devon

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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
Dakota Formation
Northeast Blanco Unit ("NEBU")
San Juan County, 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 49M	Dakota	SE/4 Sec. 30-31N-7W
NEBU 340	Dakota	NE/4 Sec. 31-31N-7W

Should it be determined that any well is a Paying Well, a proposed expansion to the Dakota 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.

Please don't hesitate to contact Jan Wooldridge at 405-552-4626 should you have any questions.

Sincerely

DEVON ENERGY PRODUCTION COPMPANY, 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 49M (DAKOTA)
SE 30-T31N-R7W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$590M
OPERATING COST	-	$1200/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:

A Dakota production type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. Early time actual gas production from NEBU 49M was fit to this Dakota type curve which was then used to forecast a future production profile for the well. Note that the initial decline of the type curve is 55.6% while the actual initial decline of the 49M is only 49.0%. The other three step declines from the type curve (28.5%, 13.6%, and 8.0%) were used in the forecast scenario for the 49M. A copy of the Dakota type curve is attached. Using this forecast and the parameters shown above, an economic analysis was run to determine whether or not the 49M is a paying well. The economic run is attached.
Note that a Dakota well costs about $800M to drill and complete. However, the 49M was a commingled Dakota/Mesaverde well in which each zone had some shared costs.

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/12 - 2048/05

CASE PARAMETERS

DIVISION	WESTERN	OPERATED		AFE NUMBER:	
DISTRICT	REQUIRED	OPERATOR			
PROJECT AREA	REQUIRED	STATUS		TITLE 1:	NEBU 49M DAKOTA
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	2005/12
REPORT END DATE	2048/05
EVALUATION DATE	2005/12
DISCOUNT DATE	2005/12
PRODUCTION START	2006/01
ECONOMIC LIMIT	2048/05
1ST INVESTMENT	2005/12

DATE AND TIME

DATE:	5/4/2006
TIME:	09:59

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	89.388
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)	4.07	4.6
	PROJ. (MO'S)	4.07	4.6
UNDISC. PIR	M$/M$	25.40	15.75
10.0 PCNT. PIR	M$/M$	12.44	7.69
15.0 PCNT. PIR	M$/M$	9.97	6.15
FD COST	($/BOE)	1.109	
FDO COST	($/BOE)	7.901	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	590.000	14,984.592	9,290.445
5	590.000	9,839.982	6,093.657
8	590.000	8,161.599	5,049.516
10	590.000	7,337.342	4,536.364
12	590.000	6,671.469	4,121.586
14	590.000	6,122.690	3,779.559
15	590.000	5,882.997	3,630.112
16	590.000	5,662.694	3,492.717
18	590.000	5,271.522	3,248.671
20	590.000	4,934.736	3,038.453

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	3,821.139	3,343.500
- SALES	MMCF	3,649.188	3,193.040
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	608.198	532.173

ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	3,821.139

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	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
2006(12)	0.000	434.970	0.000	0.000	363.472	0.000	60.579	0.000	6.066	0.000	0.000	2,211.702	0.000	0.000	2,211.702
2007(12)	0.000	303.025	0.000	0.000	253.215	0.000	42.203	0.000	6.000	0.000	0.000	1,519.292	0.000	0.000	1,519.292
2008(12)	0.000	257.325	0.000	0.000	215.027	0.000	35.838	0.000	6.000	0.000	0.000	1,290.165	0.000	0.000	1,290.165
2009(12)	0.000	234.845	0.000	0.000	196.242	0.000	32.707	0.000	6.000	0.000	0.000	1,177.454	0.000	0.000	1,177.454
2010(12)	0.000	216.057	0.000	0.000	180.543	0.000	30.091	0.000	6.000	0.000	0.000	1,083.258	0.000	0.000	1,083.258
2011(12)	0.000	198.773	0.000	0.000	166.099	0.000	27.683	0.000	6.000	0.000	0.000	996.597	0.000	0.000	996.597
2012(12)	0.000	182.871	0.000	0.000	152.812	0.000	25.469	0.000	6.000	0.000	0.000	916.869	0.000	0.000	916.869
2013(12)	0.000	168.241	0.000	0.000	140.587	0.000	23.431	0.000	6.000	0.000	0.000	843.519	0.000	0.000	843.519
2014(12)	0.000	154.782	0.000	0.000	129.339	0.000	21.557	0.000	6.000	0.000	0.000	776.037	0.000	0.000	776.037
2015(12)	0.000	142.399	0.000	0.000	118.993	0.000	19.832	0.000	6.000	0.000	0.000	713.955	0.000	0.000	713.955
2016(12)	0.000	131.008	0.000	0.000	109.473	0.000	18.246	0.000	6.000	0.000	0.000	656.839	0.000	0.000	656.839
2017(12)	0.000	120.527	0.000	0.000	100.715	0.000	16.786	0.000	6.000	0.000	0.000	604.292	0.000	0.000	604.292
2018(12)	0.000	110.885	0.000	0.000	92.658	0.000	15.443	0.000	6.000	0.000	0.000	555.948	0.000	0.000	555.948
2019(12)	0.000	102.014	0.000	0.000	85.246	0.000	14.208	0.000	6.000	0.000	0.000	511.473	0.000	0.000	511.473
Sub.	0.000	2,757.722	0.000	0.000	2,304.422	0.000	384.070	---	---	---	0.000	13,857.401	0.000	0.000	13,857.401
Rem.	0.000	1,063.417	0.000	0.000	888.618	0.000	148.103	---	---	---	0.000	5,331.706	0.000	0.000	5,331.706
Total	0.000	3,821.139	0.000	0.000	3,193.039	0.000	532.173	---	---	---	0.000	19,189.107	0.000	0.000	19,189.107

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)	0.00	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2006(12)	1.00	14.400	0.000	0.000	0.000	163.562	177.962	180.782	358.745	1,852.958	0.000	0.000	0.000
2007(12)	1.00	14.400	0.000	0.000	0.000	113.947	128.347	124.038	252.385	1,266.908	0.000	0.000	0.000
2008(12)	1.00	14.400	0.000	0.000	0.000	96.762	111.162	105.331	216.494	1,073.671	0.000	0.000	0.000
2009(12)	1.00	14.400	0.000	0.000	0.000	88.309	102.709	96.130	198.839	978.616	0.000	0.000	0.000
2010(12)	1.00	14.400	0.000	0.000	0.000	81.244	95.644	88.439	184.084	899.175	0.000	0.000	0.000
2011(12)	1.00	14.400	0.000	0.000	0.000	74.745	89.145	81.364	170.509	826.088	0.000	0.000	0.000
2012(12)	1.00	14.400	0.000	0.000	0.000	68.765	83.165	74.855	158.020	758.849	0.000	0.000	0.000
2013(12)	1.00	14.400	0.000	0.000	0.000	63.264	77.664	68.867	146.530	696.989	0.000	0.000	0.000
2014(12)	1.00	14.400	0.000	0.000	0.000	58.203	72.603	63.357	135.960	640.077	0.000	0.000	0.000
2015(12)	1.00	14.400	0.000	0.000	0.000	53.547	67.947	58.289	126.235	587.720	0.000	0.000	0.000
2016(12)	1.00	14.400	0.000	0.000	0.000	49.263	63.663	53.626	117.289	539.551	0.000	0.000	0.000
2017(12)	1.00	14.400	0.000	0.000	0.000	45.322	59.722	49.335	109.057	495.234	0.000	0.000	0.000
2018(12)	1.00	14.400	0.000	0.000	0.000	41.696	56.096	45.389	101.485	454.464	0.000	0.000	0.000
2019(12)	1.00	14.400	0.000	0.000	0.000	38.361	52.761	41.758	94.518	416.955	0.000	0.000	0.000
Sub.	---	201.600	0.000	0.000	0.000	1,036.990	1,238.590	1,131.559	2,370.149	11,487.253	0.000	0.000	0.000
Rem.	---	409.200	0.000	0.000	0.000	399.878	809.078	435.290	1,244.368	4,087.337	0.000	0.000	0.000
Total	---	610.800	0.000	0.000	0.000	1,436.868	2,047.668	1,566.850	3,614.517	15,574.590	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)	590.000	0.000	590.000	-590.000	-590.000	-590.000	27.143	0.000	400.000	-427.143	0.000	-162.314	-427.686	-427.686
2006(12)	0.000	0.000	0.000	1,852.958	1,262.958	1,768.234	46.531	0.000	0.000	1,806.427	0.000	686.442	1,166.515	1,113.103
2007(12)	0.000	0.000	0.000	1,266.908	2,529.866	1,096.083	33.236	0.000	0.000	1,233.672	0.000	468.795	798.112	690.480
2008(12)	0.000	0.000	0.000	1,073.671	3,603.536	843.684	23.740	0.000	0.000	1,049.931	0.000	398.974	674.697	530.167
2009(12)	0.000	0.000	0.000	978.616	4,582.152	698.834	16.957	0.000	0.000	961.658	0.000	365.430	613.185	437.877
2010(12)	0.000	0.000	0.000	899.175	5,481.327	583.732	16.957	0.000	0.000	882.217	0.000	335.243	563.932	366.095
2011(12)	0.000	0.000	0.000	826.088	6,307.415	487.532	16.957	0.000	0.000	809.131	0.000	307.470	518.618	306.071
2012(12)	0.000	0.000	0.000	758.849	7,066.263	407.178	8.478	0.000	0.000	750.371	0.000	285.141	473.708	254.178
2013(12)	0.000	0.000	0.000	696.989	7,763.252	339.953	0.000	0.000	0.000	696.989	0.000	264.856	432.133	210.771
2014(12)	0.000	0.000	0.000	640.077	8,403.330	283.813	0.000	0.000	0.000	640.077	0.000	243.229	396.848	175.964
2015(12)	0.000	0.000	0.000	587.720	8,991.050	236.907	0.000	0.000	0.000	587.720	0.000	223.334	364.386	146.882
2016(12)	0.000	0.000	0.000	539.551	9,530.600	197.739	0.000	0.000	0.000	539.551	0.000	205.029	334.521	122.598
2017(12)	0.000	0.000	0.000	495.234	10,025.834	164.981	0.000	0.000	0.000	495.234	0.000	188.189	307.045	102.288
2018(12)	0.000	0.000	0.000	454.464	10,480.299	137.635	0.000	0.000	0.000	454.464	0.000	172.696	281.767	85.334

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2005/12 - 2048/05

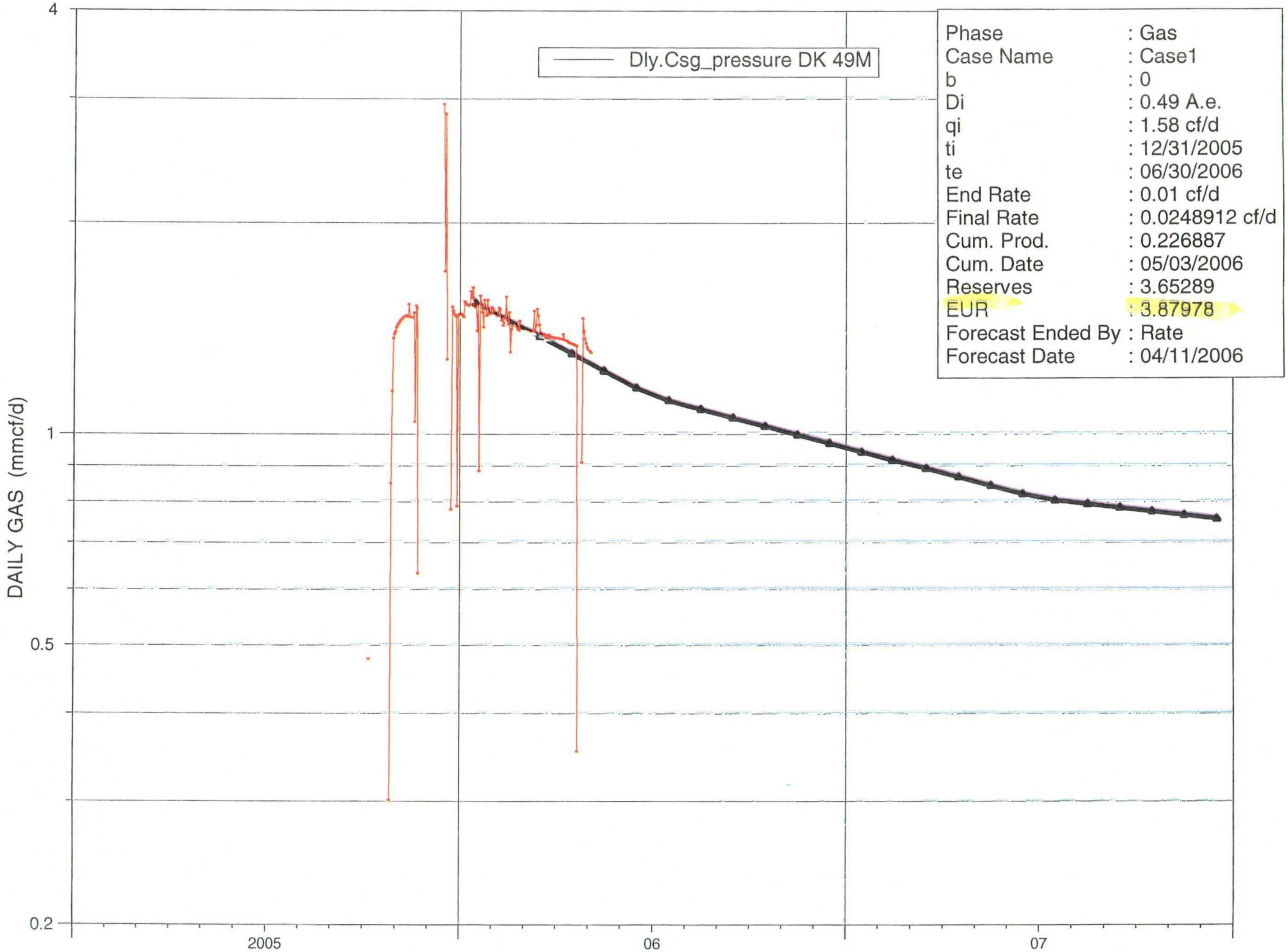
BT AND AT CASH FLOW

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	416.955	10,897.254	114.796	0.000	0.000	0.000	416.956	0.000	158.443	258.512	71.174
Sub.	590.000	0.000	590.000	10,897.253	10,897.254	6,771.103	190.000	0.000	400.000	10,897.253	0.000	4,140.956	6,756.297	4,185.297
Rem.	0.000	0.000	0.000	4,087.337	4,087.333	566.238	0.000	0.000	0.000	4,087.337	0.000	1,553.188	2,534.149	351.068
Total	590.000	0.000	590.000	14,984.590	14,984.587	7,337.340	190.000	0.000	400.000	14,984.591	0.000	5,694.144	9,290.446	4,536.364

CASE NOTES

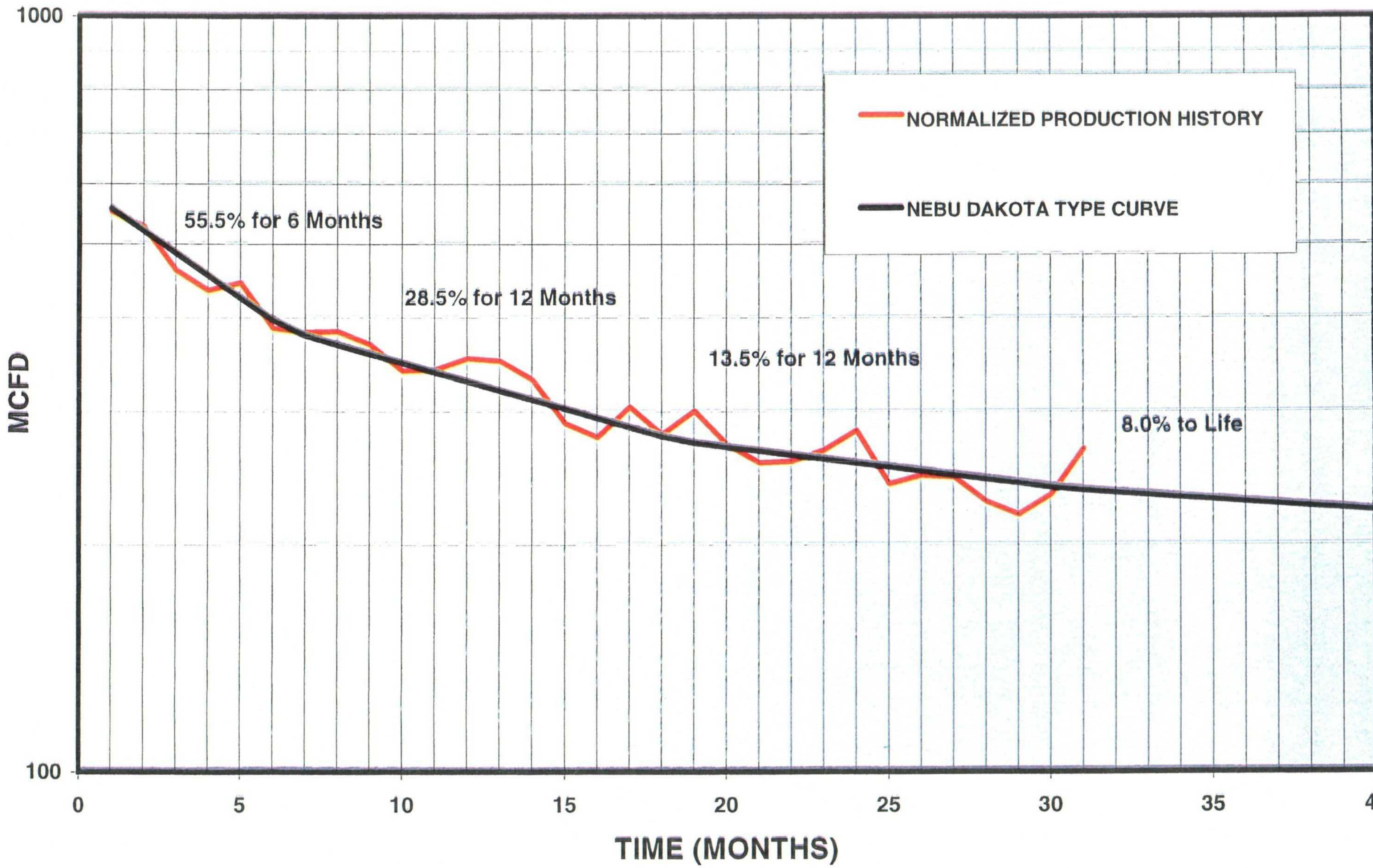
NOTES Case created from consolidation run.
Consolidation Name: GEKWORK

DK 49M



Dly.Csg_pressure DK 49M
Phase : Gas
Case Name : Case1
b : 0
Di : 0.49 A.e.
qi : 1.58 cf/d
ti : 12/31/2005
te : 06/30/2006
End Rate : 0.01 cf/d
Final Rate : 0.0248912 cf/d
Cum. Prod. : 0.226887
Cum. Date : 05/03/2006
Reserves : 3.65289
EUR : 3.87978
Forecast Ended By : Rate
Forecast Date : 04/11/2006
DAILY GAS (mmcf/d)
4
1
0.5
0.2
2005
06
07

NORMALIZED DAKOTA PRODUCTION
NEBU AREA WELLS



PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 340 (DAKOTA)
NE 31-T31N-R7W

ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	\$800M
OPERATING COST	-	\$1200/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:

A Dakota production type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit (type curve is attached). Most NEBU Dakota wells follow this decline trend closely. However, the 340 well came on at an unusually high rate for this area (4000^{+} MCFD) and is declining at a high initial rate (96.6%/year). We expect that the well will eventually follow the Dakota type curve as shown on the attached rate forecast graph. However, we have attached two economic scenarios. One assumes that the well does eventually follow the hyperbolic decline of the Dakota type curve. The other scenario assumes a very conservative case that the well continues to decline exponentially to an economic limit at its initial steep decline rate. In either case, the well is shown to generate sufficient economic return to be classified as a paying well.

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2006/01 - 2029/06

CASE PARAMETERS

DIVISION	WESTERN	.OPERATED		AFE NUMBER:	
DISTRICT	REQUIRED	.OPERATOR			
PROJECT AREA	REQUIRED	.STATUS		TITLE 1:	NEBU 340 DAKOTA
FIELD GROUP	REQUIRED	.RESERVOIR		TITLE 2:	PAYING WELL DETERMINATION
FIELD	REQUIRED	.PROPERY CODE		TITLE 3:	HYPERBOLIC DECLINE CASE
RES CAT CURRENT	REQUIRED	.MAJOR PHASE	REQUIRED		
RES CAT YEAREND	REQUIRED	.ENGINEER			
RES CAT PRIOR YE	REQUIRED	.RIO WELLZONENUM			

CASE DATES

REPORT START DATE	2006/01
REPORT END DATE	2029/06
EVALUATION DATE	2006/01
DISCOUNT DATE	2005/12
PRODUCTION START	2006/02
ECONOMIC LIMIT	2029/06
1ST INVESTMENT	2006/01

DATE AND TIME

DATE:	5/4/2006
TIME:	13:00

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	90.446
.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	659.2
.PAYOUT PERIOD	STND. (MO'S)	3.02	4.5
.	PROJ. (MO'S)	3.02	4.5
.UNDISC. PIR	M$/M$	5.02	3.11
.10.0 PCNT. PIR	M$/M$	3.24	1.97
.15.0 PCNT. PIR	M$/M$	2.81	1.70
.FD COST	($/BOE)	4.719	
.FDO COST	($/BOE)	12.351	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	800.000	4,017.913	2,491.105
5	800.000	3,116.219	1,916.768
8	800.000	2,770.758	1,694.739
10	800.000	2,589.851	1,577.800
12	800.000	2,437.889	1,479.123
14	800.000	2,308.540	1,394.750
15	800.000	2,250.830	1,356.978
16	800.000	2,197.114	1,321.742
18	800.000	2,100.080	1,257.887
20	800.000	2,014.749	1,201.496

RESERVES SUMMARY

.REMAINING RESERVES		GROSS	NET
.OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	1,217.345	1,065.176
.- SALES	MMCF	1,162.565	1,017.244
.NGL	MBBL	0.000	0.000
.OIL EQ (SALES)	MBOE	193.761	169.541

.ULTIMATE RECOVERABLE (Prod)		GROSS PRIOR	GROSS EUR
.OIL/COND	MBBL	0.000	0.000
.GAS	MMCF	0.000	1,217.345

PRODUCT, 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$
2006(12)	0.000	449.081	0.000	0.000	375.263	0.000	62.544	0.000	5.508	0.000	0.000	2,260.036	0.000	0.000	2,260.036
2007(12)	0.000	105.762	0.000	0.000	88.378	0.000	14.730	0.000	6.000	0.000	0.000	530.267	0.000	0.000	530.267
2008(12)	0.000	69.720	0.000	0.000	58.260	0.000	9.710	0.000	6.000	0.000	0.000	349.561	0.000	0.000	349.561
2009(12)	0.000	58.521	0.000	0.000	48.902	0.000	8.150	0.000	6.000	0.000	0.000	293.411	0.000	0.000	293.411
2010(12)	0.000	53.254	0.000	0.000	44.500	0.000	7.417	0.000	6.000	0.000	0.000	267.001	0.000	0.000	267.001
2011(12)	0.000	48.993	0.000	0.000	40.940	0.000	6.823	0.000	6.000	0.000	0.000	245.641	0.000	0.000	245.641
2012(12)	0.000	45.074	0.000	0.000	37.665	0.000	6.277	0.000	6.000	0.000	0.000	225.990	0.000	0.000	225.990
2013(12)	0.000	41.468	0.000	0.000	34.652	0.000	5.775	0.000	6.000	0.000	0.000	207.911	0.000	0.000	207.911
2014(12)	0.000	38.151	0.000	0.000	31.880	0.000	5.313	0.000	6.000	0.000	0.000	191.278	0.000	0.000	191.278
2015(12)	0.000	35.099	0.000	0.000	29.329	0.000	4.888	0.000	6.000	0.000	0.000	175.975	0.000	0.000	175.975
2016(12)	0.000	32.291	0.000	0.000	26.983	0.000	4.497	0.000	6.000	0.000	0.000	161.898	0.000	0.000	161.898
2017(12)	0.000	29.708	0.000	0.000	24.824	0.000	4.137	0.000	6.000	0.000	0.000	148.947	0.000	0.000	148.947
2018(12)	0.000	27.331	0.000	0.000	22.838	0.000	3.806	0.000	6.000	0.000	0.000	137.030	0.000	0.000	137.030
2019(12)	0.000	25.145	0.000	0.000	21.012	0.000	3.502	0.000	6.000	0.000	0.000	126.069	0.000	0.000	126.069
2020(12)	0.000	23.133	0.000	0.000	19.330	0.000	3.222	0.000	6.000	0.000	0.000	115.982	0.000	0.000	115.982
Sub.	0.000	1,082.731	0.000	0.000	904.757	0.000	150.793	---	---	---	0.000	5,436.996	0.000	0.000	5,436.996
Rem.	0.000	134.615	0.000	0.000	112.487	0.000	18.748	---	---	---	0.000	674.923	0.000	0.000	674.923
Total	0.000	1,217.345	0.000	0.000	1,017.244	0.000	169.541	---	---	---	0.000	6,111.919	0.000	0.000	6,111.919

OPCOSTS AND OH

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$
2006(12)	0.92	13.200	0.000	0.000	0.000	168.868	182.069	184.572	366.641	1,893.395	0.000	0.000	0.000
2007(12)	1.00	14.400	0.000	0.000	0.000	39.770	54.170	43.292	97.462	432.805	0.000	0.000	0.000
2008(12)	1.00	14.400	0.000	0.000	0.000	26.217	40.617	28.539	69.156	280.405	0.000	0.000	0.000
2009(12)	1.00	14.400	0.000	0.000	0.000	22.006	36.406	23.955	60.360	233.051	0.000	0.000	0.000
2010(12)	1.00	14.400	0.000	0.000	0.000	20.025	34.425	21.799	56.224	210.778	0.000	0.000	0.000
2011(12)	1.00	14.400	0.000	0.000	0.000	18.423	32.823	20.055	52.878	192.763	0.000	0.000	0.000
2012(12)	1.00	14.400	0.000	0.000	0.000	16.949	31.349	18.450	49.799	176.190	0.000	0.000	0.000
2013(12)	1.00	14.400	0.000	0.000	0.000	15.593	29.993	16.974	46.968	160.943	0.000	0.000	0.000
2014(12)	1.00	14.400	0.000	0.000	0.000	14.346	28.746	15.616	44.362	146.916	0.000	0.000	0.000
2015(12)	1.00	14.400	0.000	0.000	0.000	13.198	27.598	14.367	41.965	134.010	0.000	0.000	0.000
2016(12)	1.00	14.400	0.000	0.000	0.000	12.142	26.542	13.218	39.760	122.138	0.000	0.000	0.000
2017(12)	1.00	14.400	0.000	0.000	0.000	11.171	25.571	12.160	37.731	111.215	0.000	0.000	0.000
2018(12)	1.00	14.400	0.000	0.000	0.000	10.277	24.677	11.187	35.865	101.165	0.000	0.000	0.000
2019(12)	1.00	14.400	0.000	0.000	0.000	9.455	23.855	10.293	34.148	91.921	0.000	0.000	0.000
2020(12)	1.00	14.400	0.000	0.000	0.000	8.699	23.099	9.469	32.568	83.414	0.000	0.000	0.000
Sub.	---	214.800	0.000	0.000	0.000	407.141	621.940	443.945	1,065.886	4,371.110	0.000	0.000	0.000
Rem.	---	122.400	0.000	0.000	0.000	50.619	173.019	55.102	228.121	446.802	0.000	0.000	0.000
Total	---	337.200	0.000	0.000	0.000	457.760	794.960	499.047	1,294.007	4,817.912	0.000	0.000	0.000

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$
2006(12)	800.000	0.000	800.000	1,093.395	1,093.395	1,035.733	28.571	0.000	600.000	1,264.823	0.000	480.633	612.762	566.888
2007(12)	0.000	0.000	0.000	432.805	1,526.200	378.727	48.980	0.000	0.000	383.825	0.000	145.854	286.951	251.014
2008(12)	0.000	0.000	0.000	280.405	1,806.605	222.384	34.985	0.000	0.000	245.419	0.000	93.259	187.145	148.399
2009(12)	0.000	0.000	0.000	233.051	2,039.655	167.809	24.990	0.000	0.000	208.061	0.000	79.063	153.987	110.874
2010(12)	0.000	0.000	0.000	210.778	2,250.433	137.929	17.850	0.000	0.000	192.928	0.000	73.313	137.465	89.952
2011(12)	0.000	0.000	0.000	192.763	2,443.196	114.673	17.850	0.000	0.000	174.913	0.000	66.467	126.296	75.130
2012(12)	0.000	0.000	0.000	176.190	2,619.386	95.296	17.850	0.000	0.000	158.341	0.000	60.169	116.021	62.750
2013(12)	0.000	0.000	0.000	160.943	2,780.330	79.128	8.925	0.000	0.000	152.019	0.000	57.767	103.176	50.726
2014(12)	0.000	0.000	0.000	146.916	2,927.246	65.665	0.000	0.000	0.000	146.916	0.000	55.828	91.088	40.712
2015(12)	0.000	0.000	0.000	134.010	3,061.256	54.452	0.000	0.000	0.000	134.010	0.000	50.924	83.086	33.760
2016(12)	0.000	0.000	0.000	122.138	3,183.394	45.121	0.000	0.000	0.000	122.138	0.000	46.412	75.726	27.975
2017(12)	0.000	0.000	0.000	111.215	3,294.609	37.347	0.000	0.000	0.000	111.215	0.000	42.262	68.954	23.155
2018(12)	0.000	0.000	0.000	101.165	3,395.775	30.884	0.000	0.000	0.000	101.165	0.000	38.443	62.722	19.148
019(12)	0.000	0.000	0.000	91.921	3,487.696	25.511	0.000	0.000	0.000	91.921	0.000	34.930	56.991	15.817

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2006/01 - 2029/06

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$
2020(12)	0.000	0.000	0.000	83.414	3,571.111	21.048	0.000	0.000	0.000	83.414	0.000	31.697	51.717	13.050
Sub.	800.000	0.000	800.000	3,571.110	3,571.111	2,511.707	200.000	0.000	600.000	3,571.110	0.000	1,357.022	2,214.088	1,529.351
Rem.	0.000	0.000	0.000	446.802	446.801	78.144	0.000	0.000	0.000	446.802	0.000	169.785	277.017	48.449
Total	800.000	0.000	800.000	4,017.912	4,017.912	2,589.851	200.000	0.000	600.000	4,017.912	0.000	1,526.807	2,491.106	1,577.800

CASE NOTES

NOTES Case created from consolidation run.
Consolidation Name: GEKWORK

DEVON ENERGY CORP.
ECONOMIC SUMMARY
GEKWORK

Database: WESTERN Reserves/Budget
Partial Case Reporting: 2006/01 - 2008/12

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 340 DAKOTA
TITLE 2:	PAYING WELL DETERMINATION
TITLE 3:	STEEP EXPONENTIAL DECLINE CASE

CASE DATES

REPORT START DATE	2006/01
REPORT END DATE	2008/12
EVALUATION DATE	2006/01
DISCOUNT DATE	2005/12
PRODUCTION START	2006/02
ECONOMIC LIMIT	2008/12
1ST INVESTMENT	2006/01

DATE AND TIME

DATE:	5/4/2006
TIME:	13:02

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	88.699
.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	550.0
.PAYOUT PERIOD	STND. (MO'S)	3.02	4.5
.	PROJ. (MO'S)	3.02	4.5
.UNDISC. PIR	M$/M$	1.28	0.80
.10.0 PCNT. PIR	M$/M$	1.22	0.73
.15.0 PCNT. PIR	M$/M$	1.19	0.70
.FD COST	($/BOE)	13.050	
.FDO COST	($/BOE)	19.386	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	800.000	1,026.922	636.692
5	800.000	999.839	607.455
8	800.000	984.440	591.187
10	800.000	974.503	580.820
12	800.000	964.818	570.806
14	800.000	955.373	561.132
15	800.000	950.737	556.413
16	800.000	946.159	551.771
18	800.000	937.166	542.709
20	800.000	928.387	533.929

RESERVES SUMMARY

.REMAINING RESERVES		GROSS	NET
.OIL/COND	MBBL	0.000	0.000
. GAS - PROD	MMCF	440.172	385.150
.- SALES	MMCF	420.364	367.818
.NGL	MBBL	0.000	0.000
.OIL EQ (SALES)	MBOE	70.061	61.303

.ULTIMATE RECOVERABLE		GROSS	GROSS
(Prod)		PRIOR	EUR
.OIL/COND	MBBL	0.000	0.000
.GAS	MMCF	0.000	440.172

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$
2006(12)	0.000	422.805	0.000	0.000	353.306	0.000	58.884	0.000	5.508	0.000	0.000	2,128.294	0.000	0.000	2,128.294
2007(12)	0.000	17.366	0.000	0.000	14.512	0.000	2.419	0.000	4.000	0.000	0.000	87.071	0.000	0.000	87.071
2008(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	440.172	0.000	0.000	367.818	0.000	61.303	---	---	---	0.000	2,215.365	0.000	0.000	2,215.365

OPCOSTS AND OH

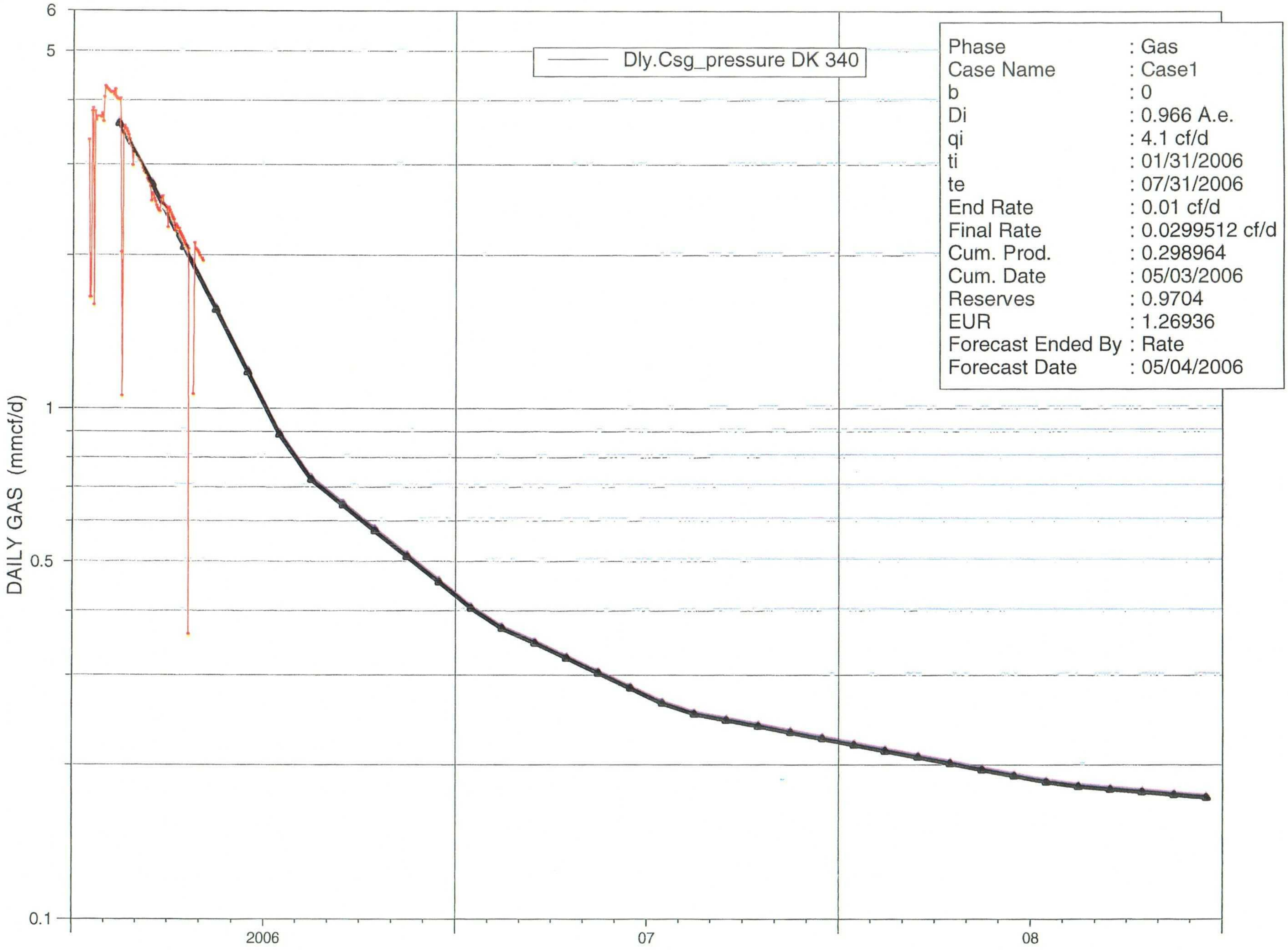
Date	NUM OF WELLS	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
2006(12)	0.92	13.200	0.000	0.000	0.000	158.988	172.188	173.817	346.005	1,782.290	0.000	0.000	0.000
2007(12)	1.00	14.400	0.000	0.000	0.000	6.530	20.930	7.109	28.039	59.032	0.000	0.000	0.000
2008(12)	1.00	14.400	0.000	0.000	0.000	0.000	14.400	0.000	14.400	-14.400	0.000	0.000	0.000
Total	---	42.000	0.000	0.000	0.000	165.518	207.518	180.925	388.444	1,826.922	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$
2006(12)	800.000	0.000	800.000	982.290	982.290	932.721	28.571	0.000	600.000	1,153.718	0.000	438.413	543.877	503.020
2007(12)	0.000	0.000	0.000	59.032	1,041.322	53.179	48.980	0.000	0.000	10.053	0.000	3.820	55.212	49.174
2008(12)	0.000	0.000	0.000	-14.400	1,026.923	-11.396	122.449	0.000	0.000	-136.849	0.000	-52.003	37.603	28.626
Total	800.000	0.000	800.000	1,026.922	1,026.923	974.503	200.000	0.000	600.000	1,026.922	0.000	390.230	636.692	580.820

CASE NOTES

DK 340



Dly.Csg_pressure DK 340
Phase : Gas
Case Name : Case1
b : 0
Di : 0.966 A.e.
qi : 4.1 cf/d
ti : 01/31/2006
te : 07/31/2006
End Rate : 0.01 cf/d
Final Rate : 0.0299512 cf/d
Cum. Prod. : 0.298964
Cum. Date : 05/03/2006
Reserves : 0.9704
EUR : 1.26936
Forecast Ended By : Rate
Forecast Date : 05/04/2006
DAILY GAS (mmcf/d)
6
5
1
0.5
0.1
2006
07
08

NORMALIZED DAKOTA PRODUCTION
NEBU AREA WELLS