51.472	15.105

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/08 - 2024/12

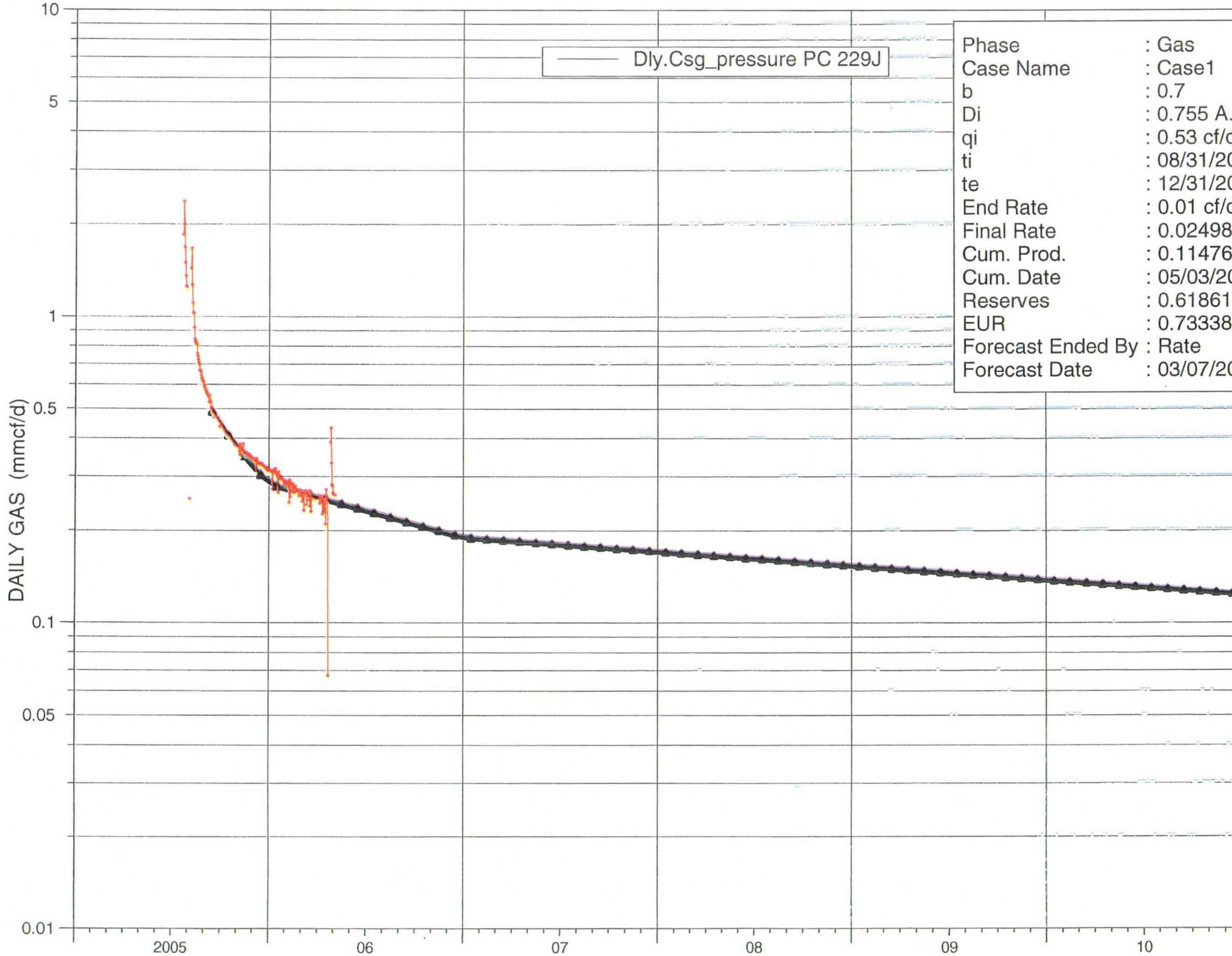
BT AND AT CASH FLOW

Date	NET CAPITAL LESS P&A	NET P&A	TOTAL NET CAPITAL	NET BT CASH FLOW UNDISC	CUM NET BT CASH FLOW	NET BT CASH FLOW DISC@10%	NET CAPITAL DEPRECIATION	NET CAPITAL DEPLETION	NET CAPITAL EXPENSE	NET TAXABLE INCOME	NET TAX CREDIT	NET INCOME TAXES PAYABLE	NET AT CASH FLOW UNDISC	NET AT CASH FLOW DISC@10%
	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
2019(12)	0.000	0.000	0.000	73.517	2,159.522	19.613	0.000	0.000	0.000	73.517	0.000	27.936	45.581	12.160
Sub.	570.000	0.000	570.000	2,159.522	2,159.522	1,239.291	100.000	0.000	470.000	2,159.522	0.000	820.618	1,338.904	757.934
Rem.	0.000	0.000	0.000	252.486	252.486	52.465	0.000	0.000	0.000	252.486	0.000	95.945	156.541	32.528
Total	570.000	0.000	570.000	2,412.008	2,412.008	1,291.756	100.000	0.000	470.000	2,412.008	0.000	916.563	1,495.445	790.462

CASE NOTES

NOTES Case created from consolidation run.
Consolidation Name: GEKWORK

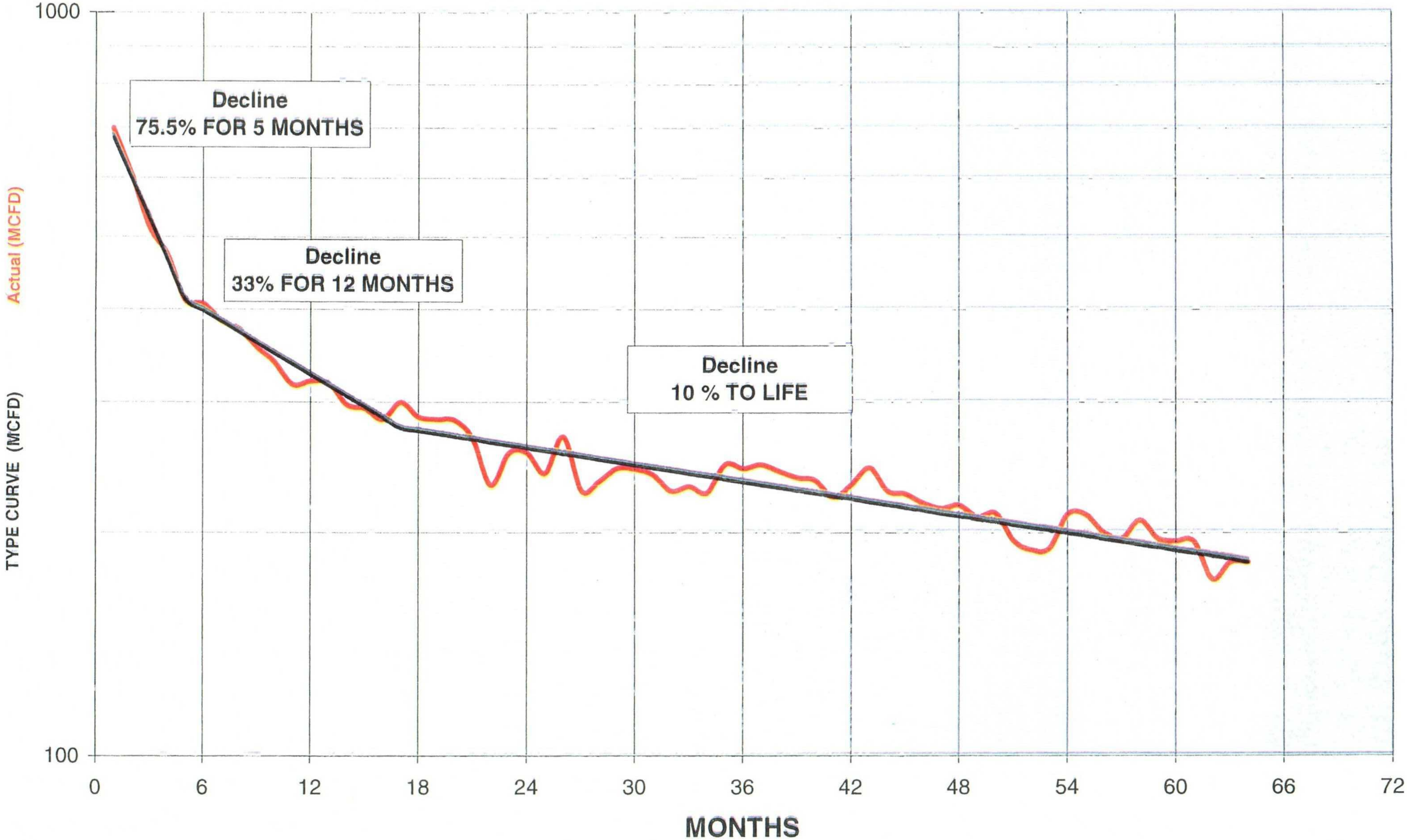
PC 229J



Phase	: Gas
Case Name	: Case1
b	: 0.7
Di	: 0.755 A.e.
qi	: 0.53 cf/d
ti	: 08/31/2005
te	: 12/31/2005
End Rate	: 0.01 cf/d
Final Rate	: 0.0249894 cf/d
Cum. Prod.	: 0.114768
Cum. Date	: 05/03/2006
Reserves	: 0.618615
EUR	: 0.733383
Forecast Ended By	: Rate
Forecast Date	: 03/07/2006

NEBU AREA PICTURED CLIFFS TYPE CURVE

OLDER WELLS - MONTHLY DATA



PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 236 (PICTURED CLIFFS)
NW 25-T31N-R7W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$570,000
OPERATING COST	-	$1,000/Month
GAS TRANSPORTATION FEE	-	$0.45/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.2%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL FORECAST = $6.00/mcf

RATE FORECAST PROCEDURE:

NEBU 236 was drilled and completed in the Pictured Cliffs (PC) in 2005. Following 3 months of flush production, the daily production history of the well was fit to a Pictured Cliffs type decline curve (copy of type curve attached). The type curve was then used to forecast the future production profile of NEBU 236 (production curve also attached). The PC type curve was developed from monthly production volumes for PC wells in, and adjacent to, NEBU. An economic analysis was run using the above mentioned forecast along with the other parameters shown above. The attached economic run shows NEBU 236 to be a paying well. Note that the actual production history from this well is relatively short. However, a **worst case scenario**, which assumes that production continues to decline at 75.5% to an economic limit, would still generate paying well economics. A worse case economic case is also attached.

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/10 - 2033/03

CASE PARAMETERS

DIVISION	WESTERN	OPERATED		AFE NUMBER:	
DISTRICT	REQUIRED	OPERATOR			
PROJECT AREA	REQUIRED	STATUS		TITLE 1:	NEBU 235 PICTURED CLIFFS
FIELD GROUP	REQUIRED	RESERVOIR		TITLE 2:	PAYING WELL DETERMINATION
FIELD	REQUIRED	PROPERY CODE		TITLE 3:	
RES CAT CURRENT	REQUIRED	MAJOR PHASE	REQUIRED		
RES CAT YEAREND	REQUIRED	ENGINEER			
RES CAT PRIOR YE	REQUIRED	RIO WELLZONENUM			

CASE DATES

REPORT START DATE	2005/10
REPORT END DATE	2033/03
EVALUATION DATE	2005/10
DISCOUNT DATE	2005/10
PRODUCTION START	2005/11
ECONOMIC LIMIT	2033/03
1ST INVESTMENT	2005/10

DATE AND TIME

DATE:	5/8/2006
TIME:	13:40

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	
COND PRICE OFFSET1	
NGL PRICE BASE	
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	0.000	0.000	0.000
NRI GAS	0.000	87.500	87.500
NRI BYPROD	0.000	0.000	0.000
WI OPCOST	0.000	100.000	89.815
WI CAPITAL	100.000	100.000	100.000

CASE SCENARIOS

OIL PROD FORECAST	Base
GAS PROD FORECAST	Base
COND PROD FORECAST	Base
NGL PROD FORECAST	Base
OPERATING COSTS	Base
CAPITAL	Base
CUSTOM	Base
INTERESTS	Base
OIL PRICE	
GAS PRICE	
COND PRICE	
NGL PRICE	

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	>800.00	>800.0
PAYOUT PERIOD	STND. (MO'S)	3.27	3.6
	PROJ. (MO'S)	3.27	3.6
UNDISC. PIR	M$/M$	10.54	6.53
10.0 PCNT. PIR	M$/M$	6.00	3.70
15.0 PCNT. PIR	M$/M$	4.96	3.05
FD COST	($/BOE)	2.572	
FDO COST	($/BOE)	9.770	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	570.000	6,005.069	3,723.142
5	570.000	4,356.768	2,696.462
8	570.000	3,739.526	2,311.370
10	570.000	3,419.611	2,111.570
12	570.000	3,152.799	1,944.797
14	570.000	2,927.225	1,803.684
15	570.000	2,827.090	1,741.004
16	570.000	2,734.195	1,682.832
18	570.000	2,567.228	1,578.213
20	570.000	2,421.411	1,486.775

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	1,599.868	1,399.884
- SALES	MMCF	1,519.875	1,329.890
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	253.313	221.648

ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	1,599.868

PRODUCT, PRICE, AND REVENUE

Date	GROSS OIL/COND VOLUME MBBL	GROSS PROD GAS VOLUME MMCF	GROSS NGL VOLUME MBBL	NET OIL/COND VOLUME MBBL	NET SALES GAS VOLUME MMCF	NET NGL VOLUME MBBL	TOTAL NET OIL EQUIV VOLUME MBOE	AVG OIL/COND PRICE $/Bbl	AVG GAS PRICE $/mcf	AVG NGL PRICE $/Bbl	NET OIL/COND REVENUE M$	NET GAS REVENUE M$	NET NGL REVENUE M$	NET OTHER INCOME M$	TOTAL NET REVENUE M$
2005(12)	0.000	92.953	0.000	0.000	77.267	0.000	12.878	0.000	5.141	0.000	0.000	616.613	0.000	0.000	616.613
2006(12)	0.000	211.553	0.000	0.000	175.853	0.000	29.309	0.000	6.138	0.000	0.000	1,093.392	0.000	0.000	1,093.392
2007(12)	0.000	140.354	0.000	0.000	116.670	0.000	19.445	0.000	6.000	0.000	0.000	700.018	0.000	0.000	700.018
2008(12)	0.000	124.188	0.000	0.000	103.231	0.000	17.205	0.000	6.000	0.000	0.000	619.385	0.000	0.000	619.385
2009(12)	0.000	111.769	0.000	0.000	92.908	0.000	15.485	0.000	6.000	0.000	0.000	557.447	0.000	0.000	557.447
2010(12)	0.000	100.592	0.000	0.000	83.617	0.000	13.936	0.000	6.000	0.000	0.000	501.702	0.000	0.000	501.702
2011(12)	0.000	90.533	0.000	0.000	75.255	0.000	12.543	0.000	6.000	0.000	0.000	451.532	0.000	0.000	451.532
2012(12)	0.000	81.479	0.000	0.000	67.730	0.000	11.288	0.000	6.000	0.000	0.000	406.379	0.000	0.000	406.379
2013(12)	0.000	73.331	0.000	0.000	60.957	0.000	10.159	0.000	6.000	0.000	0.000	365.741	0.000	0.000	365.741
2014(12)	0.000	65.999	0.000	0.000	54.861	0.000	9.144	0.000	6.000	0.000	0.000	329.168	0.000	0.000	329.168
2015(12)	0.000	59.398	0.000	0.000	49.375	0.000	8.229	0.000	6.000	0.000	0.000	296.249	0.000	0.000	296.249
2016(12)	0.000	53.458	0.000	0.000	44.437	0.000	7.406	0.000	6.000	0.000	0.000	266.624	0.000	0.000	266.624
2017(12)	0.000	48.113	0.000	0.000	39.994	0.000	6.666	0.000	6.000	0.000	0.000	239.963	0.000	0.000	239.963
2018(12)	0.000	43.301	0.000	0.000	35.994	0.000	5.999	0.000	6.000	0.000	0.000	215.966	0.000	0.000	215.966
2019(12)	0.000	38.971	0.000	0.000	32.395	0.000	5.399	0.000	6.000	0.000	0.000	194.370	0.000	0.000	194.370
Sub.	0.000	1,335.994	0.000	0.000	1,110.545	0.000	185.091	---	---	---	0.000	6,854.549	0.000	0.000	6,854.549
Rem.	0.000	263.875	0.000	0.000	219.346	0.000	36.558	---	---	---	0.000	1,316.075	0.000	0.000	1,316.075
Total	0.000	1,599.868	0.000	0.000	1,329.891	0.000	221.648	---	---	---	0.000	8,170.624	0.000	0.000	8,170.624

OPCOSTS AND OH

Date	NUM OF WELLS	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
2005(12)	0.66	2.000	0.000	0.000	0.000	34.770	36.770	51.389	88.160	528.454	0.000	0.000	0.000
2006(12)	1.00	12.000	0.000	0.000	0.000	79.134	91.134	89.494	180.628	912.764	0.000	0.000	0.000
2007(12)	1.00	12.000	0.000	0.000	0.000	52.501	64.501	57.125	121.627	578.392	0.000	0.000	0.000
2008(12)	1.00	12.000	0.000	0.000	0.000	46.454	58.454	50.545	108.999	510.386	0.000	0.000	0.000
2009(12)	1.00	12.000	0.000	0.000	0.000	41.809	53.809	45.491	99.299	458.148	0.000	0.000	0.000
2010(12)	1.00	12.000	0.000	0.000	0.000	37.628	49.628	40.942	90.569	411.133	0.000	0.000	0.000
2011(12)	1.00	12.000	0.000	0.000	0.000	33.865	45.865	36.847	82.712	368.819	0.000	0.000	0.000
2012(12)	1.00	12.000	0.000	0.000	0.000	30.478	42.478	33.163	75.641	330.738	0.000	0.000	0.000
2013(12)	1.00	12.000	0.000	0.000	0.000	27.431	39.431	29.846	69.277	296.464	0.000	0.000	0.000
2014(12)	1.00	12.000	0.000	0.000	0.000	24.688	36.688	26.862	63.549	265.618	0.000	0.000	0.000
2015(12)	1.00	12.000	0.000	0.000	0.000	22.219	34.219	24.175	58.394	237.855	0.000	0.000	0.000
2016(12)	1.00	12.000	0.000	0.000	0.000	19.997	31.997	21.758	53.755	212.869	0.000	0.000	0.000
2017(12)	1.00	12.000	0.000	0.000	0.000	17.997	29.997	19.582	49.579	190.384	0.000	0.000	0.000
2018(12)	1.00	12.000	0.000	0.000	0.000	16.197	28.197	17.624	45.821	170.144	0.000	0.000	0.000
2019(12)	1.00	12.000	0.000	0.000	0.000	14.578	26.578	15.862	42.439	151.931	0.000	0.000	0.000
Sub.	---	170.000	0.000	0.000	0.000	499.745	669.745	560.705	1,230.450	5,624.099	0.000	0.000	0.000
Rem.	---	159.000	0.000	0.000	0.000	98.706	257.706	107.399	365.104	950.971	0.000	0.000	0.000
Total	---	329.000	0.000	0.000	0.000	598.451	927.451	668.104	1,595.555	6,575.069	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	NET CAPITAL LESS P&A M$	NET P&A M$	TOTAL NET CAPITAL M$	NET BT CASH FLOW UNDISC M$	CUM NET BT CASH FLOW M$	NET BT CASH FLOW DISC@10% M$	NET CAPITAL DEPRECIATION M$	NET CAPITAL DEPLETION M$	NET CAPITAL EXPENSE M$	NET TAXABLE INCOME M$	NET TAX CREDIT M$	NET INCOME TAXES PAYABLE M$	NET AT CASH FLOW UNDISC M$	NET AT CASH FLOW DISC@10% M$
2005(12)	570.000	0.000	570.000	-41.546	-41.546	-47.019	14.286	0.000	470.000	44.168	0.000	16.784	-58.330	-63.175
2006(12)	0.000	0.000	0.000	912.764	871.218	859.406	24.490	0.000	0.000	888.274	0.000	337.544	575.220	541.533
2007(12)	0.000	0.000	0.000	578.392	1,449.609	492.291	17.493	0.000	0.000	560.899	0.000	213.142	365.250	310.871
2008(12)	0.000	0.000	0.000	510.386	1,959.996	394.710	12.495	0.000	0.000	497.892	0.000	189.199	321.188	248.389
2009(12)	0.000	0.000	0.000	458.148	2,418.144	322.069	8.925	0.000	0.000	449.223	0.000	170.705	287.443	202.065
2010(12)	0.000	0.000	0.000	411.133	2,829.277	262.744	8.925	0.000	0.000	402.208	0.000	152.839	258.294	165.067
2011(12)	0.000	0.000	0.000	368.819	3,198.096	214.276	8.925	0.000	0.000	359.894	0.000	136.760	232.059	134.820
2012(12)	0.000	0.000	0.000	330.738	3,528.834	174.701	4.462	0.000	0.000	326.276	0.000	123.985	206.753	109.210
2013(12)	0.000	0.000	0.000	296.464	3,825.298	142.347	0.000	0.000	0.000	296.464	0.000	112.656	183.808	88.255
2014(12)	0.000	0.000	0.000	265.618	4,090.916	115.942	0.000	0.000	0.000	265.618	0.000	100.935	164.683	71.884
2015(12)	0.000	0.000	0.000	237.855	4,328.770	94.385	0.000	0.000	0.000	237.855	0.000	90.385	147.470	58.519
2016(12)	0.000	0.000	0.000	212.869	4,541.639	76.800	0.000	0.000	0.000	212.869	0.000	80.890	131.979	47.616
2017(12)	0.000	0.000	0.000	190.384	4,732.022	62.437	0.000	0.000	0.000	190.384	0.000	72.346	118.038	38.711
2018(12)	0.000	0.000	0.000	170.144	4,902.167	50.727	0.000	0.000	0.000	170.144	0.000	64.655	105.489	31.451

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/10 - 2033/03

BT AND AT CASH FLOW

Date	NET CAPITAL LESS P&A	NET P&A	TOTAL NET CAPITAL	NET BT CASH FLOW UNDISC	CUM NET BT CASH FLOW	NET BT CASH FLOW DISC@10%	NET CAPITAL DEPRECIATION	NET CAPITAL DEPLETION	NET CAPITAL EXPENSE	NET TAXABLE INCOME	NET TAX CREDIT	NET INCOME TAXES PAYABLE	NET AT CASH FLOW UNDISC	NET AT CASH FLOW DISC@10%
	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
2019(12)	0.000	0.000	0.000	151.931	5,054.098	41.179	0.000	0.000	0.000	151.931	0.000	57.734	94.197	25.531
Sub.	570.000	0.000	570.000	5,054.099	5,054.098	3,256.994	100.000	0.000	470.000	5,054.099	0.000	1,920.557	3,133.541	2,010.747
Rem.	0.000	0.000	0.000	950.971	950.972	162.618	0.000	0.000	0.000	950.971	0.000	361.369	589.602	100.823
Total	570.000	0.000	570.000	6,005.069	6,005.069	3,419.612	100.000	0.000	470.000	6,005.069	0.000	2,281.926	3,723.143	2,111.570

CASE NOTES

NOTES Case created from consolidation run.
Consolidation Name: GEKWORK

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/10 - 2009/01

CASE PARAMETERS

DIVISION	WESTERN	.OPERATED	
DISTRICT	REQUIRED	.OPERATOR	
PROJECT AREA	REQUIRED	.STATUS	
FIELD GROUP	REQUIRED	.RESERVOIR	
FIELD	REQUIRED	.PROPERY CODE	
RES CAT CURRENT	REQUIRED	.MAJOR PHASE	REQUIRED
RES CAT YEAREND	REQUIRED	.ENGINEER	
RES CAT PRIOR YE	REQUIRED	.RIO WELLZONENUM	

AFE NUMBER:

TITLE 1: NEBU 236 PICTURED CLIFFS
TITLE 2: PAYING WELL DETERMINATION
TITLE 3: WORST CASE SCENARIO (75.5% DECLINE)

CASE DATES

REPORT START DATE	2005/10
REPORT END DATE	2009/01
EVALUATION DATE	2005/10
DISCOUNT DATE	2005/10
PRODUCTION START	2005/11
ECONOMIC LIMIT	2009/01
1ST INVESTMENT	2005/10

DATE AND TIME

DATE:	5/8/2006
TIME:	13:48

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	
PRECEDING CASE	
.OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
.GAS PRICE OFFSET1	
.COND PRICE BASE	
.COND PRICE OFFSET1	
.NGL PRICE BASE	
.NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
.NRI OIL	0.000	0.000	0.000
.NRI GAS	0.000	87.500	87.500
.NRI BYPROD	0.000	0.000	0.000
.WI OPCOST	0.000	100.000	88.871
.WI CAPITAL	100.000	100.000	100.000

CASE SCENARIOS

OIL PROD FORECAST	Base
GAS PROD FORECAST	Base
COND PROD FORECAST	Base
NGL PROD FORECAST	Base
OPERATING COSTS	Base
CAPITAL	Base
CUSTOM	Base
INTERESTS	Base
OIL PRICE	
GAS PRICE	
COND PRICE	
NGL PRICE	

SUMMARY INDICATORS

		B. TAX	A. TAX
.ROR	%	>800.00	>800.0
.PAYOUT PERIOD	STND. (MO'S)	3.27	3.6
	PROJ. (MO'S)	3.27	3.6
.UNDISC. PIR	M$/M$	1.69	1.05
.10.0 PCNT. PIR	M$/M$	1.56	0.95
.15.0 PCNT. PIR	M$/M$	1.50	0.91
.FD COST	($/BOE)	12.361	
.FDO COST	($/BOE)	19.214	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	570.000	965.982	598.909
5	570.000	925.012	569.587
8	570.000	902.298	553.422
10	570.000	887.858	543.178
12	570.000	873.942	533.329
14	570.000	860.521	523.851
15	570.000	853.987	519.244
16	570.000	847.567	514.722
18	570.000	835.055	505.923
20	570.000	822.963	497.434

RESERVES SUMMARY

.REMAINING RESERVES		GROSS	NET
.OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	332.834	291.229
- SALES	MMCF	316.192	276.668
.NGL	MBBL	0.000	0.000
.OIL EQ (SALES)	MBOE	52.699	46.111

.ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
.OIL/COND	MBBL	0.000	0.000
.GAS	MMCF	0.000	332.834

PRODUCT, PRICE, AND REVENUE

Date	GROSS OIL/COND VOLUME MBBL	GROSS PROD GAS VOLUME MMCF	GROSS NGL VOLUME MBBL	NET OIL/COND VOLUME MBBL	NET SALES GAS VOLUME MMCF	NET NGL VOLUME MBBL	TOTAL NET OIL EQUIV VOLUME MBOE	AVG OIL/COND PRICE $/Bbl	AVG GAS PRICE $/mcf	AVG NGL PRICE $/Bbl	NET OIL/COND REVENUE M$	NET GAS REVENUE M$	NET NGL REVENUE M$	NET OTHER INCOME M$	TOTAL NET REVENUE M$
2005(12)	0.000	92.953	0.000	0.000	77.267	0.000	12.878	0.000	5.141	0.000	0.000	616.613	0.000	0.000	616.613
2006(12)	0.000	186.011	0.000	0.000	154.622	0.000	25.770	0.000	6.138	0.000	0.000	966.669	0.000	0.000	966.669
2007(12)	0.000	45.573	0.000	0.000	37.882	0.000	6.314	0.000	6.000	0.000	0.000	227.293	0.000	0.000	227.293
2008(12)	0.000	8.296	0.000	0.000	6.896	0.000	1.149	0.000	4.000	0.000	0.000	41.378	0.000	0.000	41.378
2009(12)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	332.834	0.000	0.000	276.668	0.000	46.111	---	---	---	0.000	1,851.954	0.000	0.000	1,851.954

OPCOSTS AND OH

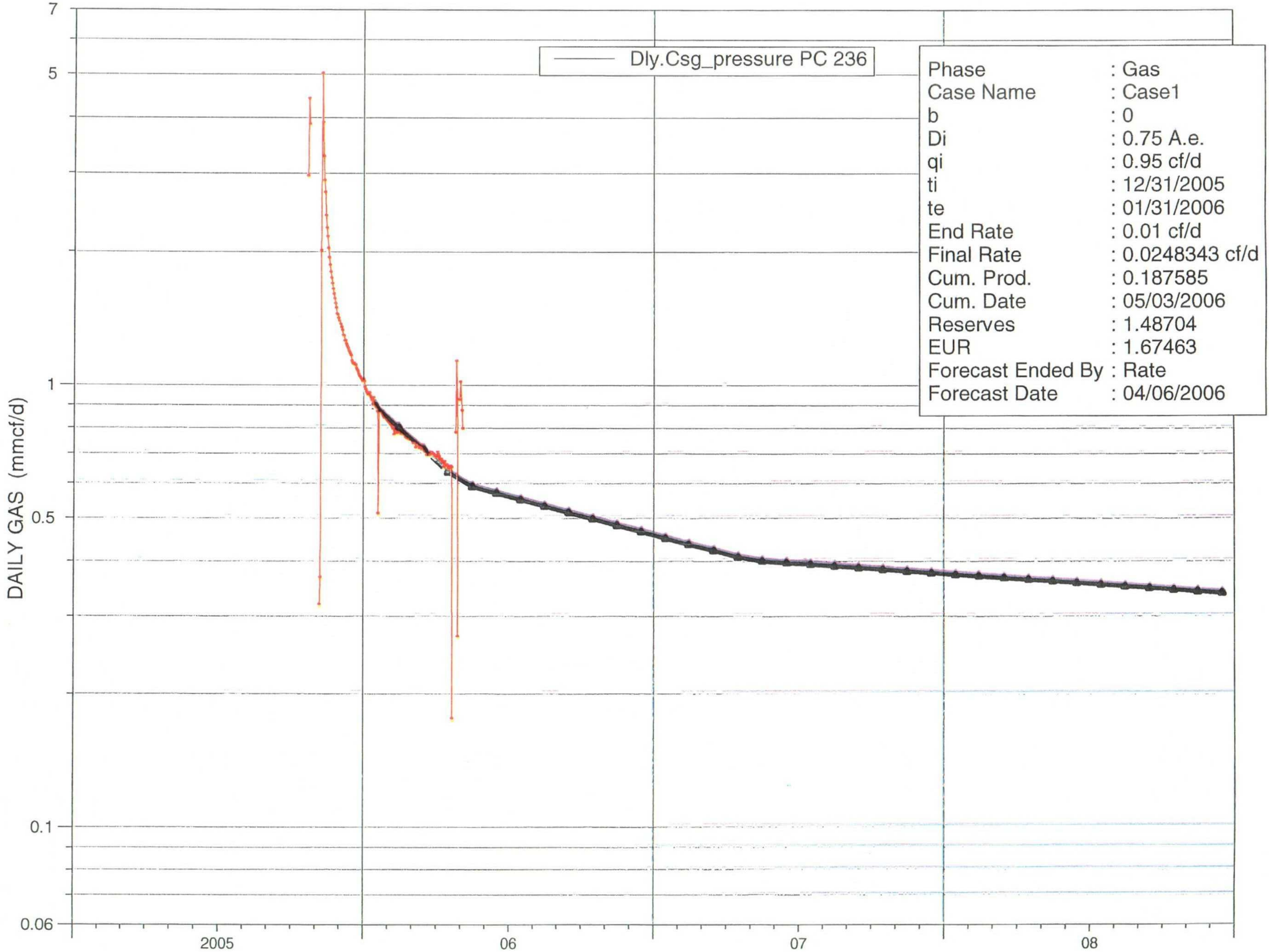
Date	NUM OF WELLS	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
2005(12)	0.66	2.000	0.000	0.000	0.000	34.770	36.770	51.389	88.160	528.454	0.000	0.000	0.000
2006(12)	1.00	12.000	0.000	0.000	0.000	69.580	81.580	79.158	160.738	805.932	0.000	0.000	0.000
2007(12)	1.00	12.000	0.000	0.000	0.000	17.047	29.047	18.548	47.595	179.698	0.000	0.000	0.000
2008(12)	1.00	12.000	0.000	0.000	0.000	3.103	15.103	3.377	18.480	22.898	0.000	0.000	0.000
2009(12)	1.00	1.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	-1.000	0.000	0.000	0.000
Total	---	39.000	0.000	0.000	0.000	124.501	163.501	152.472	315.972	1,535.982	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	NET CAPITAL LESS P&A M$	NET P&A M$	TOTAL NET CAPITAL M$	NET BT CASH FLOW UNDISC M$	CUM NET BT CASH FLOW M$	NET BT CASH FLOW DISC@10% M$	NET CAPITAL DEPRECIATION M$	NET CAPITAL DEPLETION M$	NET CAPITAL EXPENSE M$	NET TAXABLE INCOME M$	NET TAX CREDIT M$	NET INCOME TAXES PAYABLE M$	NET AT CASH FLOW UNDISC M$	NET AT CASH FLOW DISC@10% M$
2005(12)	570.000	0.000	570.000	-41.546	-41.546	-47.019	14.286	0.000	470.000	44.168	0.000	16.784	-58.330	-63.175
2006(12)	0.000	0.000	0.000	805.932	764.386	762.812	24.490	0.000	0.000	781.442	0.000	296.948	508.984	481.645
2007(12)	0.000	0.000	0.000	179.698	944.084	154.474	17.493	0.000	0.000	162.205	0.000	61.638	118.060	101.424
2008(12)	0.000	0.000	0.000	22.898	966.982	18.325	12.495	0.000	0.000	10.403	0.000	3.953	18.945	15.031
2009(12)	0.000	0.000	0.000	-1.000	965.982	-0.734	31.237	0.000	0.000	-32.237	0.000	-12.250	11.250	8.253
Total	570.000	0.000	570.000	965.982	965.982	887.858	100.000	0.000	470.000	965.982	0.000	367.073	598.909	543.178

CASE NOTES

PC 236

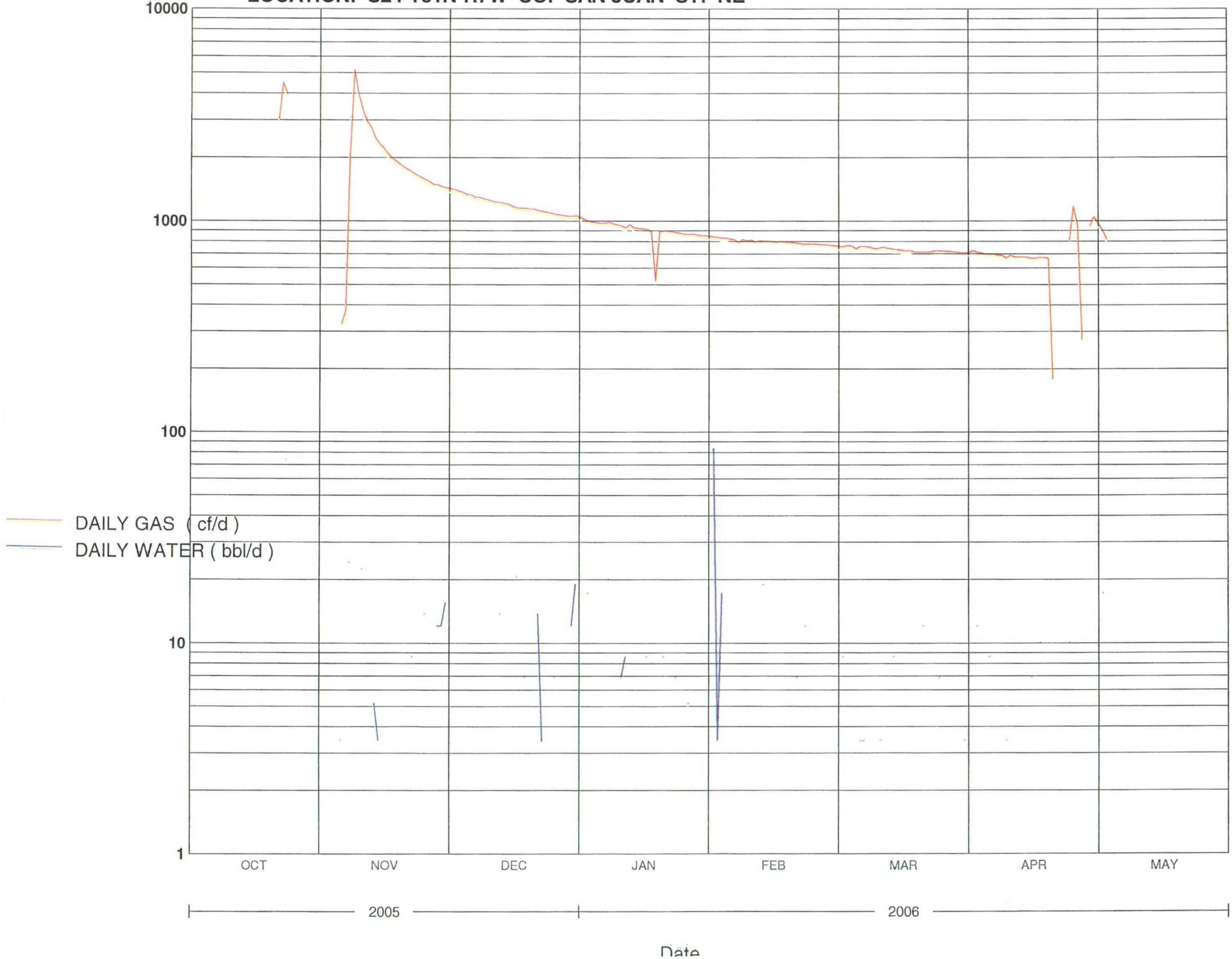

Dly.Csg_pressure PC 236
Phase : Gas
Case Name : Case1
b : 0
Di : 0.75 A.e.
qi : 0.95 cf/d
ti : 12/31/2005
te : 01/31/2006
End Rate : 0.01 cf/d
Final Rate : 0.0248343 cf/d
Cum. Prod. : 0.187585
Cum. Date : 05/03/2006
Reserves : 1.48704
EUR : 1.67463
Forecast Ended By : Rate
Forecast Date : 04/06/2006
DAILY GAS (mmcf/d)
7
5
1
0.5
0.1
0.06
2005
06
07
08

PC 236 Drilled in 2005

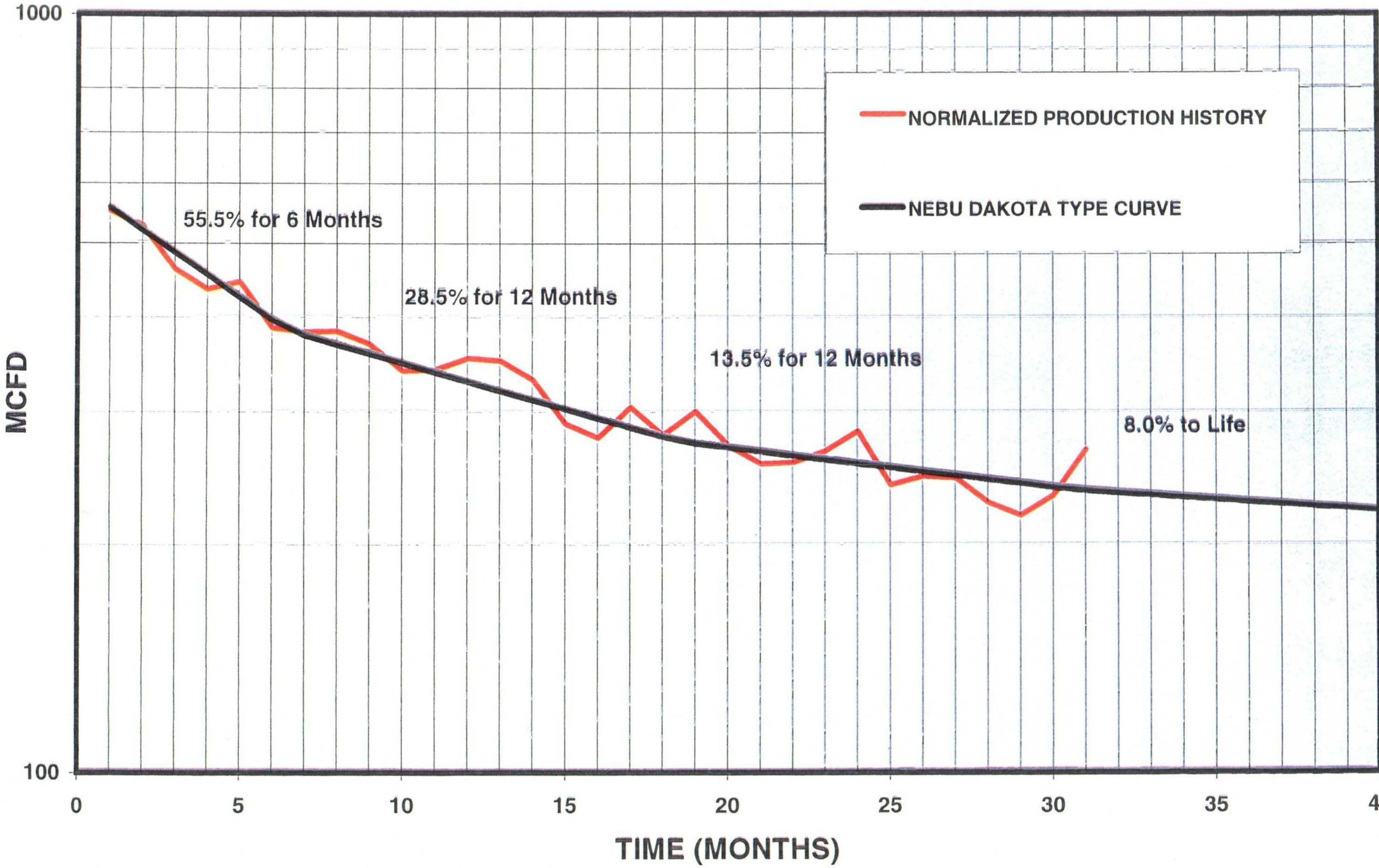
FIELD: NEBU/PICTURED CLIFFS API: 30045332650000

LOCATION: S24-T31N-R7W CO: SAN JUAN ST: NE

05/08/2006



NORMALIZED DAKOTA PRODUCTION
NEBU AREA WELLS



PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 239 (PICTURED CLIFFS)
SW 7-T31N-R6W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$570,000
OPERATING COST	-	$1,000/Month
GAS TRANSPORTATION FEE	-	$0.45/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.2%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL FORECAST = $6.00/mcf

RATE FORECAST PROCEDURE:

NEBU 239 was drilled and completed in the Pictured Cliffs (PC) in 2005. Following 2 months of flush production, the daily production history of the well was fit to a Pictured Cliffs type decline curve (copy of type curve attached). The type curve was then used to forecast the future production profile of NEBU 239 (production curve also attached). The PC type curve was developed from monthly production volumes for PC wells in, and adjacent to, NEBU. An economic analysis was run using the above mentioned forecast along with the other parameters shown above. The attached economic run shows NEBU 239 to be a paying well.

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/08 - 2023/06

ASE PARAMETERS

DIVISION	WESTERN	OPERATED		AFE NUMBER:	
DISTRICT	REQUIRED	OPERATOR			
PROJECT AREA	REQUIRED	STATUS		TITLE 1:	NEBU 239 PICTURED CLIFFS
FIELD GROUP	REQUIRED	RESERVOIR		TITLE 2:	PAYING WELL DETERMINATION
FIELD	REQUIRED	PROPERY CODE		TITLE 3:	
RES CAT CURRENT	REQUIRED	MAJOR PHASE	REQUIRED		
RES CAT YEAREND	REQUIRED	ENGINEER			
RES CAT PRIOR YE	REQUIRED	RIO WELLZONENUM			

CASE DATES

REPORT START DATE	2005/08
REPORT END DATE	2023/06
EVALUATION DATE	2005/08
DISCOUNT DATE	2005/08
PRODUCTION START	2005/09
ECONOMIC LIMIT	2023/06
1ST INVESTMENT	2005/08

DATE AND TIME

DATE:	5/8/2006
TIME:	11:19

ASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	
COND PRICE OFFSET1	
NGL PRICE BASE	
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	0.000	0.000	0.000
NRI GAS	0.000	87.500	87.500
NRI BYPROD	0.000	0.000	0.000
WI OPCOST	0.000	100.000	91.378
WI CAPITAL	100.000	100.000	100.000

CASE SCENARIOS

OIL PROD FORECAST	Base
GAS PROD FORECAST	Base
COND PROD FORECAST	Base
NGL PROD FORECAST	Base
OPERATING COSTS	Base
CAPITAL	Base
CUSTOM	Base
INTERESTS	Base
OIL PRICE	
GAS PRICE	
COND PRICE	
NGL PRICE	

UMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	77.97	62.7
PAYOUT PERIOD	STND. (MO'S)	17.25	19.4
	PROJ. (MO'S)	17.25	19.4
UNDISC. PIR	M$/M$	2.63	1.63
10.0 PCNT. PIR	M$/M$	1.40	0.85
15.0 PCNT. PIR	M$/M$	1.08	0.64
FD COST	($/BOE)	7.868	
FDO COST	($/BOE)	16.567	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	570.000	1,496.417	927.779
5	570.000	1,069.433	657.342
8	570.000	893.079	545.070
10	570.000	797.684	484.138
12	570.000	715.982	431.812
14	570.000	645.395	386.482
15	570.000	613.623	366.037
16	570.000	583.913	346.892
18	570.000	529.957	312.053
20	570.000	482.275	281.182

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	522.942	457.575
- SALES	MMCF	496.795	434.696
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	82.799	72.449

ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	522.942

RODUCT, PRICE, AND REVENUE

Date	GROSS OIL/COND VOLUME MBBL	GROSS PROD GAS VOLUME MMCF	GROSS NGL VOLUME MBBL	NET OIL/COND VOLUME MBBL	NET SALES GAS VOLUME MMCF	NET NGL VOLUME MBBL	TOTAL NET OIL EQUIV VOLUME MBOE	AVG OIL/COND PRICE $/Bbl	AVG GAS PRICE $/mcf	AVG NGL PRICE $/Bbl	NET OIL/COND REVENUE M$	NET GAS REVENUE M$	NET NGL REVENUE M$	NET OTHER INCOME M$	TOTAL NET REVENUE M$
005(12)	0.000	51.331	0.000	0.000	42.669	0.000	7.111	0.000	6.211	0.000	0.000	333.888	0.000	0.000	333.888
006(12)	0.000	67.721	0.000	0.000	56.293	0.000	9.382	0.000	6.138	0.000	0.000	348.425	0.000	0.000	348.425
007(12)	0.000	49.237	0.000	0.000	40.928	0.000	6.821	0.000	6.000	0.000	0.000	245.569	0.000	0.000	245.569
008(12)	0.000	44.132	0.000	0.000	36.685	0.000	6.114	0.000	6.000	0.000	0.000	220.109	0.000	0.000	220.109
009(12)	0.000	39.719	0.000	0.000	33.016	0.000	5.503	0.000	6.000	0.000	0.000	198.098	0.000	0.000	198.098
010(12)	0.000	35.747	0.000	0.000	29.715	0.000	4.952	0.000	6.000	0.000	0.000	178.288	0.000	0.000	178.288
011(12)	0.000	32.172	0.000	0.000	26.743	0.000	4.457	0.000	6.000	0.000	0.000	160.459	0.000	0.000	160.459
012(12)	0.000	28.955	0.000	0.000	24.069	0.000	4.011	0.000	6.000	0.000	0.000	144.413	0.000	0.000	144.413
013(12)	0.000	26.060	0.000	0.000	21.662	0.000	3.610	0.000	6.000	0.000	0.000	129.972	0.000	0.000	129.972
014(12)	0.000	23.454	0.000	0.000	19.496	0.000	3.249	0.000	6.000	0.000	0.000	116.974	0.000	0.000	116.974
015(12)	0.000	21.108	0.000	0.000	17.546	0.000	2.924	0.000	6.000	0.000	0.000	105.277	0.000	0.000	105.277
016(12)	0.000	18.997	0.000	0.000	15.792	0.000	2.632	0.000	6.000	0.000	0.000	94.749	0.000	0.000	94.749
017(12)	0.000	17.098	0.000	0.000	14.212	0.000	2.369	0.000	6.000	0.000	0.000	85.275	0.000	0.000	85.275
018(12)	0.000	15.388	0.000	0.000	12.791	0.000	2.132	0.000	6.000	0.000	0.000	76.747	0.000	0.000	76.747
019(12)	0.000	13.849	0.000	0.000	11.512	0.000	1.919	0.000	6.000	0.000	0.000	69.072	0.000	0.000	69.072
ub.	0.000	484.967	0.000	0.000	403.129	0.000	67.188	---	---	---	0.000	2,507.315	0.000	0.000	2,507.315
em.	0.000	37.975	0.000	0.000	31.567	0.000	5.261	---	---	---	0.000	189.401	0.000	0.000	189.401
otal	0.000	522.942	0.000	0.000	434.696	0.000	72.449	---	---	---	0.000	2,696.716	0.000	0.000	2,696.716

PCOSTS AND OH

Date	NUM OF WELLS	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
005(12)	0.80	4.000	0.000	0.000	0.000	19.201	23.201	27.792	50.993	282.895	0.000	0.000	0.000
006(12)	1.00	12.000	0.000	0.000	0.000	25.332	37.332	28.508	65.840	282.585	0.000	0.000	0.000
007(12)	1.00	12.000	0.000	0.000	0.000	18.418	30.418	20.040	50.457	195.111	0.000	0.000	0.000
008(12)	1.00	12.000	0.000	0.000	0.000	16.508	28.508	17.962	46.470	173.638	0.000	0.000	0.000
009(12)	1.00	12.000	0.000	0.000	0.000	14.857	26.857	16.166	43.023	155.075	0.000	0.000	0.000
010(12)	1.00	12.000	0.000	0.000	0.000	13.372	25.372	14.549	39.921	138.367	0.000	0.000	0.000
011(12)	1.00	12.000	0.000	0.000	0.000	12.034	24.034	13.094	37.129	123.330	0.000	0.000	0.000
012(12)	1.00	12.000	0.000	0.000	0.000	10.831	22.831	11.785	34.616	109.797	0.000	0.000	0.000
013(12)	1.00	12.000	0.000	0.000	0.000	9.748	21.748	10.606	32.354	97.618	0.000	0.000	0.000
014(12)	1.00	12.000	0.000	0.000	0.000	8.773	20.773	9.546	30.319	86.656	0.000	0.000	0.000
015(12)	1.00	12.000	0.000	0.000	0.000	7.896	19.896	8.591	28.487	76.790	0.000	0.000	0.000
016(12)	1.00	12.000	0.000	0.000	0.000	7.106	19.106	7.732	26.838	67.911	0.000	0.000	0.000
017(12)	1.00	12.000	0.000	0.000	0.000	6.396	18.396	6.959	25.354	59.920	0.000	0.000	0.000
018(12)	1.00	12.000	0.000	0.000	0.000	5.756	17.756	6.263	24.019	52.728	0.000	0.000	0.000
019(12)	1.00	12.000	0.000	0.000	0.000	5.180	17.180	5.637	22.817	46.255	0.000	0.000	0.000
ub.	---	172.000	0.000	0.000	0.000	181.408	353.408	205.229	558.638	1,948.677	0.000	0.000	0.000
em.	---	42.000	0.000	0.000	0.000	14.205	56.205	15.456	71.661	117.740	0.000	0.000	0.000
otal	---	214.000	0.000	0.000	0.000	195.613	409.613	220.686	630.299	2,066.417	0.000	0.000	0.000

T AND AT CASH FLOW

Date	NET CAPITAL LESS P&A M$	NET P&A M$	TOTAL NET CAPITAL M$	NET BT CASH FLOW UNDISC M$	CUM NET BT CASH FLOW M$	NET BT CASH FLOW DISC@10% M$	NET CAPITAL DEPRECIATION M$	NET CAPITAL DEPLETION M$	NET CAPITAL EXPENSE M$	NET TAXABLE INCOME M$	NET TAX CREDIT M$	NET INCOME TAXES PAYABLE M$	NET AT CASH FLOW UNDISC M$	NET AT CASH FLOW DISC@10% M$
005(12)	570.000	0.000	570.000	-287.105	-287.105	-291.714	14.286	0.000	470.000	-201.390	0.000	-76.528	-210.576	-216.323
006(12)	0.000	0.000	0.000	282.585	-4.520	261.410	24.490	0.000	0.000	258.095	0.000	98.076	184.509	170.639
007(12)	0.000	0.000	0.000	195.111	190.592	163.380	17.493	0.000	0.000	177.619	0.000	67.495	127.616	106.857
008(12)	0.000	0.000	0.000	173.638	364.230	132.172	12.495	0.000	0.000	161.144	0.000	61.235	112.404	85.558
009(12)	0.000	0.000	0.000	155.075	519.305	107.300	8.925	0.000	0.000	146.150	0.000	55.537	99.538	68.871
010(12)	0.000	0.000	0.000	138.367	657.672	87.036	8.925	0.000	0.000	129.442	0.000	49.188	89.179	56.094
011(12)	0.000	0.000	0.000	123.330	781.002	70.526	8.925	0.000	0.000	114.405	0.000	43.474	79.856	45.664
012(12)	0.000	0.000	0.000	109.797	890.799	57.086	4.462	0.000	0.000	105.335	0.000	40.027	69.770	36.274
013(12)	0.000	0.000	0.000	97.618	988.417	46.135	0.000	0.000	0.000	97.618	0.000	37.095	60.523	28.603
014(12)	0.000	0.000	0.000	86.656	1,075.073	37.231	0.000	0.000	0.000	86.656	0.000	32.929	53.726	23.083
015(12)	0.000	0.000	0.000	76.790	1,151.863	29.994	0.000	0.000	0.000	76.790	0.000	29.180	47.610	18.596
016(12)	0.000	0.000	0.000	67.911	1,219.774	24.117	0.000	0.000	0.000	67.911	0.000	25.806	42.105	14.953
017(12)	0.000	0.000	0.000	59.920	1,279.694	19.343	0.000	0.000	0.000	59.920	0.000	22.770	37.150	11.993
018(12)	0.000	0.000	0.000	52.728	1,332.422	15.474	0.000	0.000	0.000	52.728	0.000	20.037	32.691	9.594

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/08 - 2023/06

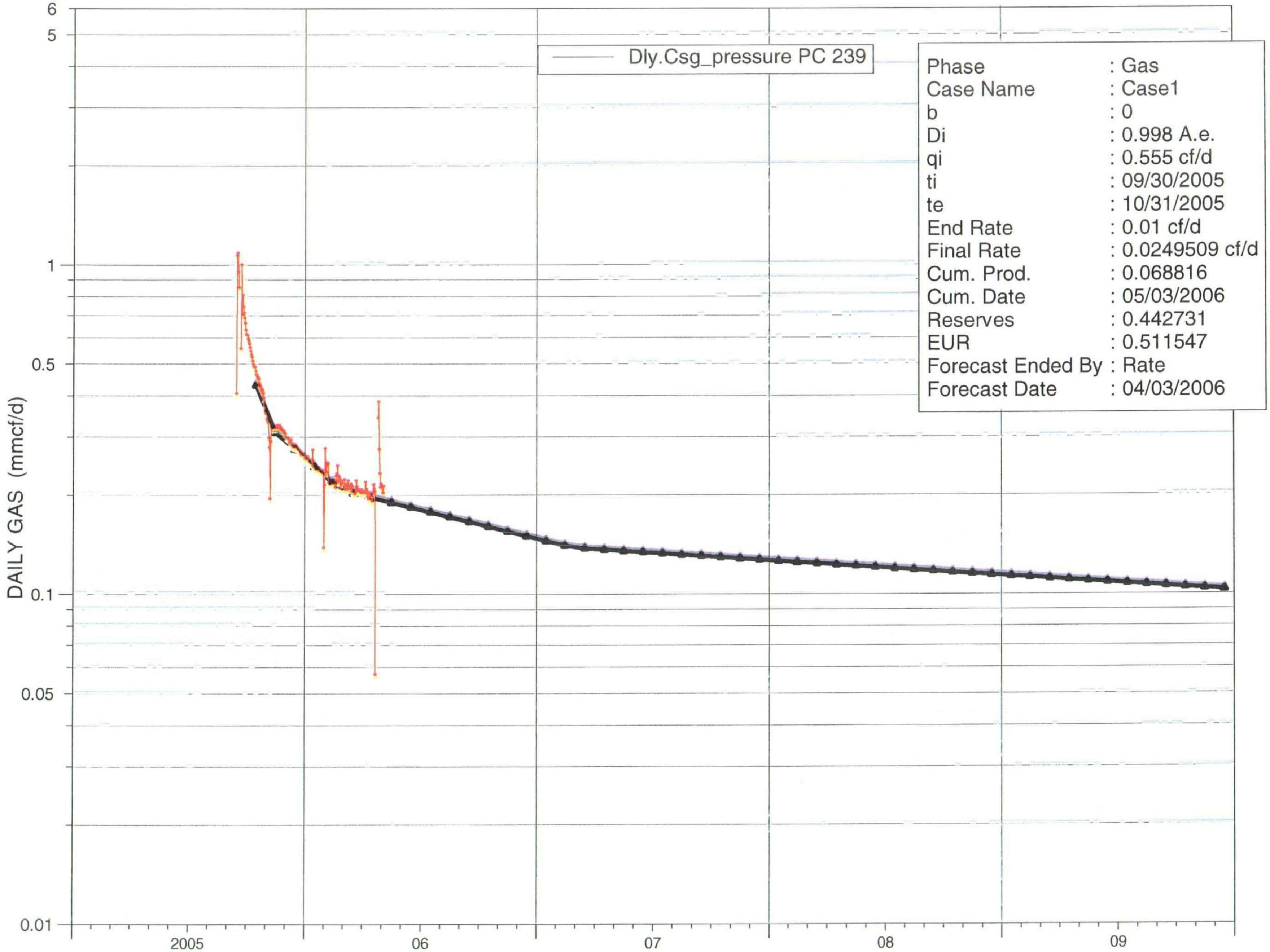
ɪT AND AT CASH FLOW

Date	NET CAPITAL LESS P&A	NET P&A	TOTAL NET CAPITAL	NET BT CASH FLOW UNDISC	CUM NET BT CASH FLOW	NET BT CASH FLOW DISC@10%	NET CAPITAL DEPRECIATION	NET CAPITAL DEPLETION	NET CAPITAL EXPENSE	NET TAXABLE INCOME	NET TAX CREDIT	NET INCOME TAXES PAYABLE	NET AT CASH FLOW UNDISC	NET AT CASH FLOW DISC@10%
	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
019(12)	0.000	0.000	0.000	46.255	1,378.677	12.341	0.000	0.000	0.000	46.255	0.000	17.577	28.678	7.651
·ub.	570.000	0.000	570.000	1,378.677	1,378.677	771.830	100.000	0.000	470.000	1,378.677	0.000	523.897	854.780	468.108
lem.	0.000	0.000	0.000	117.740	117.740	25.854	0.000	0.000	0.000	117.740	0.000	44.741	72.999	16.029
otal	570.000	0.000	570.000	1,496.417	1,496.417	797.684	100.000	0.000	470.000	1,496.417	0.000	568.638	927.779	484.138

;ASE NOTES

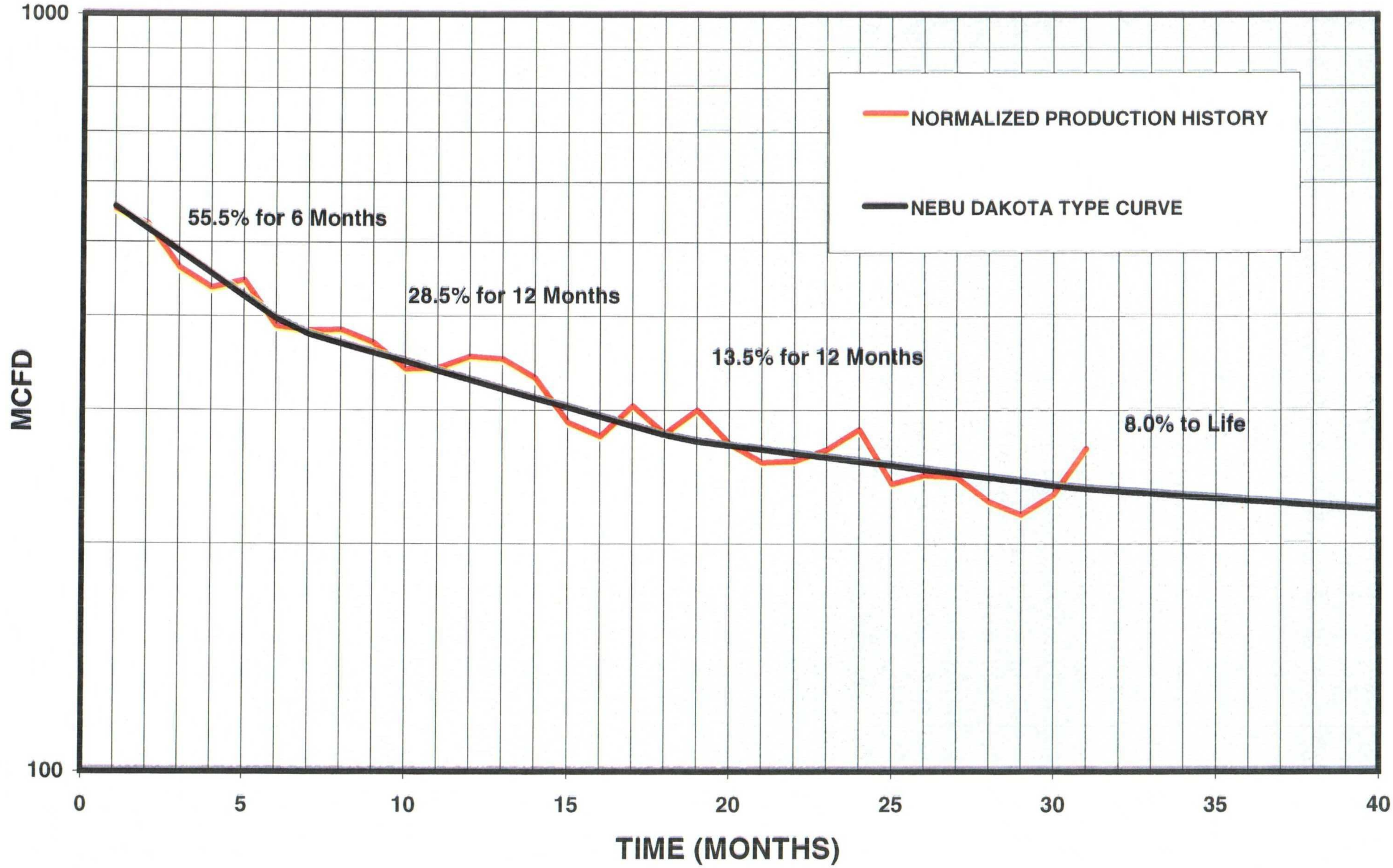
IOTES Case created from consolidation run.
Consolidation Name: GEKWORK

PC 239



Dly.Csg_pressure PC 239
Phase : Gas
Case Name : Case1
b : 0
Di : 0.998 A.e.
qi : 0.555 cf/d
ti : 09/30/2005
te : 10/31/2005
End Rate : 0.01 cf/d
Final Rate : 0.0249509 cf/d
Cum. Prod. : 0.068816
Cum. Date : 05/03/2006
Reserves : 0.442731
EUR : 0.511547
Forecast Ended By : Rate
Forecast Date : 04/03/2006
DAILY GAS (mmcf/d)
6
5
1
0.5
0.1
0.05
0.01
2005
06
07
08
09

NORMALIZED DAKOTA PRODUCTION
NEBU AREA WELLS



PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 333 (PICTURED CLIFFS)
NE 19-T31N-R6W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$570,000
OPERATING COST	-	$1,000/Month
GAS TRANSPORTATION FEE	-	$0.45/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.2%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL FORECAST = $6.00/mcf

RATE FORECAST PROCEDURE:

NEBU 333 was drilled and completed in the Pictured Cliffs (PC) in 2004. The daily production history of the well was fit to a Pictured Cliffs type decline curve (copy of type curve attached). The type curve was then used to forecast the future production profile of NEBU 333 (production curve also attached). The PC type curve was developed from monthly production volumes for PC wells in, and adjacent to, NEBU. An economic analysis was run using the above mentioned forecast along with the other parameters shown above. The attached economic run shows NEBU 333 to be a paying well.

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2004/08 - 2023/03

:ASE PARAMETERS

DIVISION	WESTERN	.OPERATED		AFE NUMBER:
DISTRICT	REQUIRED	.OPERATOR		
PROJECT AREA	REQUIRED	.STATUS		TITLE 1: NEBU 333 PICTURED CLIFFS
FIELD GROUP	REQUIRED	.RESERVOIR		TITLE 2: PAYING WELL DETERMINATION
FIELD	REQUIRED	.PROPERY CODE		TITLE 3:
RES CAT CURRENT	REQUIRED	.MAJOR PHASE	REQUIRED	
RES CAT YEAREND	REQUIRED	.ENGINEER		
RES CAT PRIOR YE	REQUIRED	.RIO WELLZONENUM		

CASE DATES

REPORT START DATE	2004/08
REPORT END DATE	2023/03
EVALUATION DATE	2004/08
DISCOUNT DATE	2004/08
PRODUCTION START	2004/09
ECONOMIC LIMIT	2023/03
1ST INVESTMENT	2004/08

DATE AND TIME

DATE:	5/8/2006
TIME:	11:03

:ASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	
COND PRICE OFFSET1	
NGL PRICE BASE	
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	0.000	0.000	0.000
NRI GAS	0.000	87.500	87.500
NRI BYPROD	0.000	0.000	0.000
WI OPCOST	0.000	100.000	91.099
WI CAPITAL	100.000	100.000	100.000

CASE SCENARIOS

OIL PROD FORECAST	Base
GAS PROD FORECAST	Base
COND PROD FORECAST	Base
NGL PROD FORECAST	Base
OPERATING COSTS	Base
CAPITAL	Base
CUSTOM	Base
INTERESTS	Base
OIL PRICE	
GAS PRICE	
COND PRICE	
NGL PRICE	

UMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	71.53	60.5
PAYOUT PERIOD	STND. (MO'S)	18.75	20.6
	PROJ. (MO'S)	18.75	20.6
UNDISC. PIR	M$/M$	3.43	2.13
10.0 PCNT. PIR	M$/M$	1.76	1.07
15.0 PCNT. PIR	M$/M$	1.33	0.80
FD COST	($/BOE)	7.100	
FDO COST	($/BOE)	15.890	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	570.000	1,953.739	1,211.318
5	570.000	1,367.807	842.334
8	570.000	1,129.598	691.711
10	570.000	1,001.803	610.691
12	570.000	892.991	541.557
14	570.000	799.483	482.017
15	570.000	757.554	455.274
16	570.000	718.438	430.297
18	570.000	647.636	385.014
20	570.000	585.330	345.076

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	579.474	507.040
- SALES	MMCF	550.500	481.688
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	91.750	80.281

ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	579.474

RODUCT, PRICE, AND REVENUE

Date	GROSS OIL/COND VOLUME MBBL	GROSS PROD GAS VOLUME MMCF	GROSS NGL VOLUME MBBL	NET OIL/COND VOLUME MBBL	NET SALES GAS VOLUME MMCF	NET NGL VOLUME MBBL	TOTAL NET OIL EQUIV VOLUME MBOE	AVG OIL/COND PRICE $/Bbl	AVG GAS PRICE $/mcf	AVG NGL PRICE $/Bbl	NET OIL/COND REVENUE M$	NET GAS REVENUE M$	NET NGL REVENUE M$	NET OTHER INCOME M$	TOTAL NET REVENUE M$
)04(12)	0.000	51.690	0.000	0.000	42.967	0.000	7.161	0.000	4.376	0.000	0.000	228.857	0.000	0.000	228.857
)05(12)	0.000	79.610	0.000	0.000	66.176	0.000	11.029	0.000	6.439	0.000	0.000	417.904	0.000	0.000	417.904
)06(12)	0.000	54.320	0.000	0.000	45.154	0.000	7.526	0.000	6.138	0.000	0.000	278.136	0.000	0.000	278.136
)07(12)	0.000	48.063	0.000	0.000	39.953	0.000	6.659	0.000	7.050	0.000	0.000	281.666	0.000	0.000	281.666
)08(12)	0.000	43.257	0.000	0.000	35.957	0.000	5.993	0.000	6.950	0.000	0.000	249.903	0.000	0.000	249.903
)09(12)	0.000	38.931	0.000	0.000	32.362	0.000	5.394	0.000	7.050	0.000	0.000	228.149	0.000	0.000	228.149
)10(12)	0.000	35.038	0.000	0.000	29.125	0.000	4.854	0.000	7.050	0.000	0.000	205.334	0.000	0.000	205.334
)11(12)	0.000	31.534	0.000	0.000	26.213	0.000	4.369	0.000	7.050	0.000	0.000	184.801	0.000	0.000	184.801
)12(12)	0.000	28.381	0.000	0.000	23.592	0.000	3.932	0.000	7.050	0.000	0.000	166.321	0.000	0.000	166.321
)13(12)	0.000	25.543	0.000	0.000	21.232	0.000	3.539	0.000	7.050	0.000	0.000	149.689	0.000	0.000	149.689
)14(12)	0.000	22.988	0.000	0.000	19.109	0.000	3.185	0.000	7.050	0.000	0.000	134.720	0.000	0.000	134.720
)15(12)	0.000	20.690	0.000	0.000	17.198	0.000	2.866	0.000	7.050	0.000	0.000	121.248	0.000	0.000	121.248
)16(12)	0.000	18.621	0.000	0.000	15.478	0.000	2.580	0.000	7.050	0.000	0.000	109.123	0.000	0.000	109.123
)17(12)	0.000	16.759	0.000	0.000	13.931	0.000	2.322	0.000	7.050	0.000	0.000	98.211	0.000	0.000	98.211
)18(12)	0.000	15.083	0.000	0.000	12.538	0.000	2.090	0.000	7.050	0.000	0.000	88.390	0.000	0.000	88.390
ub.	0.000	530.508	0.000	0.000	440.985	0.000	73.497	---	---	---	0.000	2,942.451	0.000	0.000	2,942.451
em.	0.000	48.966	0.000	0.000	40.703	0.000	6.784	---	---	---	0.000	286.958	0.000	0.000	286.958
otal	0.000	579.474	0.000	0.000	481.688	0.000	80.281	---	---	---	0.000	3,229.408	0.000	0.000	3,229.408

PCOSTS AND OH

Date	NUM OF WELLS	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
)04(12)	0.80	4.000	0.000	0.000	0.000	19.335	23.335	18.473	41.809	187.048	0.000	0.000	0.000
)05(12)	1.00	12.000	0.000	0.000	0.000	29.779	41.779	34.249	76.028	341.876	0.000	0.000	0.000
)06(12)	1.00	12.000	0.000	0.000	0.000	20.319	32.319	22.748	55.067	223.069	0.000	0.000	0.000
)07(12)	1.00	12.000	0.000	0.000	0.000	17.979	29.979	23.279	53.257	228.408	0.000	0.000	0.000
)08(12)	1.00	12.000	0.000	0.000	0.000	16.181	28.181	20.632	48.813	201.090	0.000	0.000	0.000
)09(12)	1.00	12.000	0.000	0.000	0.000	14.563	26.563	18.856	45.419	182.731	0.000	0.000	0.000
)10(12)	1.00	12.000	0.000	0.000	0.000	13.106	25.106	16.970	42.077	163.257	0.000	0.000	0.000
)11(12)	1.00	12.000	0.000	0.000	0.000	11.796	23.796	15.273	39.069	145.732	0.000	0.000	0.000
)12(12)	1.00	12.000	0.000	0.000	0.000	10.616	22.616	13.746	36.362	129.959	0.000	0.000	0.000
)13(12)	1.00	12.000	0.000	0.000	0.000	9.555	21.555	12.371	33.926	115.763	0.000	0.000	0.000
)14(12)	1.00	12.000	0.000	0.000	0.000	8.599	20.599	11.134	31.733	102.986	0.000	0.000	0.000
)15(12)	1.00	12.000	0.000	0.000	0.000	7.739	19.739	10.021	29.760	91.488	0.000	0.000	0.000
)16(12)	1.00	12.000	0.000	0.000	0.000	6.965	18.965	9.019	27.984	81.139	0.000	0.000	0.000
)17(12)	1.00	12.000	0.000	0.000	0.000	6.269	18.269	8.117	26.386	71.825	0.000	0.000	0.000
)18(12)	1.00	12.000	0.000	0.000	0.000	5.642	17.642	7.305	24.947	63.443	0.000	0.000	0.000
ub.	---	172.000	0.000	0.000	0.000	198.443	370.443	242.194	612.637	2,329.814	0.000	0.000	0.000
em.	---	51.000	0.000	0.000	0.000	18.316	69.316	23.716	93.033	193.925	0.000	0.000	0.000
otal	---	223.000	0.000	0.000	0.000	216.760	439.760	265.910	705.669	2,523.739	0.000	0.000	0.000

T AND AT CASH FLOW

Date	NET CAPITAL LESS P&A M$	NET P&A M$	TOTAL NET CAPITAL M$	NET BT CASH FLOW UNDISC M$	CUM NET BT CASH FLOW M$	NET BT CASH FLOW DISC@10% M$	NET CAPITAL DEPRECIATION M$	NET CAPITAL DEPLETION M$	NET CAPITAL EXPENSE M$	NET TAXABLE INCOME M$	NET TAX CREDIT M$	NET INCOME TAXES PAYABLE M$	NET AT CASH FLOW UNDISC M$	NET AT CASH FLOW DISC@10% M$
)04(12)	570.000	0.000	570.000	-382.952	-382.952	-386.586	14.286	0.000	470.000	-297.238	0.000	-112.950	-270.002	-275.144
)05(12)	0.000	0.000	0.000	341.876	-41.076	314.868	24.490	0.000	0.000	317.386	0.000	120.607	221.269	203.783
)06(12)	0.000	0.000	0.000	223.069	181.993	187.119	17.493	0.000	0.000	205.576	0.000	78.119	144.950	121.575
)07(12)	0.000	0.000	0.000	228.408	410.401	173.842	12.495	0.000	0.000	215.913	0.000	82.047	146.361	111.394
)08(12)	0.000	0.000	0.000	201.090	611.492	139.152	8.925	0.000	0.000	192.165	0.000	73.023	128.067	88.619
)09(12)	0.000	0.000	0.000	182.731	794.222	114.941	8.925	0.000	0.000	173.806	0.000	66.046	116.684	73.395
)10(12)	0.000	0.000	0.000	163.257	957.480	93.356	8.925	0.000	0.000	154.333	0.000	58.646	104.611	59.819
)11(12)	0.000	0.000	0.000	145.732	1,103.212	75.759	4.462	0.000	0.000	141.270	0.000	53.682	92.049	47.852
)12(12)	0.000	0.000	0.000	129.959	1,233.171	61.425	0.000	0.000	0.000	129.959	0.000	49.384	80.574	38.083
)13(12)	0.000	0.000	0.000	115.763	1,348.933	49.736	0.000	0.000	0.000	115.763	0.000	43.990	71.773	30.836
)14(12)	0.000	0.000	0.000	102.986	1,451.920	40.225	0.000	0.000	0.000	102.986	0.000	39.135	63.852	24.939
)15(12)	0.000	0.000	0.000	91.488	1,543.407	32.485	0.000	0.000	0.000	91.488	0.000	34.765	56.722	20.141
)16(12)	0.000	0.000	0.000	81.139	1,624.546	26.195	0.000	0.000	0.000	81.139	0.000	30.833	50.306	16.241
)17(12)	0.000	0.000	0.000	71.825	1,696.371	21.078	0.000	0.000	0.000	71.825	0.000	27.294	44.532	13.068

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2004/08 - 2023/03

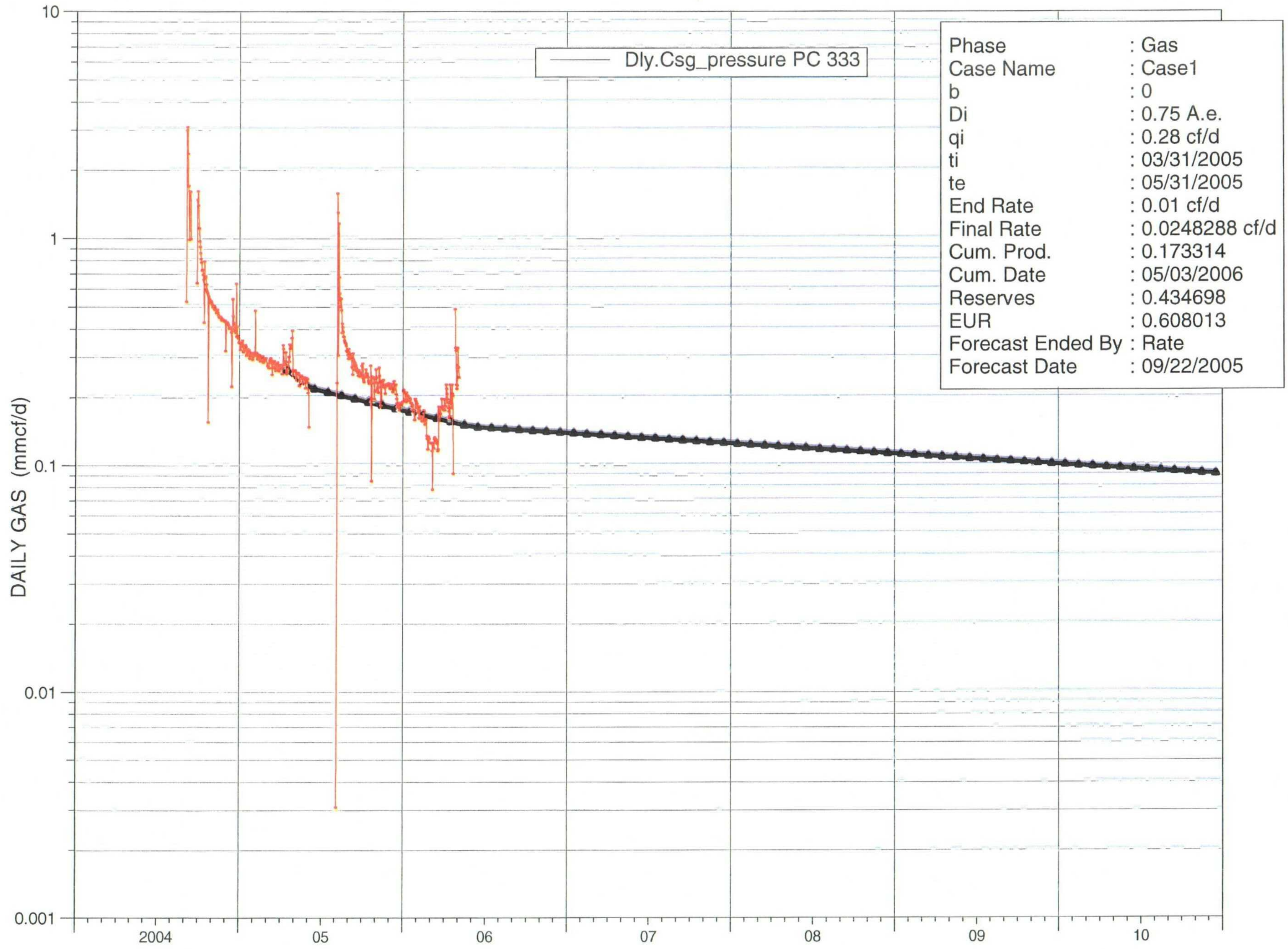
T AND AT CASH FLOW

Date	NET CAPITAL LESS P&A	NET P&A	TOTAL NET CAPITAL	NET BT CASH FLOW UNDISC	CUM NET BT CASH FLOW	NET BT CASH FLOW DISC@10%	NET CAPITAL DEPRECIATION	NET CAPITAL DEPLETION	NET CAPITAL EXPENSE	NET TAXABLE INCOME	NET TAX CREDIT	NET INCOME TAXES PAYABLE	NET AT CASH FLOW UNDISC	NET AT CASH FLOW DISC@10%
	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
)18(12)	0.000	0.000	0.000	63.443	1,759.814	16.926	0.000	0.000	0.000	63.443	0.000	24.108	39.334	10.494
ɹb.	570.000	0.000	570.000	1,759.814	1,759.814	960.520	100.000	0.000	470.000	1,759.814	0.000	668.729	1,091.085	585.096
em.	0.000	0.000	0.000	193.925	193.925	41.283	0.000	0.000	0.000	193.925	0.000	73.691	120.233	25.596
otal	570.000	0.000	570.000	1,953.739	1,953.739	1,001.803	100.000	0.000	470.000	1,953.739	0.000	742.421	1,211.318	610.691

ASE NOTES

OTES Case created from consolidation run.
Consolidation Name: GEKWORK

PC 333



Dly.Csg_pressure PC 333
DAILY GAS (mmcf/d)
10
1
0.1
0.01
0.001
2004
05
06
07
08
09
10
Phase : Gas
Case Name : Case1
b : 0
Di : 0.75 A.e.
qi : 0.28 cf/d
ti : 03/31/2005
te : 05/31/2005
End Rate : 0.01 cf/d
Final Rate : 0.0248288 cf/d
Cum. Prod. : 0.173314
Cum. Date : 05/03/2006
Reserves : 0.434698
EUR : 0.608013
Forecast Ended By : Rate
Forecast Date : 09/22/2005

NEBU AREA PICTURED CLIFFS TYPE CURVE
OLDER WELLS - MONTHLY DATA