devon

318

20 North Broadway
Oklahoma City, Oklahoma 73102
405-552-7843 FAX

Janet Wooldridge, CPL
Senior Landman
405-552-4626

RECEIVED

2009 MAR 16 PM 1 21

March 11, 2009

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 and Rio Arriba Counties, New Mexico
C-03-000062

Dear Mr. Townsend:

Devon Energy Production Company, L.P., as the 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 37B	Dakota	E/2 Sec. 6- 30N-7W
NEBU 345	Dakota	N/2 Sec. 29-30N-7W
NEBU 350	Dakota	Lots 11,12,17&18&E/2W/2 Sec.6-30N-7W &Lots 11,12&E/2SW Sec. 31-31N-7W
NEBU 353	Dakota	W/2 Sec. 5-30N-7W
NEBU 354	Dakota	E/2 Sec. 32-31N-7W
NEBU 347M	Dakota	W/2 Sec. 36-31N-8W

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.

If you have any questions, please don't hesitate to contact me at 405-552-4626 or jan.wooldridge@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Janet Wooldridge

Janet Wooldridge, CPL
Senior Landman

enc.

cc: State of New Mexico
Engineering Department
Oil Conservation Division
1220 South St. Frances Drive
Santa Fe, New Mexico 87505

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

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410
Attention: Charlie Perrin

Working Interest Owners(see attached)

WORKING INTEREST OWNERS
DAKOTA PAYING WELL DETERMINATIONS
NEBU 37B, 345, 350, 353, 354 AND 347M

NEBU 37B, 345, 350, 353 and 354

Burlington Resources Oil & Gas Co.

ConocoPhillips Company

BP America Production Company

Devon Energy Production Company, LP

B&N Company(APO)

BN Non-Coal, LLC(APO)

Canaan Resources, LLC

FNRC DEI GP(BPO 37B, APO 345, 350, 353 and 354)

Frank C. Davis, III

NEBU 347M

Burlington Resources Oil & Gas Co.

ConocoPhillips Company

Four Star Oil & Gas Company (APO)

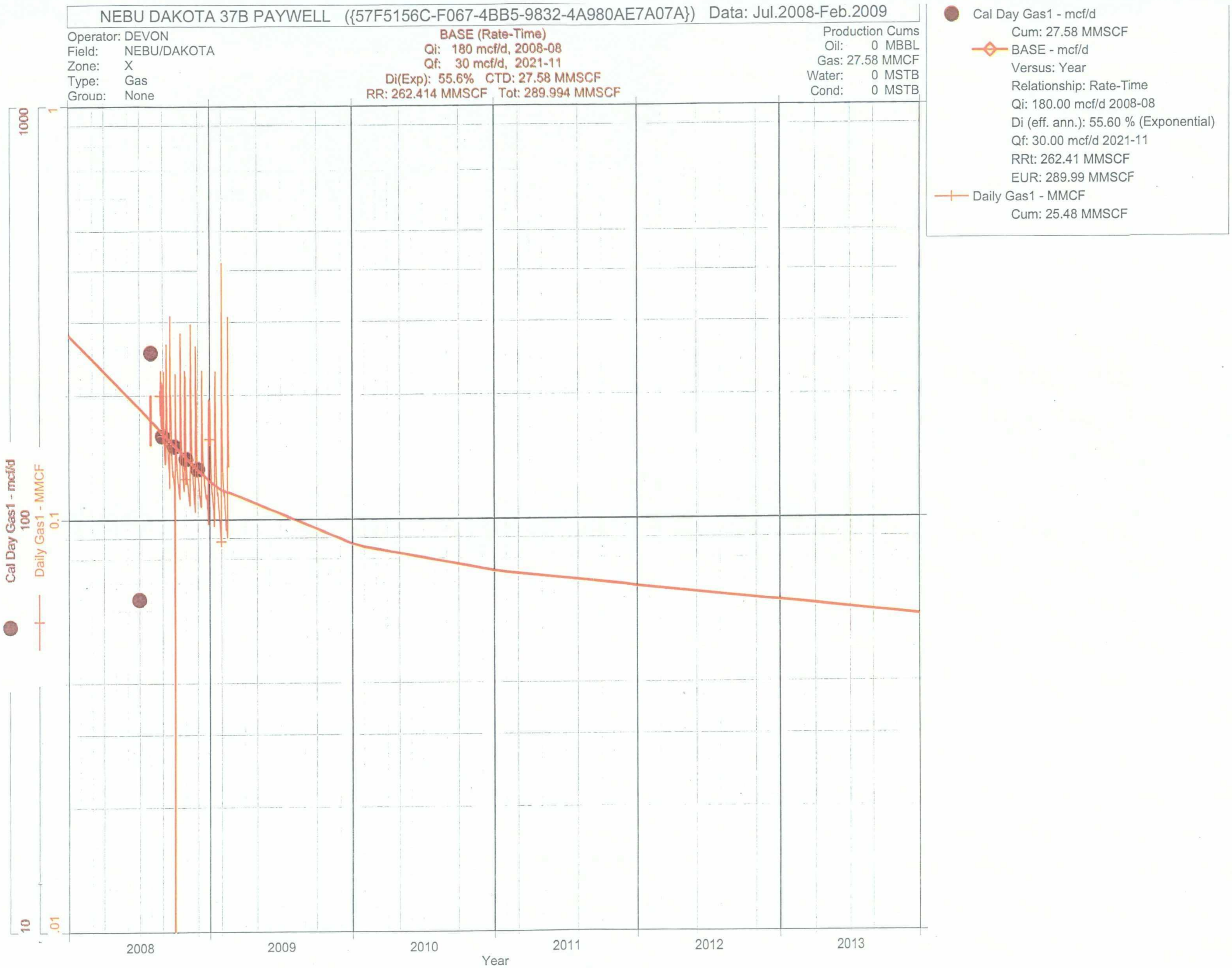
PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 37B (DAKOTA)
NE 6-30N-7W

ECONOMIC PARAMETERS:

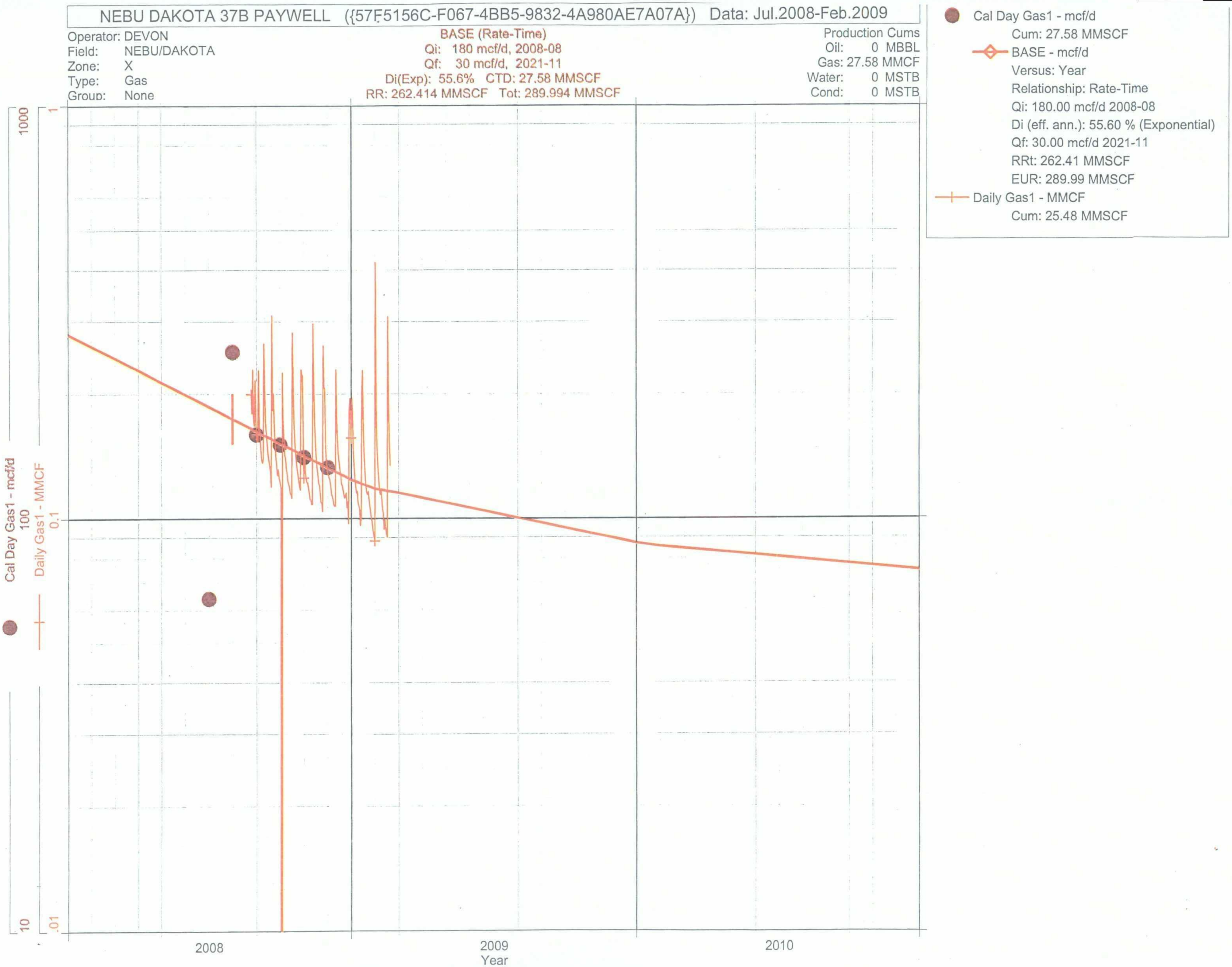
DRILLING AND COMPLETION COST	-	$1025M
OPERATING COST	-	$2700/Month
GAS TRANSPORTATION FEE	-	$0.35/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.86%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL 3/09–12/09 FRCST = $4.00/MCF LONGTERM = $5.00/MCF

RATE FORECAST PROCEDURE:

The early time gas production history of NEBU 37B was fit to a Dakota type decline curve. Future production for this well was then forecast to follow the type decline curve as shown on the attached production curve. The Dakota type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. A copy of the Dakota type curve is attached. The dark red circles on the production curve represent average daily production rates for the month, the thin red line shows the actual daily production rates.



NEBU DAKOTA 37B PAYWELL ({57F5156C-F067-4BB5-9832-4A980AE7A07A}) Data: Jul.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 180 mcf/d, 2008-08
Qf: 30 mcf/d, 2021-11
Di(Exp): 55.6% CTD: 27.58 MMSCF
RR: 262.414 MMSCF Tot: 289.994 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 27.58 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 27.58 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 180.00 mcf/d 2008-08
Di (eff. ann.): 55.60 % (Exponential)
Qf: 30.00 mcf/d 2021-11
RRt: 262.41 MMSCF
EUR: 289.99 MMSCF
Daily Gas1 - MMCF
Cum: 25.48 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
100
10
1
0.1
.01
2008
2009
2010
2011
2012
2013
Year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0.1
.01
2008
2009
2010
Year

DEVON ENERGY CORP.
ECONOMIC SUMMARY
NEBU DAKOTA 37B PAYWELL
Database: Western Reserves Budget Oracle

CASE PARAMETERS

DIVISION	WESTERN DIVISION	OPERATED	YES	AFE NUMBER:	X
DISTRICT	ROCKY MOUNTAIN	OPERATOR	DEVON		
PROJECT AREA	XGEK	STATUS		TITLE 1:	X
FIELD GRONORTHEAST BLANCO UNIT CONVEN		RESERVOIR	X	TITLE 2:	X
FIELD	09	PROPERY CODE	X	TITLE 3:	X
RES CAT CURRENT	DK	MAJOR PHASE	PAYWELL		
RES CAT YEAREND	DK	ENGINEER	CDS		
RES CAT PRIOR YE	DK	RIO WELLZONENUM	X		

CASE DATES

REPORT START DATE	2008/06
REPORT END DATE	2021/10
EVALUATION DATE	2008/06
DISCOUNT DATE	2008/06
PRODUCTION START	2008/07
ECONOMIC LIMIT	2021/10
1ST INVESTMENT	2008/06

DATE AND TIME

DATE:	2/25/2009
TIME:	15:43

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	NEBU DAKOTA 37B PAYWELL
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	Cond_WTI-Cushing
COND PRICE OFFSET1	
NGL PRICE BASE	Ngl_Mt Belvieu/Conway
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	87.500	87.500	0.000
NRI GAS	87.500	87.500	87.500
NRI BYPROD	87.500	87.500	0.000
WI OPCOST	100.000	100.000	95.920
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	Base
GAS PRICE	Base
COND PRICE	Base
NGL PRICE	Base

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	0.00	0.0
PAYOUT PERIOD	STND. (MO'S)	0.00	0.0
	PROJ. (MO'S)	0.00	0.0
UNDISC. PIR	M$/M$	-0.43	-0.27
10.0 PCNT. PIR	M$/M$	-0.59	-0.42
15.0 PCNT. PIR	M$/M$	-0.64	-0.47
FD COST	$/BOE	25.443	
FDO COST	$/BOE	40.714	
NET UPLIFT	BOEPD/MM$	16.7582	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	1,025.000	-439.125	-272.258
5	1,025.000	-537.621	-365.051
8	1,025.000	-581.835	-408.223
10	1,025.000	-606.788	-433.099
12	1,025.000	-628.795	-455.385
14	1,025.000	-648.309	-475.447
15	1,025.000	-657.251	-484.742
16	1,025.000	-665.704	-493.591
18	1,025.000	-681.285	-510.059
20	1,025.000	-695.306	-525.094

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	289.260	253.102
- SALES	MMCF	276.243	241.712
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	46.040	40.285

ULTIMATE RECOVERABLE		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	289.994
NGL	MBBL	0.000	0.000

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$
2008 06	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
2008 07	0.000	1.980	0.000	0.000	1.655	0.000	0.276	0.000	11.360	0.000	0.000	18.796	0.000	0.000	18.796
2008 08	0.000	7.830	0.000	0.000	6.543	0.000	1.090	0.000	7.640	0.000	0.000	49.988	0.000	0.000	49.988
2008 09	0.000	4.780	0.000	0.000	3.994	0.000	0.666	0.000	6.430	0.000	0.000	25.683	0.000	0.000	25.683
2008 10	0.000	4.670	0.000	0.000	3.902	0.000	0.650	0.000	4.270	0.000	0.000	16.663	0.000	0.000	16.663
2008 11	0.000	4.210	0.000	0.000	3.518	0.000	0.586	0.000	2.840	0.000	0.000	9.991	0.000	0.000	9.991
2008 12	0.000	4.110	0.000	0.000	3.434	0.000	0.572	0.000	4.630	0.000	0.000	15.901	0.000	0.000	15.901
2009 01	0.000	3.843	0.000	0.000	3.211	0.000	0.535	0.000	4.830	0.000	0.000	15.509	0.000	0.000	15.509
2009 02	0.000	3.300	0.000	0.000	2.757	0.000	0.460	0.000	4.000	0.000	0.000	11.030	0.000	0.000	11.030
2009 03	0.000	3.567	0.000	0.000	2.980	0.000	0.497	0.000	4.000	0.000	0.000	11.922	0.000	0.000	11.922
2009 04	0.000	3.356	0.000	0.000	2.805	0.000	0.467	0.000	4.000	0.000	0.000	11.218	0.000	0.000	11.218
2009 05	0.000	3.372	0.000	0.000	2.818	0.000	0.470	0.000	4.000	0.000	0.000	11.272	0.000	0.000	11.272
2009 06	0.000	3.173	0.000	0.000	2.652	0.000	0.442	0.000	4.000	0.000	0.000	10.606	0.000	0.000	10.606
2009 07	0.000	3.188	0.000	0.000	2.664	0.000	0.444	0.000	4.000	0.000	0.000	10.657	0.000	0.000	10.657
2009 08	0.000	3.099	0.000	0.000	2.589	0.000	0.432	0.000	4.000	0.000	0.000	10.358	0.000	0.000	10.358
Sub.	0.000	54.478	0.000	0.000	45.523	0.000	7.587	0.000	—	0.000	0.000	229.594	0.000	0.000	229.594
Rem.	0.000	234.782	0.000	0.000	196.189	0.000	32.698	0.000	—	0.000	0.000	971.443	0.000	0.000	971.443
Total	0.000	289.260	0.000	0.000	241.712	0.000	40.285	0.000	—	0.000	0.000	1,201.037	0.000	0.000	1,201.037

OPCOSTS AND OH

Date	NUM OF WELLS	TOTAL GROSS OPERATING EXPENSE M$	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$
2008 06	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	0.000
2008 07	1.00	5.204	2.700	0.000	0.000	0.000	0.579	3.279	1.612	4.891	13.905	0.000	0.000	0.000
2008 08	1.00	10.135	2.700	0.000	0.000	0.000	2.290	4.990	4.216	9.207	40.782	0.000	0.000	0.000
2008 09	1.00	6.750	2.700	0.000	0.000	0.000	1.398	4.098	2.146	6.244	19.439	0.000	0.000	0.000
2008 10	1.00	5.803	2.700	0.000	0.000	0.000	1.366	4.066	1.350	5.415	11.248	0.000	0.000	0.000
2008 11	1.00	4.988	2.700	0.000	0.000	0.000	1.231	3.931	0.771	4.702	5.289	0.000	0.000	0.000
2008 12	1.00	5.556	2.700	0.000	0.000	0.000	1.202	3.902	1.297	5.199	10.702	0.000	0.000	0.000
2009 01	1.00	5.436	2.700	0.000	0.000	0.000	1.124	3.824	1.270	5.094	10.416	0.000	0.000	0.000
2009 02	1.00	4.817	2.700	0.000	0.000	0.000	0.965	3.665	0.888	4.553	6.477	0.000	0.000	0.000
2009 03	1.00	4.989	2.700	0.000	0.000	0.000	1.043	3.743	0.959	4.703	7.219	0.000	0.000	0.000
2009 04	1.00	4.854	2.700	0.000	0.000	0.000	0.982	3.682	0.903	4.584	6.634	0.000	0.000	0.000
2009 05	1.00	4.864	2.700	0.000	0.000	0.000	0.986	3.686	0.907	4.593	6.678	0.000	0.000	0.000
2009 06	1.00	4.736	2.700	0.000	0.000	0.000	0.928	3.628	0.854	4.482	6.125	0.000	0.000	0.000
2009 07	1.00	4.746	2.700	0.000	0.000	0.000	0.932	3.632	0.858	4.490	6.167	0.000	0.000	0.000
2009 08	1.00	4.688	2.700	0.000	0.000	0.000	0.906	3.606	0.834	4.440	5.918	0.000	0.000	0.000
Sub.	—	77.568	37.800	0.000	0.000	0.000	15.933	53.733	18.864	72.597	156.997	0.000	0.000	0.000
Rem.	—	563.761	394.200	0.000	0.000	0.000	68.666	462.866	79.699	542.566	428.878	0.000	0.000	0.000
Total	—	641.329	432.000	0.000	0.000	0.000	84.599	516.599	98.563	615.163	585.875	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	TOTAL GROSS CAPITAL M$	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$
2008 06	1,025.000	1,025.000	0.000	1,025.000	-1,025.000	-1,025.000	-1,025.000	13.597	0.000	51.250	-64.847	0.000	-24.642	-1,000.358	-1,000.358
2008 07	0.000	0.000	0.000	0.000	13.905	-1,011.095	13.795	13.597	0.000	51.250	-50.942	0.000	-19.358	33.263	33.000
2008 08	0.000	0.000	0.000	0.000	40.782	-970.314	40.139	13.597	0.000	51.250	-24.065	0.000	-9.145	49.926	49.140
2008 09	0.000	0.000	0.000	0.000	19.439	-950.874	18.982	13.597	0.000	51.250	-45.407	0.000	-17.255	36.694	35.830
2008 10	0.000	0.000	0.000	0.000	11.248	-939.626	10.896	13.597	0.000	51.250	-53.599	0.000	-20.368	31.615	30.627
2008 11	0.000	0.000	0.000	0.000	5.289	-934.338	5.083	13.597	0.000	51.250	-59.558	0.000	-22.632	27.921	26.834
2008 12	0.000	0.000	0.000	0.000	10.702	-923.636	10.204	13.597	0.000	51.250	-54.145	0.000	-20.575	31.277	29.822
2009 01	0.000	0.000	0.000	0.000	10.416	-913.220	9.852	13.597	0.000	0.000	-3.181	0.000	-1.209	11.625	10.996
2009 02	0.000	0.000	0.000	0.000	6.477	-906.743	6.078	13.597	0.000	0.000	-7.120	0.000	-2.706	9.183	8.617
2009 03	0.000	0.000	0.000	0.000	7.219	-899.524	6.721	13.597	0.000	0.000	-6.378	0.000	-2.424	9.643	8.977
2009 04	0.000	0.000	0.000	0.000	6.634	-892.890	6.127	13.597	0.000	0.000	-6.963	0.000	-2.646	9.280	8.571
2009 05	0.000	0.000	0.000	0.000	6.678	-886.212	6.119	13.597	0.000	0.000	-6.919	0.000	-2.629	9.307	8.529
2009 06	0.000	0.000	0.000	0.000	6.125	-880.087	5.568	13.597	0.000	0.000	-7.472	0.000	-2.839	8.964	8.149
2009 07	0.000	0.000	0.000	0.000	6.167	-873.921	5.562	13.597	0.000	0.000	-7.430	0.000	-2.823	8.990	8.108
2009 08	0.000	0.000	0.000	0.000	5.918	-868.003	5.295	13.597	0.000	0.000	-7.679	0.000	-2.918	8.836	7.906
Sub.	1,025.000	1,025.000	0.000	1,025.000	-868.003	-868.003	-874.579	203.954	0.000	358.750	-405.707	0.000	-154.169	-713.834	-725.253
Rem.	0.000	0.000	0.000	0.000	428.878	-439.125	267.790	462.296	0.000	0.000	-33.418	0.000	-12.699	441.577	292.154
Total	1,025.000	1,025.000	0.000	1,025.000	-439.125	-439.125	-606.788	666.250	0.000	358.750	-439.125	0.000	-166.868	-272.258	-433.099

CASE NOTES

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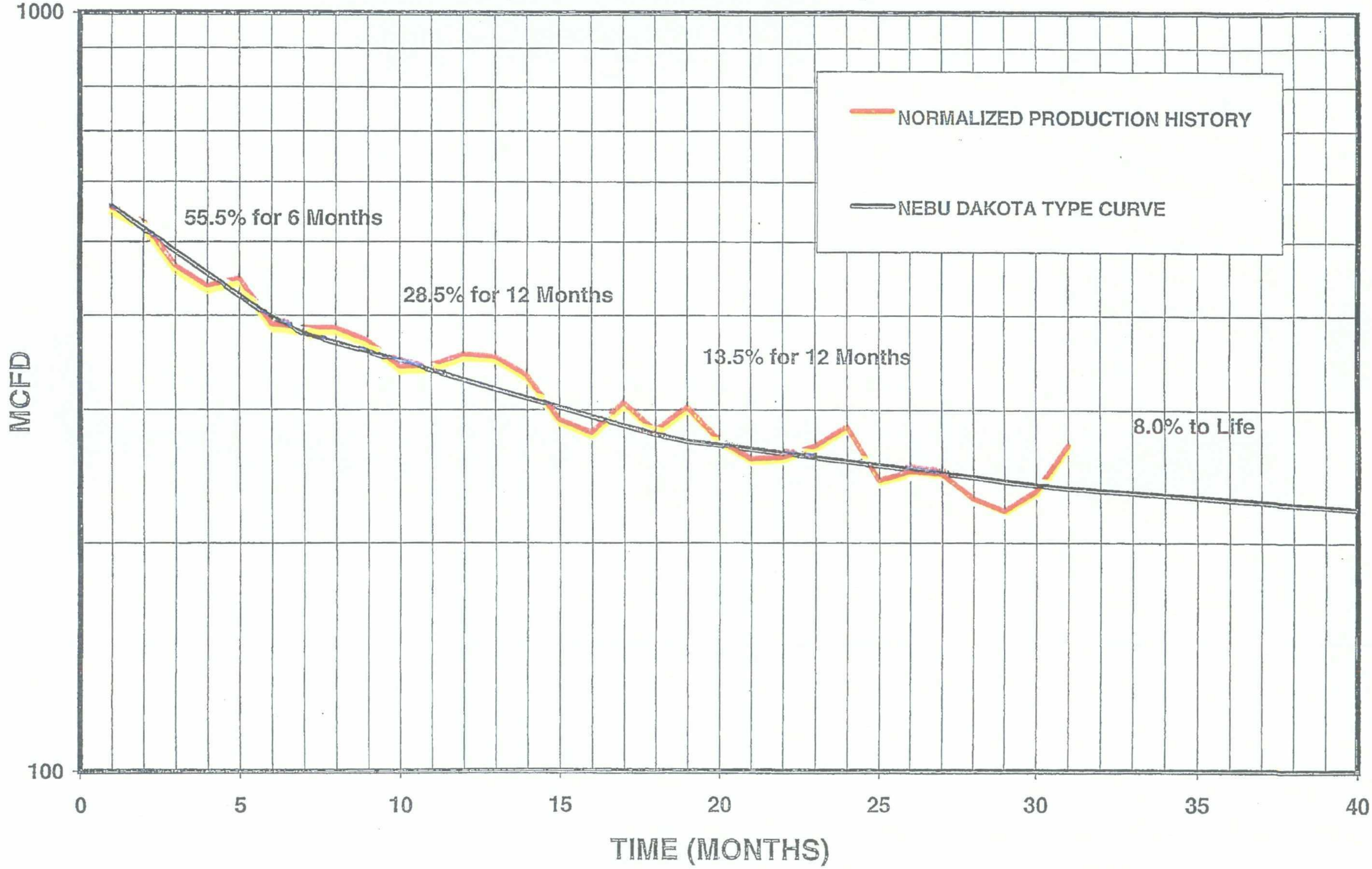
NOTES

NEBU DAKOTA TYPE CURVE
NEBU AREA WELLS



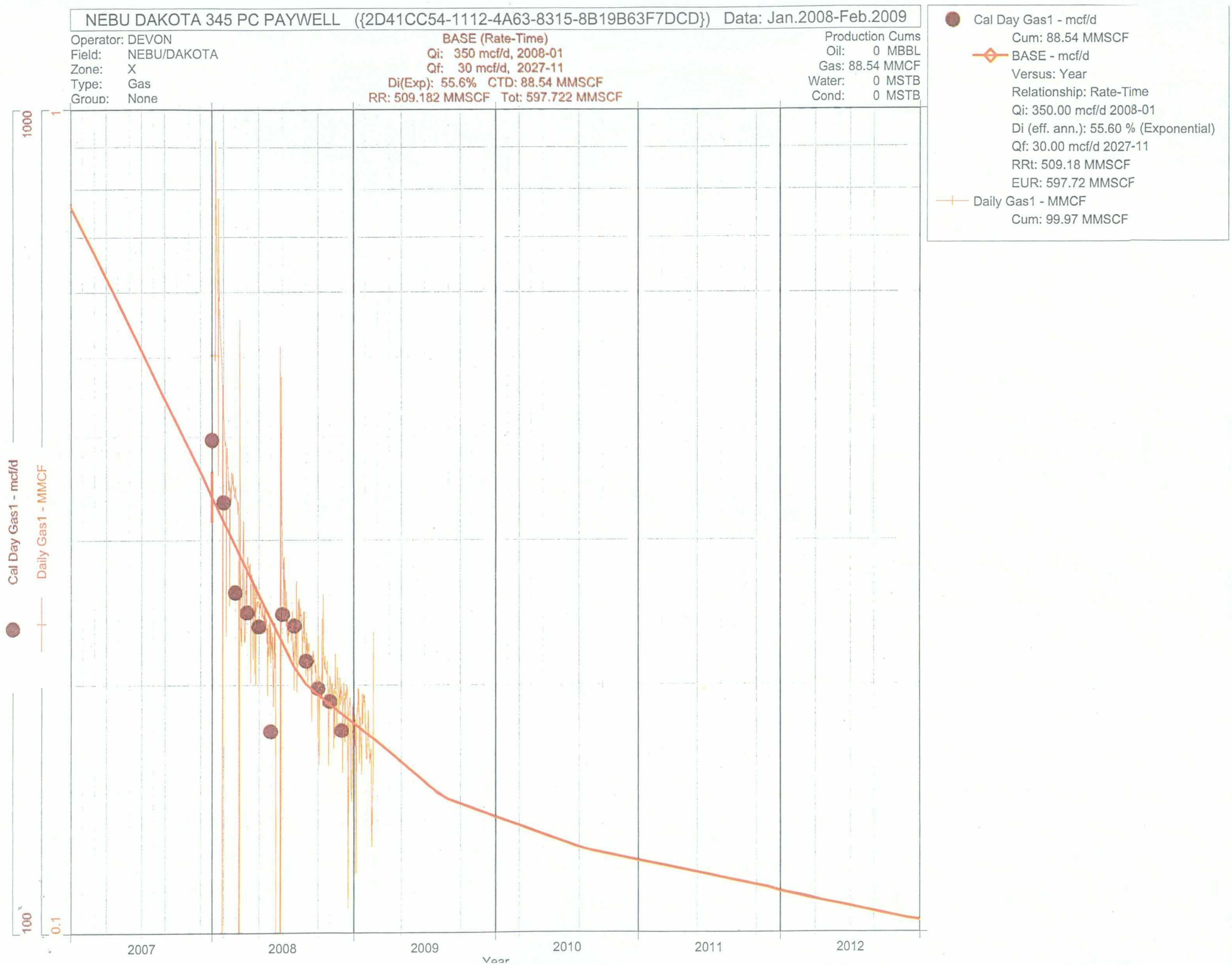
PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 345 (DAKOTA)
NE 29-30N-7W

ECONOMIC PARAMETERS:

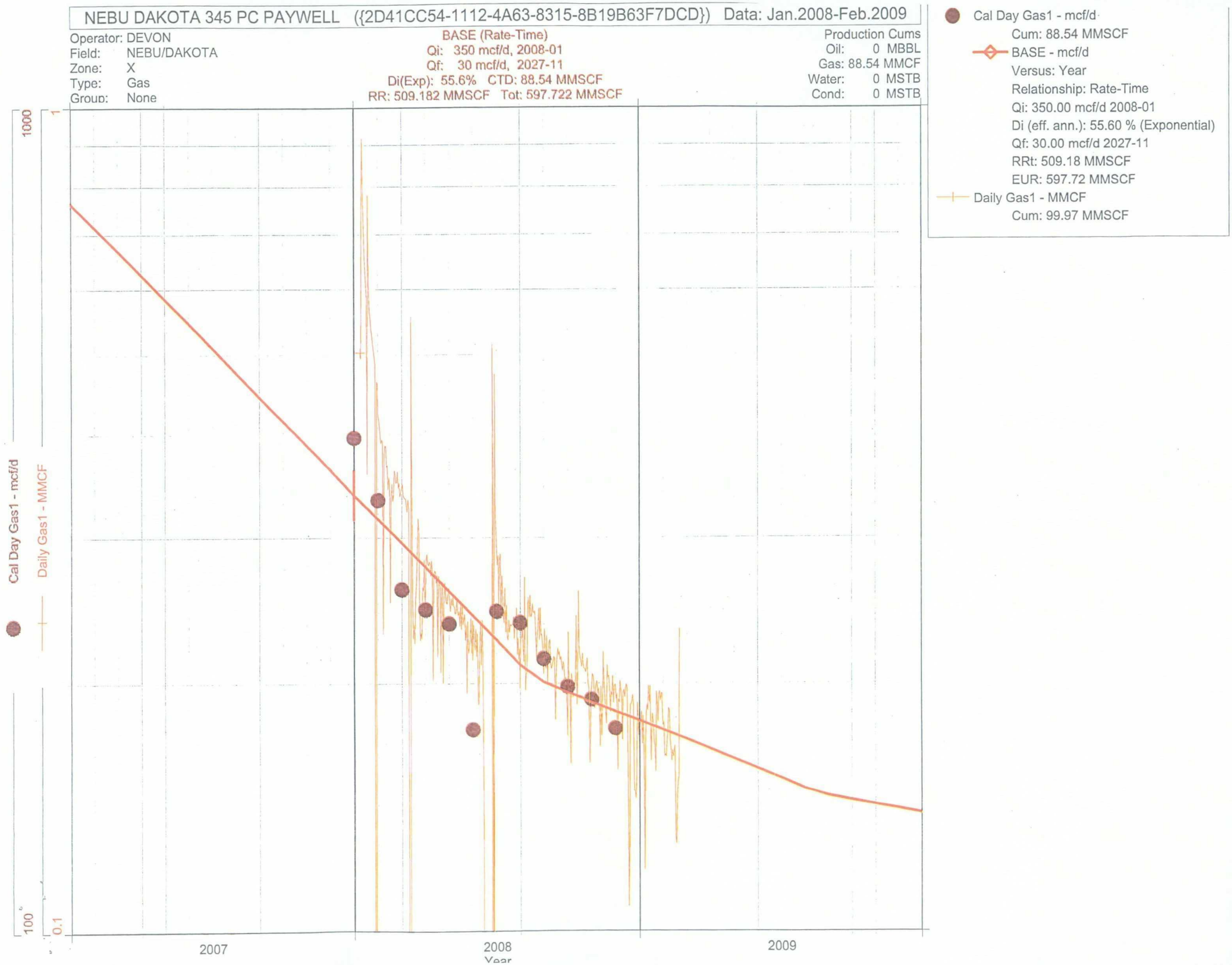
DRILLING AND COMPLETION COST	-	$1025M
OPERATING COST	-	$2700/Month
GAS TRANSPORTATION FEE	-	$0.35/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.86%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL 3/09–12/09 FRCST = $4.00/MCF LONGTERM = $5.00/MCF

RATE FORECAST PROCEDURE:

The early time gas production history of NEBU 345 was fit to a Dakota type decline curve. Future production for this well was then forecast to follow the type decline curve as shown on the attached production curve.. The Dakota type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. A copy of the Dakota type curve is attached. The dark red circles on the production curve represent average daily production rates for the month, the thin red line shows the actual daily production rates.



NEBU DAKOTA 345 PC PAYWELL ({2D41CC54-1112-4A63-8315-8B19B63F7DCD}) Data: Jan.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 350 mcf/d, 2008-01
Qf: 30 mcf/d, 2027-11
Di(Exp): 55.6% CTD: 88.54 MMSCF
RR: 509.182 MMSCF Tot: 597.722 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 88.54 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 88.54 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 350.00 mcf/d 2008-01
Di (eff. ann.): 55.60 % (Exponential)
Qf: 30.00 mcf/d 2027-11
RRt: 509.18 MMSCF
EUR: 597.72 MMSCF
Daily Gas1 - MMCF
Cum: 99.97 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
1
100
0.1
2007
2008
2009
2010
2011
2012
Year



NEBU DAKOTA 345 PC PAYWELL ({2D41CC54-1112-4A63-8315-8B19B63F7DCD}) Data: Jan.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 350 mcf/d, 2008-01
Qf: 30 mcf/d, 2027-11
Di(Exp): 55.6% CTD: 88.54 MMSCF
RR: 509.182 MMSCF Tot: 597.722 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 88.54 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 88.54 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 350.00 mcf/d 2008-01
Di (eff. ann.): 55.60 % (Exponential)
Qf: 30.00 mcf/d 2027-11
RRt: 509.18 MMSCF
EUR: 597.72 MMSCF
Daily Gas1 - MMCF
Cum: 99.97 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
100
1
0.1
2007
2008
2009
Year

DEVON ENERGY CORP.

ECONOMIC SUMMARY

NEBU DAKOTA 345 PC PAYWELL

Database: Western Reserves Budget Oracle

CASE PARAMETERS

DIVISION	WESTERN DIVISION	OPERATED	YES	AFE NUMBER:	X
DISTRICT	ROCKY MOUNTAIN	OPERATOR	DEVON		
PROJECT AREA	XGEK	STATUS		TITLE 1:	X
FIELD GROUP	NORTHEAST BLANCO UNIT CONVEN	RESERVOIR	X	TITLE 2:	X
FIELD	09	PROPERY CODE	X	TITLE 3:	X
RES CAT CURRENT	DK	MAJOR PHASE	PAYWELL		
RES CAT YEAREND	DK	ENGINEER	CDS		
RES CAT PRIOR YE	DK	RIO WELLZONENUM	X		

CASE DATES

REPORT START DATE	2007/12
REPORT END DATE	2027/10
EVALUATION DATE	2007/12
DISCOUNT DATE	2007/12
PRODUCTION START	2008/01
ECONOMIC LIMIT	2027/10
1ST INVESTMENT	2007/12

DATE AND TIME

DATE:	2/24/2009
TIME:	13:32

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	NEBU DAKOTA 345 PC PAYWELL
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	Cond_WTI-Cushing
COND PRICE OFFSET1	
NGL PRICE BASE	Ngl_Mt Belvieu/Conway
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	87.500	87.500	0.000
NRI GAS	87.500	87.500	87.500
NRI BYPROD	87.500	87.500	0.000
WI OPCOST	100.000	100.000	94.874
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	Base
GAS PRICE	Base
COND PRICE	Base
NGL PRICE	Base

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	11.26	10.0
PAYOUT PERIOD	STND. (MO'S)	73.06	74.2
	PROJ. (MO'S)	73.06	74.2
UNDISC. PIR	M$/M$	0.55	0.34
10.0 PCNT. PIR	M$/M$	0.04	0.00
15.0 PCNT. PIR	M$/M$	-0.10	-0.09
FD COST	$/BOE	12.320	
FDO COST	$/BOE	24.742	
NET UPLIFT	BOEPD/MM$	30.9309	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	1,025.000	563.800	349.556
5	1,025.000	242.943	137.156
8	1,025.000	110.893	48.597
10	1,025.000	39.519	0.358
12	1,025.000	-21.607	-41.199
14	1,025.000	-74.433	-77.318
15	1,025.000	-98.220	-93.650
16	1,025.000	-120.472	-108.968
18	1,025.000	-160.907	-136.909
20	1,025.000	-196.675	-161.746

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	597.370	522.699
- SALES	MMCF	570.488	499.177
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	95.081	83.196

ULTIMATE RECOVERABLE		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	597.722
NGL	MBBL	0.000	0.000

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$
2007 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
2008 01	0.000	12.280	0.000	0.000	10.261	0.000	1.710	0.000	6.380	0.000	0.000	65.468	0.000	0.000	65.468
2008 02	0.000	9.650	0.000	0.000	8.064	0.000	1.344	0.000	7.280	0.000	0.000	58.704	0.000	0.000	58.704
2008 03	0.000	8.040	0.000	0.000	6.718	0.000	1.120	0.000	8.090	0.000	0.000	54.352	0.000	0.000	54.352
2008 04	0.000	7.360	0.000	0.000	6.150	0.000	1.025	0.000	8.280	0.000	0.000	50.924	0.000	0.000	50.924
2008 05	0.000	7.310	0.000	0.000	6.108	0.000	1.018	0.000	9.430	0.000	0.000	57.602	0.000	0.000	57.602
2008 06	0.000	5.260	0.000	0.000	4.395	0.000	0.733	0.000	9.850	0.000	0.000	43.295	0.000	0.000	43.295
2008 07	0.000	7.570	0.000	0.000	6.326	0.000	1.054	0.000	11.360	0.000	0.000	71.860	0.000	0.000	71.860
2008 08	0.000	7.330	0.000	0.000	6.125	0.000	1.021	0.000	7.640	0.000	0.000	46.796	0.000	0.000	46.796
2008 09	0.000	6.420	0.000	0.000	5.365	0.000	0.894	0.000	6.430	0.000	0.000	34.495	0.000	0.000	34.495
2008 10	0.000	6.140	0.000	0.000	5.131	0.000	0.855	0.000	4.270	0.000	0.000	21.908	0.000	0.000	21.908
2008 11	0.000	5.730	0.000	0.000	4.788	0.000	0.798	0.000	2.840	0.000	0.000	13.598	0.000	0.000	13.598
2008 12	0.000	5.450	0.000	0.000	4.554	0.000	0.759	0.000	4.630	0.000	0.000	21.086	0.000	0.000	21.086
2009 01	0.000	5.571	0.000	0.000	4.655	0.000	0.776	0.000	4.830	0.000	0.000	22.484	0.000	0.000	22.484
2009 02	0.000	4.897	0.000	0.000	4.092	0.000	0.682	0.000	4.000	0.000	0.000	16.368	0.000	0.000	16.368
Sub.	0.000	99.008	0.000	0.000	82.733	0.000	13.789	0.000	---	0.000	0.000	578.940	0.000	0.000	578.940
Rem.	0.000	498.362	0.000	0.000	416.444	0.000	69.407	0.000	---	0.000	0.000	2,043.292	0.000	0.000	2,043.292
Total	0.000	597.370	0.000	0.000	499.177	0.000	83.196	0.000	---	0.000	0.000	2,622.233	0.000	0.000	2,622.233

OPCOSTS AND OH

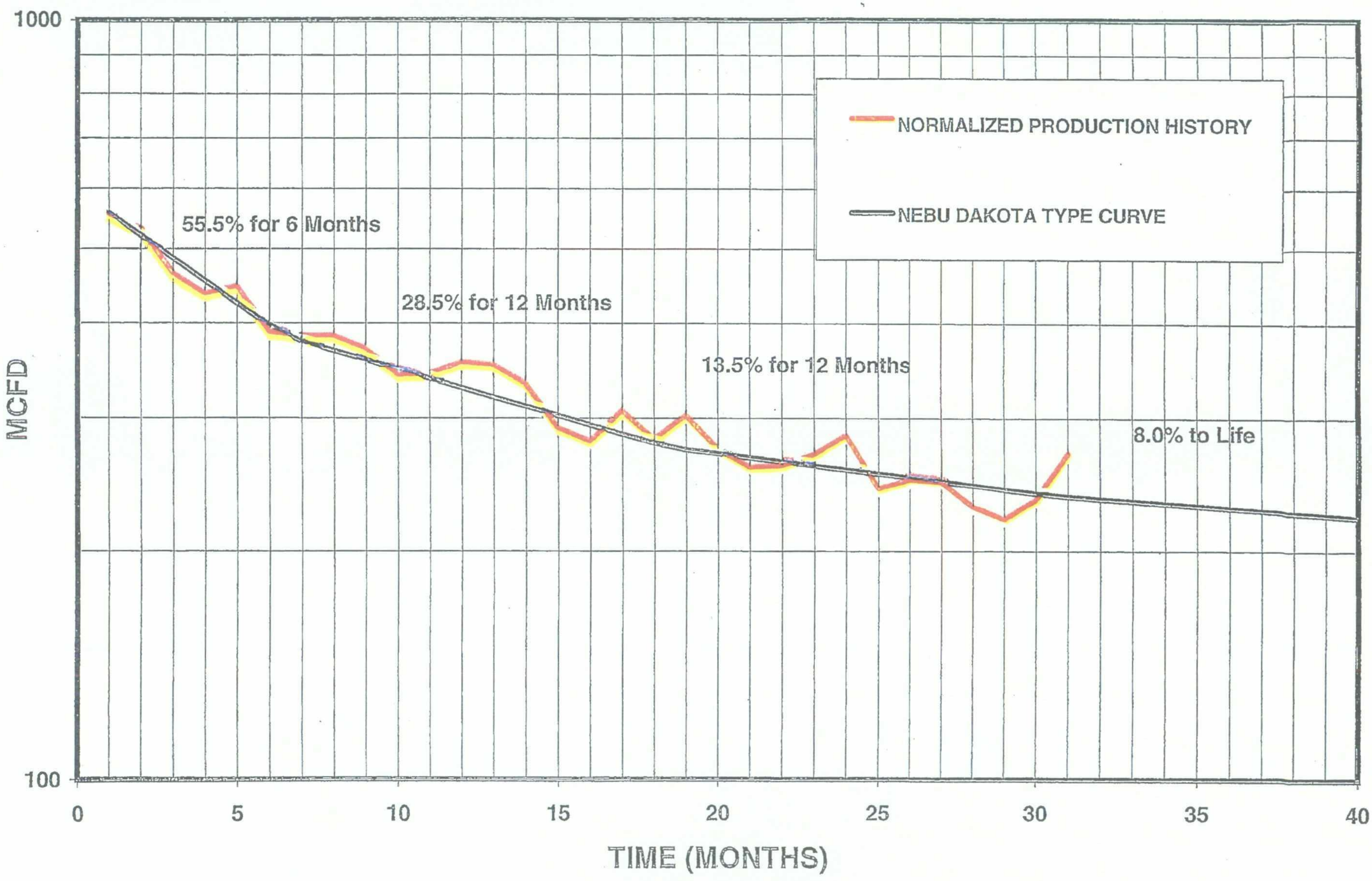
Date	NUM OF WELLS	TOTAL GROSS OPERATING EXPENSE M$	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
2007 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	0.000
2008 01	1.00	13.053	2.700	0.000	0.000	0.000	3.592	6.292	5.467	11.759	53.709	0.000	0.000	0.000
2008 02	1.00	11.570	2.700	0.000	0.000	0.000	2.822	5.522	4.939	10.462	48.243	0.000	0.000	0.000
2008 03	1.00	10.642	2.700	0.000	0.000	0.000	2.351	5.051	4.597	9.649	44.703	0.000	0.000	0.000
2008 04	1.00	10.088	2.700	0.000	0.000	0.000	2.153	4.853	4.312	9.165	41.759	0.000	0.000	0.000
2008 05	1.00	10.749	2.700	0.000	0.000	0.000	2.138	4.838	4.905	9.743	47.859	0.000	0.000	0.000
2008 06	1.00	8.679	2.700	0.000	0.000	0.000	1.538	4.238	3.693	7.932	35.363	0.000	0.000	0.000
2008 07	1.00	12.272	2.700	0.000	0.000	0.000	2.214	4.914	6.161	11.075	60.784	0.000	0.000	0.000
2008 08	1.00	9.661	2.700	0.000	0.000	0.000	2.144	4.844	3.947	8.791	38.005	0.000	0.000	0.000
2008 09	1.00	8.140	2.700	0.000	0.000	0.000	1.878	4.578	2.882	7.460	27.035	0.000	0.000	0.000
2008 10	1.00	6.760	2.700	0.000	0.000	0.000	1.796	4.496	1.774	6.270	15.638	0.000	0.000	0.000
2008 11	1.00	5.814	2.700	0.000	0.000	0.000	1.676	4.376	1.049	5.425	8.173	0.000	0.000	0.000
2008 12	1.00	6.488	2.700	0.000	0.000	0.000	1.594	4.294	1.720	6.014	15.071	0.000	0.000	0.000
2009 01	1.00	6.666	2.700	0.000	0.000	0.000	1.629	4.329	1.841	6.170	16.314	0.000	0.000	0.000
2009 02	1.00	5.842	2.700	0.000	0.000	0.000	1.432	4.132	1.317	5.450	10.919	0.000	0.000	0.000
Sub.	---	126.445	37.800	0.000	0.000	0.000	28.957	66.757	48.608	115.364	463.576	0.000	0.000	0.000
Rem.	---	962.821	604.800	0.000	0.000	0.000	145.755	750.555	167.513	918.069	1,125.223	0.000	0.000	0.000
Total	---	1,089.266	642.600	0.000	0.000	0.000	174.712	817.312	216.121	1,033.433	1,588.800	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	TOTAL GROSS CAPITAL M$	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$
2007 12	1,025.000	1,025.000	0.000	1,025.000	-1,025.000	-1,025.000	-1,025.000	51.250	0.000	666.250	-717.500	0.000	-272.650	-752.350	-752.350
2008 01	0.000	0.000	0.000	0.000	53.709	-971.291	53.285	7.321	0.000	0.000	46.388	0.000	17.627	36.082	35.797
2008 02	0.000	0.000	0.000	0.000	48.243	-923.048	47.482	7.321	0.000	0.000	40.921	0.000	15.550	32.693	32.177
2008 03	0.000	0.000	0.000	0.000	44.703	-878.345	43.651	7.321	0.000	0.000	37.382	0.000	14.205	30.498	29.780
2008 04	0.000	0.000	0.000	0.000	41.759	-836.586	40.453	7.321	0.000	0.000	34.438	0.000	13.086	28.673	27.776
2008 05	0.000	0.000	0.000	0.000	47.859	-788.727	45.996	7.321	0.000	0.000	40.538	0.000	15.404	32.455	31.191
2008 06	0.000	0.000	0.000	0.000	35.363	-753.364	33.717	7.321	0.000	0.000	28.042	0.000	10.656	24.707	23.557
2008 07	0.000	0.000	0.000	0.000	60.784	-692.579	57.497	7.321	0.000	0.000	53.463	0.000	20.316	40.468	38.280
2008 08	0.000	0.000	0.000	0.000	38.005	-654.574	35.665	7.321	0.000	0.000	30.684	0.000	11.660	26.345	24.723
2008 09	0.000	0.000	0.000	0.000	27.035	-627.539	25.170	7.321	0.000	0.000	19.714	0.000	7.491	19.544	18.196
2008 10	0.000	0.000	0.000	0.000	15.638	-611.901	14.444	7.321	0.000	0.000	8.317	0.000	3.160	12.478	11.525
2008 11	0.000	0.000	0.000	0.000	8.173	-603.728	7.489	7.321	0.000	0.000	0.852	0.000	0.324	7.849	7.193
2008 12	0.000	0.000	0.000	0.000	15.071	-588.656	13.701	7.321	0.000	0.000	7.750	0.000	2.945	12.126	11.024
2009 01	0.000	0.000	0.000	0.000	16.314	-572.343	14.713	5.230	0.000	0.000	11.084	0.000	4.212	12.102	10.915
2009 02	0.000	0.000	0.000	0.000	10.919	-561.424	9.770	5.230	0.000	0.000	5.689	0.000	2.162	8.757	7.835
Sub.	1,025.000	1,025.000	0.000	1,025.000	-561.424	-561.424	-581.966	149.566	0.000	666.250	-352.240	0.000	-133.851	-427.573	-442.381
Rem.	0.000	0.000	0.000	0.000	1,125.223	563.799	621.485	209.184	0.000	0.000	916.040	0.000	348.095	777.128	442.739
Total	1,025.000	1,025.000	0.000	1,025.000	563.800	563.799	39.519	358.750	0.000	666.250	563.800	0.000	214.244	349.556	0.358

CASE NOTES

NEBU DAKOTA TYPE CURVE
NEBU AREA WELLS



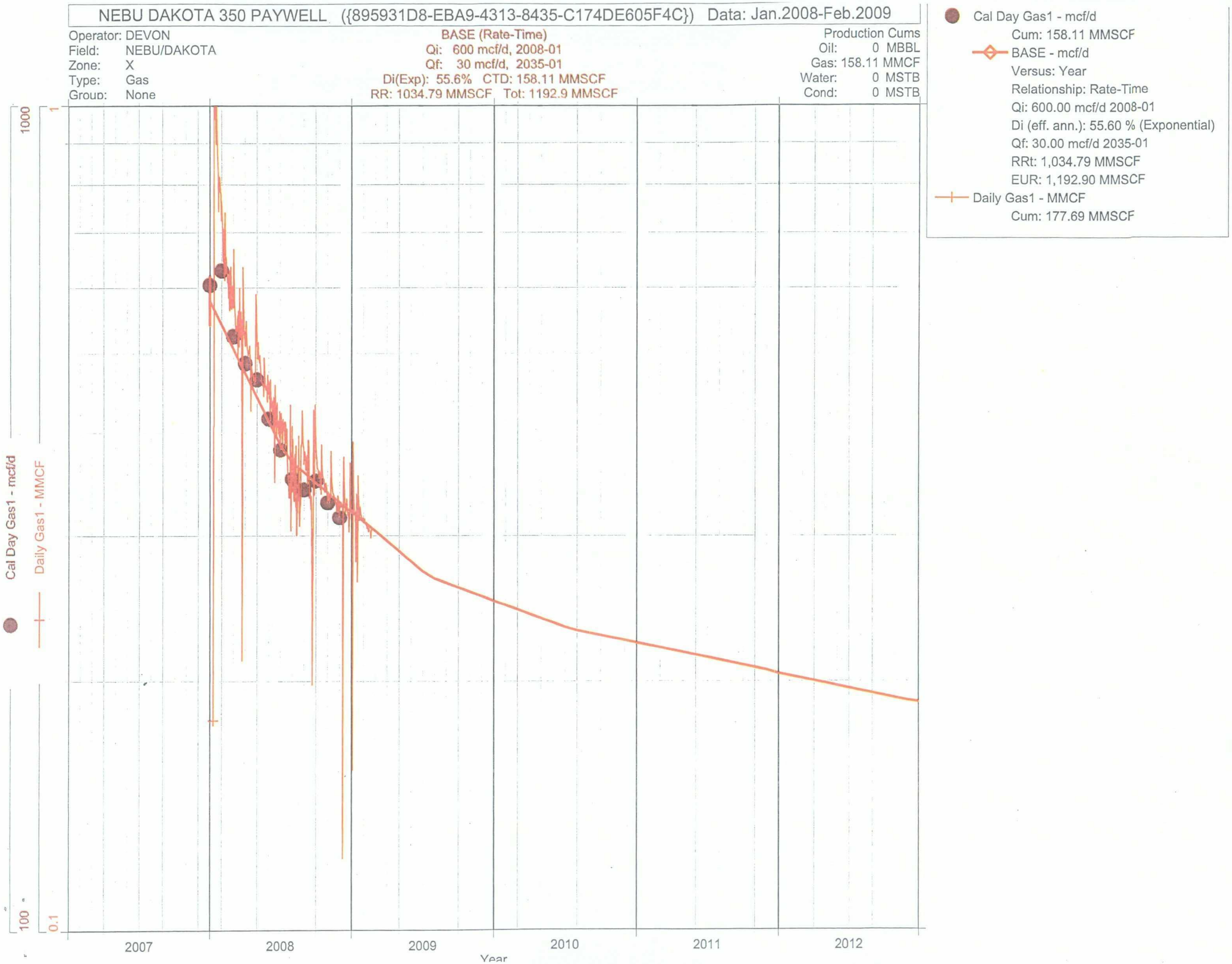
PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 350 (DAKOTA)
NW 6-30N-7W

ECONOMIC PARAMETERS:

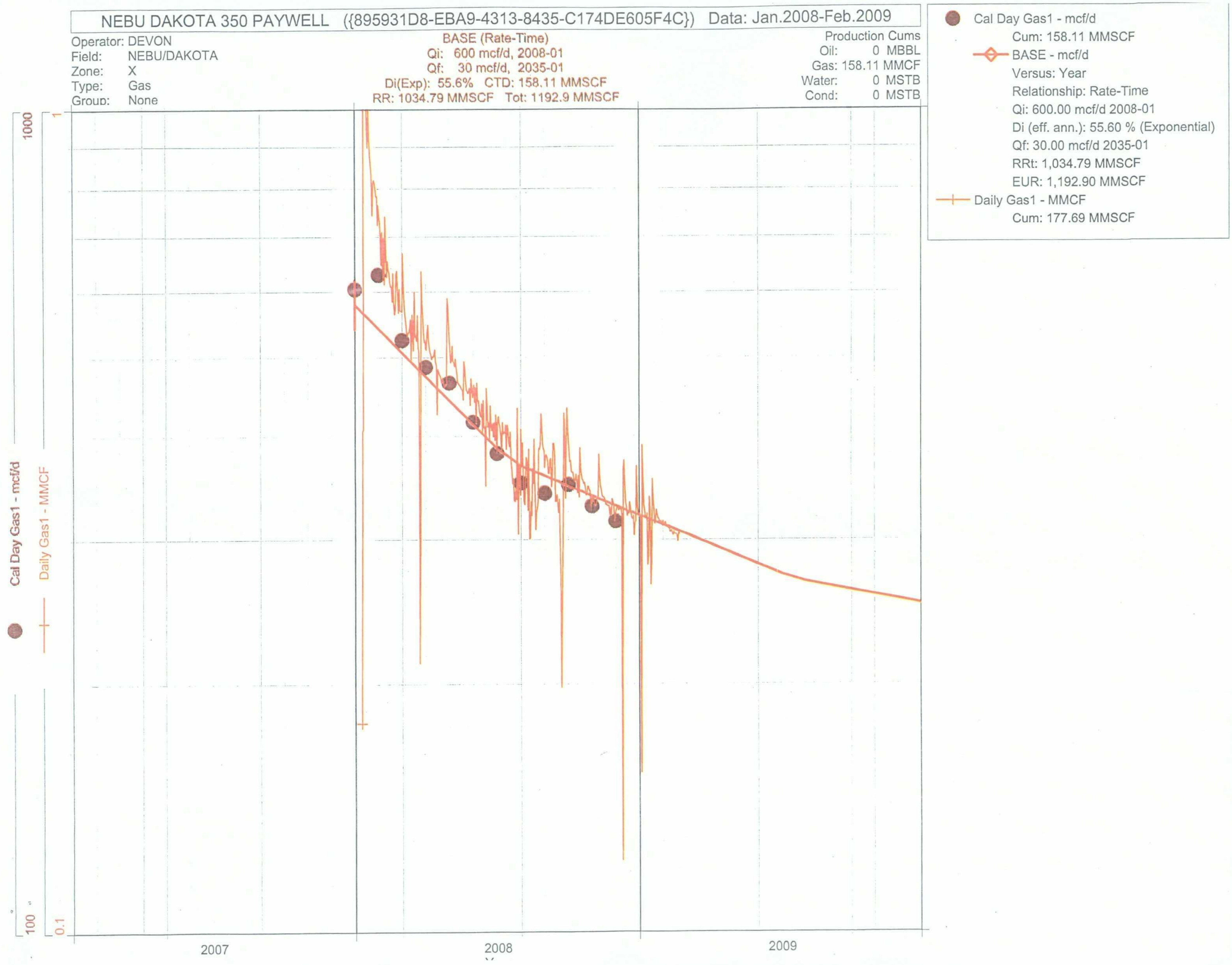
DRILLING AND COMPLETION COST	-	$1025M
OPERATING COST	-	$2700/Month
GAS TRANSPORTATION FEE	-	$0.35/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.86%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL 3/09–12/09 FRCST = $4.00/MCF LONGTERM = $5.00/MCF

RATE FORECAST PROCEDURE:

The early time gas production history of NEBU 350 was fit to a Dakota type decline curve. Future production for this well was then forecast to follow the type decline curve as shown on the attached production curve. The Dakota type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. A copy of the Dakota type curve is attached. The dark red circles on the production curve represent average daily production rates for the month, the thin red line shows the actual daily production rates.



NEBU DAKOTA 350 PAYWELL ({895931D8-EBA9-4313-8435-C174DE605F4C}) Data: Jan.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 600 mcf/d, 2008-01
Qf: 30 mcf/d, 2035-01
Di(Exp): 55.6% CTD: 158.11 MMSCF
RR: 1034.79 MMSCF Tot: 1192.9 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 158.11 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 158.11 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 600.00 mcf/d 2008-01
Di (eff. ann.): 55.60 % (Exponential)
Qf: 30.00 mcf/d 2035-01
RRt: 1,034.79 MMSCF
EUR: 1,192.90 MMSCF
Daily Gas1 - MMCF
Cum: 177.69 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
1
100
0.1
2007
2008
2009
2010
2011
2012
Year



NEBU DAKOTA 350 PAYWELL ({895931D8-EBA9-4313-8435-C174DE605F4C}) Data: Jan.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 600 mcf/d, 2008-01
Qf: 30 mcf/d, 2035-01
Di(Exp): 55.6% CTD: 158.11 MMSCF
RR: 1034.79 MMSCF Tot: 1192.9 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 158.11 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 158.11 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 600.00 mcf/d 2008-01
Di (eff. ann.): 55.60 % (Exponential)
Qf: 30.00 mcf/d 2035-01
RRt: 1,034.79 MMSCF
EUR: 1,192.90 MMSCF
Daily Gas1 - MMCF
Cum: 177.69 MMSCF
1000
1
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
100
0.1
2007
2008
2009

DEVON ENERGY CORP.
ECONOMIC SUMMARY
NEBU DAKOTA 350 PAYWELL
Database: Western Reserves Budget Oracle

CASE PARAMETERS

DIVISION	WESTERN DIVISION	OPERATED	YES	AFE NUMBER:	X
DISTRICT	ROCKY MOUNTAIN	OPERATOR	DEVON		
PROJECT AREA	XGEK	STATUS		TITLE 1:	X
FIELD GROUP	NORTHEAST BLANCO UNIT CONVEN	RESERVOIR	X	TITLE 2:	X
FIELD	09	PROPERY CODE	X	TITLE 3:	X
RES CAT CURRENT	DK	MAJOR PHASE	PAYWELL		
RES CAT YEAREND	DK	ENGINEER	CDS		
RES CAT PRIOR YE	DK	RIO WELLZONENUM	X		

CASE DATES

REPORT START DATE	2007/12
REPORT END DATE	2035/01
EVALUATION DATE	2007/12
DISCOUNT DATE	2007/12
PRODUCTION START	2008/01
ECONOMIC LIMIT	2035/01
1ST INVESTMENT	2007/12

DATE AND TIME

DATE:	2/24/2009
TIME:	13:46

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	NEBU DAKOTA 350 PAYWELL
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	Cond_WTI-Cushing
COND PRICE OFFSET1	
NGL PRICE BASE	Ngl_Mt Belvieu/Conway
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	87.500	87.500	0.000
NRI GAS	87.500	87.500	87.500
NRI BYPROD	87.500	87.500	0.000
WI OPCOST	100.000	100.000	93.705
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	Base
GAS PRICE	Base
COND PRICE	Base
NGL PRICE	Base

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	55.26	45.2
PAYOUT PERIOD	STND. (MO'S)	22.52	26.9
	PROJ. (MO'S)	22.52	26.9
UNDISC. PIR	M$/M$	2.48	1.54
10.0 PCNT. PIR	M$/M$	1.13	0.68
15.0 PCNT. PIR	M$/M$	0.82	0.47
FD COST	$/BOE	6.170	
FDO COST	$/BOE	16.140	
NET UPLIFT	BOEPD/MM$	55.2170	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	1,025.000	2,537.763	1,573.413
5	1,025.000	1,662.326	1,017.173
8	1,025.000	1,330.569	804.797
10	1,025.000	1,157.956	693.790
12	1,025.000	1,013.740	600.716
14	1,025.000	891.694	521.681
15	1,025.000	837.497	486.495
16	1,025.000	787.213	453.797
18	1,025.000	696.837	394.892
20	1,025.000	617.927	343.307

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	1,192.901	1,043.788
- SALES	MMCF	1,139.220	996.818
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	189.870	166.136

ULTIMATE RECOVERABLE		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	1,192.901
NGL	MBBL	0.000	0.000

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$
2007 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
2008 01	0.000	18.730	0.000	0.000	15.651	0.000	2.609	0.000	6.380	0.000	0.000	99.855	0.000	0.000	99.855
2008 02	0.000	18.240	0.000	0.000	15.242	0.000	2.540	0.000	7.280	0.000	0.000	110.960	0.000	0.000	110.960
2008 03	0.000	16.250	0.000	0.000	13.579	0.000	2.263	0.000	8.090	0.000	0.000	109.853	0.000	0.000	109.853
2008 04	0.000	14.590	0.000	0.000	12.192	0.000	2.032	0.000	8.280	0.000	0.000	100.948	0.000	0.000	100.948
2008 05	0.000	14.410	0.000	0.000	12.041	0.000	2.007	0.000	9.430	0.000	0.000	113.550	0.000	0.000	113.550
2008 06	0.000	12.480	0.000	0.000	10.429	0.000	1.738	0.000	9.850	0.000	0.000	102.722	0.000	0.000	102.722
2008 07	0.000	11.810	0.000	0.000	9.869	0.000	1.645	0.000	11.360	0.000	0.000	112.109	0.000	0.000	112.109
2008 08	0.000	10.890	0.000	0.000	9.100	0.000	1.517	0.000	7.640	0.000	0.000	69.524	0.000	0.000	69.524
2008 09	0.000	10.230	0.000	0.000	8.548	0.000	1.425	0.000	6.430	0.000	0.000	54.966	0.000	0.000	54.966
2008 10	0.000	10.830	0.000	0.000	9.050	0.000	1.508	0.000	4.270	0.000	0.000	38.643	0.000	0.000	38.643
2008 11	0.000	9.870	0.000	0.000	8.248	0.000	1.375	0.000	2.840	0.000	0.000	23.423	0.000	0.000	23.423
2008 12	0.000	9.780	0.000	0.000	8.172	0.000	1.362	0.000	4.630	0.000	0.000	37.838	0.000	0.000	37.838
2009 01	0.000	9.943	0.000	0.000	8.309	0.000	1.385	0.000	4.830	0.000	0.000	40.131	0.000	0.000	40.131
2009 02	0.000	8.741	0.000	0.000	7.304	0.000	1.217	0.000	4.000	0.000	0.000	29.215	0.000	0.000	29.215
Sub.	0.000	176.794	0.000	0.000	147.733	0.000	24.622	0.000	—	0.000	0.000	1,043.738	0.000	0.000	1,043.738
Rem.	0.000	1,018.107	0.000	0.000	849.084	0.000	141.514	0.000	—	0.000	0.000	4,175.465	0.000	0.000	4,175.465
Total	0.000	1,192.901	0.000	0.000	996.818	0.000	166.136	0.000	—	0.000	0.000	5,219.203	0.000	0.000	5,219.203

OPCOSTS AND OH

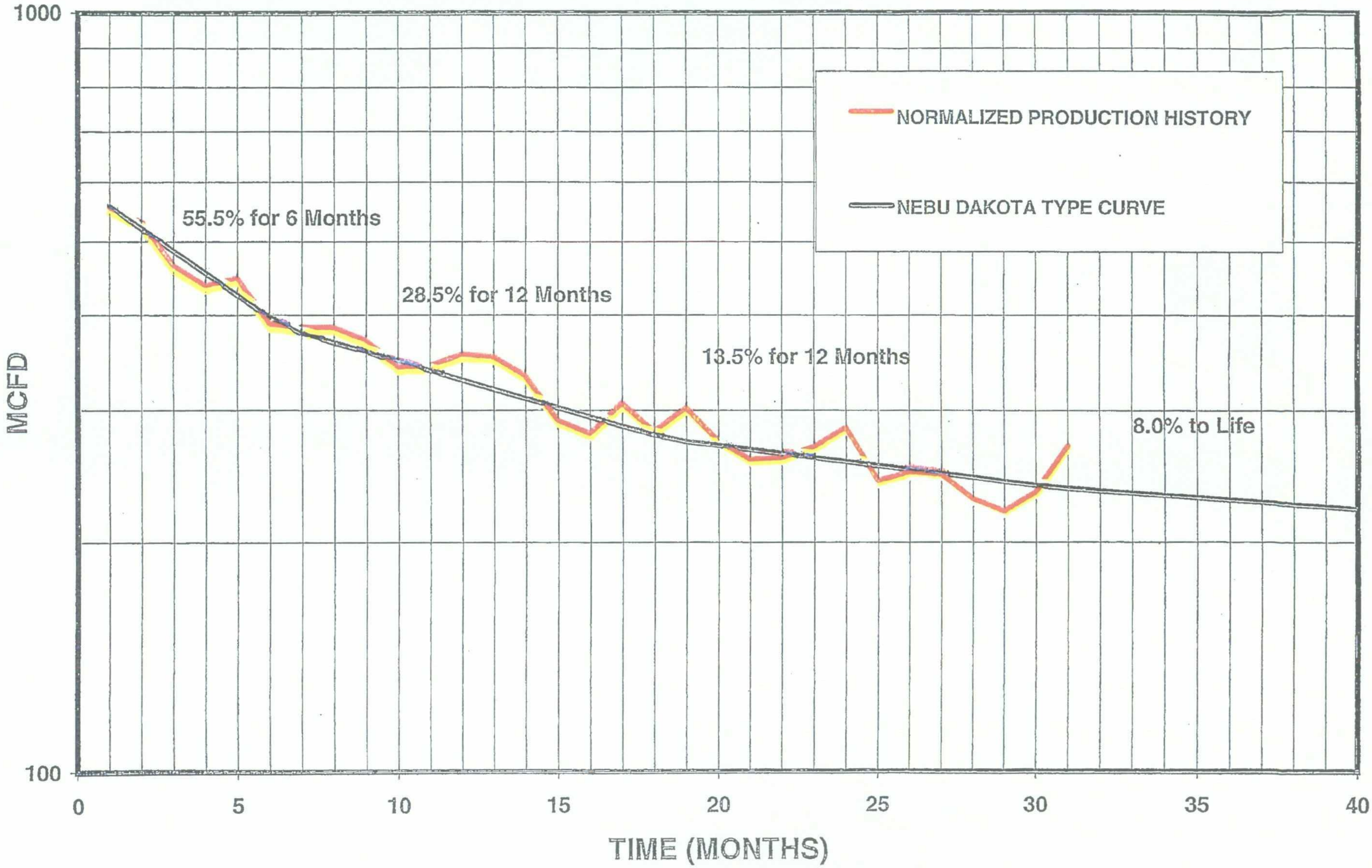
Date	NUM OF WELLS	TOTAL GROSS OPERATING EXPENSE M$	NET RECURRING LOE M$	NET COPAS M$	NET WORKOVER M$	NET AD VALOREM TAX M$	NET PRODUCT TRANSPORTATION M$	TOTAL NET LOE M$	NET SEVERANCE TAX M$	TOTAL NET OPERATING EXPENSE M$	NET OPERATING INCOME M$	NET DIRECT OH M$	NET REIMB OH M$	TOTAL NET OVERHEAD M$
2007 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	0.000
2008 01	1.00	18.491	2.700	0.000	0.000	0.000	5.478	8.178	8.339	16.517	83.338	0.000	0.000	0.000
2008 02	1.00	19.467	2.700	0.000	0.000	0.000	5.335	8.035	9.336	17.371	93.590	0.000	0.000	0.000
2008 03	1.00	18.751	2.700	0.000	0.000	0.000	4.753	7.453	9.292	16.745	93.109	0.000	0.000	0.000
2008 04	1.00	17.346	2.700	0.000	0.000	0.000	4.267	6.967	8.548	15.515	85.433	0.000	0.000	0.000
2008 05	1.00	18.567	2.700	0.000	0.000	0.000	4.214	6.914	9.670	16.584	96.966	0.000	0.000	0.000
2008 06	1.00	16.866	2.700	0.000	0.000	0.000	3.650	6.350	8.763	15.113	87.609	0.000	0.000	0.000
2008 07	1.00	17.633	2.700	0.000	0.000	0.000	3.454	6.154	9.612	15.766	96.342	0.000	0.000	0.000
2008 08	1.00	13.042	2.700	0.000	0.000	0.000	3.185	5.885	5.864	11.749	57.774	0.000	0.000	0.000
2008 09	1.00	11.368	2.700	0.000	0.000	0.000	2.992	5.692	4.592	10.284	44.682	0.000	0.000	0.000
2008 10	1.00	9.897	2.700	0.000	0.000	0.000	3.167	5.867	3.130	8.997	29.645	0.000	0.000	0.000
2008 11	1.00	8.065	2.700	0.000	0.000	0.000	2.887	5.587	1.807	7.394	16.029	0.000	0.000	0.000
2008 12	1.00	9.497	2.700	0.000	0.000	0.000	2.860	5.560	3.087	8.647	29.191	0.000	0.000	0.000
2009 01	1.00	9.779	2.700	0.000	0.000	0.000	2.908	5.608	3.286	8.894	31.237	0.000	0.000	0.000
2009 02	1.00	8.309	2.700	0.000	0.000	0.000	2.556	5.256	2.351	7.608	21.608	0.000	0.000	0.000
Sub.	—	197.097	37.800	0.000	0.000	0.000	51.707	89.507	87.678	177.185	866.553	0.000	0.000	0.000
Rem.	—	1,570.620	839.700	0.000	0.000	0.000	297.180	1,136.880	342.375	1,479.255	2,696.210	0.000	0.000	0.000
Total	—	1,767.717	877.500	0.000	0.000	0.000	348.886	1,226.386	430.053	1,656.440	3,562.763	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	TOTAL GROSS CAPITAL M$	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$
2007 12	1,025.000	1,025.000	0.000	1,025.000	-1,025.000	-1,025.000	-1,025.000	51.250	0.000	666.250	-717.500	0.000	-272.650	-752.350	-752.350
2008 01	0.000	0.000	0.000	0.000	83.338	-941.662	82.679	7.321	0.000	0.000	76.017	0.000	28.886	54.452	54.021
2008 02	0.000	0.000	0.000	0.000	93.590	-848.072	92.115	7.321	0.000	0.000	86.268	0.000	32.782	60.808	59.849
2008 03	0.000	0.000	0.000	0.000	93.109	-754.964	90.916	7.321	0.000	0.000	85.787	0.000	32.599	60.510	59.085
2008 04	0.000	0.000	0.000	0.000	85.433	-669.531	82.761	7.321	0.000	0.000	78.111	0.000	29.682	55.750	54.007
2008 05	0.000	0.000	0.000	0.000	96.966	-572.565	93.191	7.321	0.000	0.000	89.645	0.000	34.065	62.901	60.452
2008 06	0.000	0.000	0.000	0.000	87.609	-484.956	83.532	7.321	0.000	0.000	80.288	0.000	30.509	57.100	54.443
2008 07	0.000	0.000	0.000	0.000	96.342	-388.614	91.132	7.321	0.000	0.000	89.021	0.000	33.828	62.514	59.134
2008 08	0.000	0.000	0.000	0.000	57.774	-330.839	54.218	7.321	0.000	0.000	50.453	0.000	19.172	38.602	36.226
2008 09	0.000	0.000	0.000	0.000	44.682	-286.157	41.600	7.321	0.000	0.000	37.361	0.000	14.197	30.485	28.382
2008 10	0.000	0.000	0.000	0.000	29.645	-256.512	27.382	7.321	0.000	0.000	22.324	0.000	8.483	21.162	19.546
2008 11	0.000	0.000	0.000	0.000	16.029	-240.483	14.688	7.321	0.000	0.000	8.708	0.000	3.309	12.720	11.656
2008 12	0.000	0.000	0.000	0.000	29.191	-211.292	26.537	7.321	0.000	0.000	21.869	0.000	8.310	20.880	18.982
2009 01	0.000	0.000	0.000	0.000	31.237	-180.055	28.173	5.230	0.000	0.000	26.008	0.000	9.883	21.354	19.259
2009 02	0.000	0.000	0.000	0.000	21.608	-158.447	19.334	5.230	0.000	0.000	16.378	0.000	6.224	15.384	13.765
Sub.	1,025.000	1,025.000	0.000	1,025.000	-158.447	-158.447	-196.743	149.566	0.000	666.250	50.737	0.000	19.280	-177.727	-203.543
Rem.	0.000	0.000	0.000	0.000	2,696.210	2,537.764	1,354.700	209.184	0.000	0.000	2,487.026	0.000	945.070	1,751.140	897.332
Total	1,025.000	1,025.000	0.000	1,025.000	2,537.763	2,537.764	1,157.956	358.750	0.000	666.250	2,537.763	0.000	964.350	1,573.413	693.790

CASE NOTES

NEBU DAKOTA TYPE CURVE
NEBU AREA WELLS



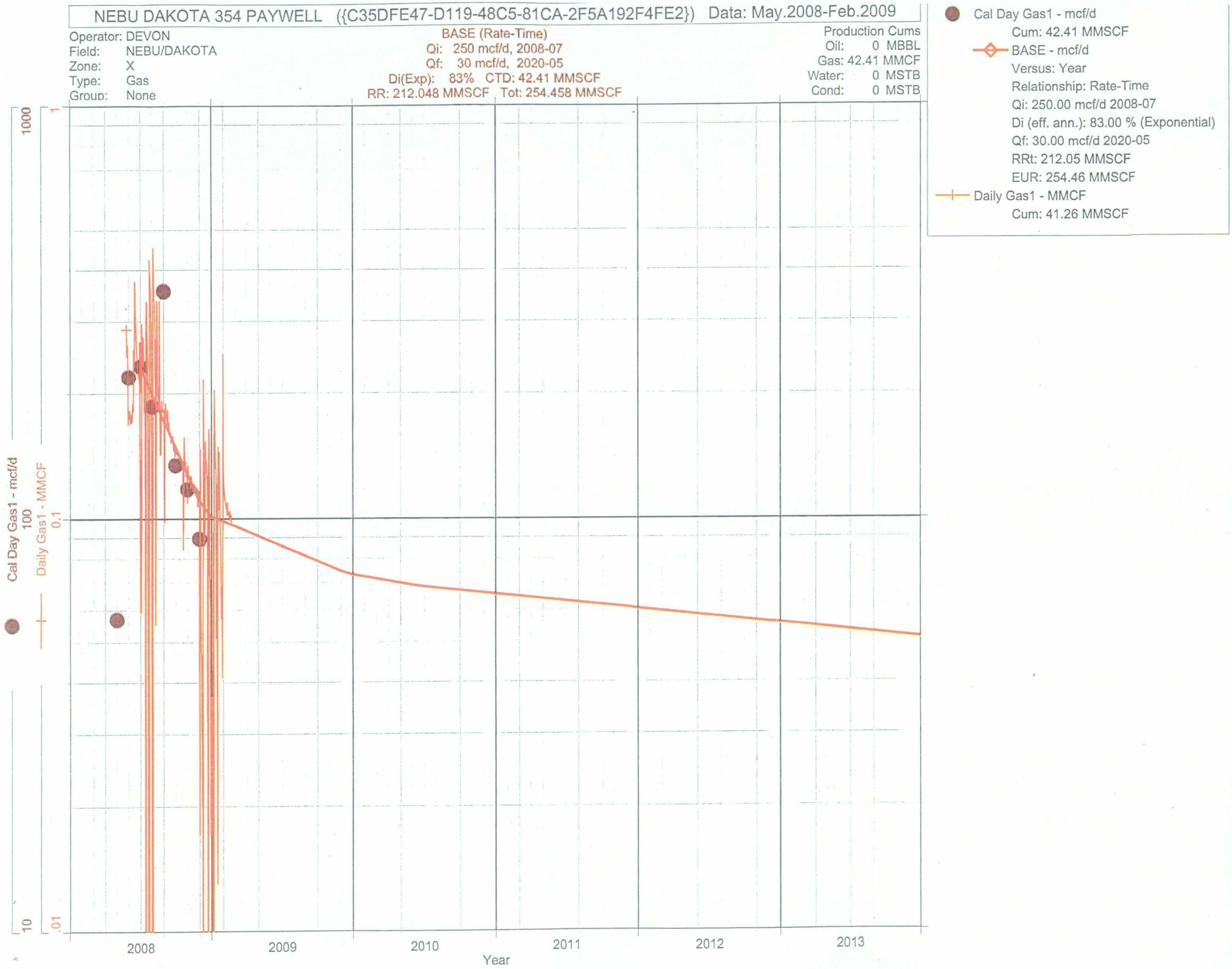
PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 354 (DAKOTA)
SE 32-31N-7W

ECONOMIC PARAMETERS:

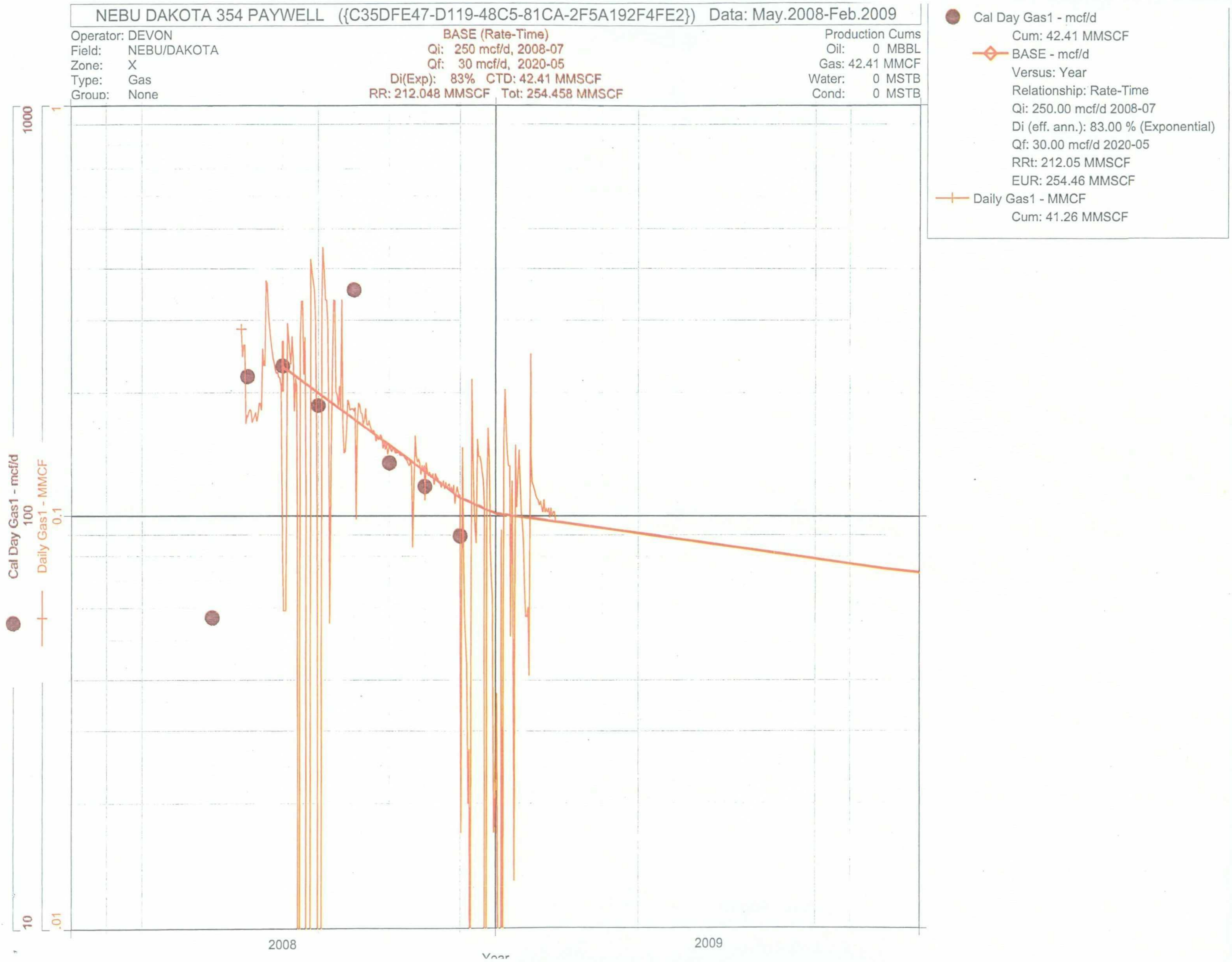
DRILLING AND COMPLETION COST	-	\$1025M
OPERATING COST	-	\$2700/Month
GAS TRANSPORTATION FEE	-	\$0.35/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.86%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL 3/09–12/09 FRCST = \$4.00/MCF LONGTERM = \$5.00/MCF

RATE FORECAST PROCEDURE:

The early time gas production history of NEBU 354 was fit to a Dakota type decline curve. Future production for this well was then forecast to follow the type decline curve as shown on the attached production curve. The Dakota type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. A copy of the Dakota type curve is attached. The dark red circles on the production curve represent average daily production rates for the month, the thin red line shows the actual daily production rates.



NEBU DAKOTA 354 PAYWELL ({C35DFE47-D119-48C5-81CA-2F5A192F4FE2}) Data: May.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 250 mcf/d, 2008-07
Qf: 30 mcf/d, 2020-05
Di(Exp): 83% CTD: 42.41 MMSCF
RR: 212.048 MMSCF Tot: 254.458 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 42.41 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 42.41 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 250.00 mcf/d 2008-07
Di (eff. ann.): 83.00 % (Exponential)
Qf: 30.00 mcf/d 2020-05
RRt: 212.05 MMSCF
EUR: 254.46 MMSCF
Daily Gas1 - MMCF
Cum: 41.26 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
100
10
1
0.1
.01
2008
2009
2010
2011
2012
2013
Year



NEBU DAKOTA 354 PAYWELL ({C35DFE47-D119-48C5-81CA-2F5A192F4FE2}) Data: May.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 250 mcf/d, 2008-07
Qf: 30 mcf/d, 2020-05
Di(Exp): 83% CTD: 42.41 MMSCF
RR: 212.048 MMSCF Tot: 254.458 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 42.41 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 42.41 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 250.00 mcf/d 2008-07
Di (eff. ann.): 83.00 % (Exponential)
Qf: 30.00 mcf/d 2020-05
RRt: 212.05 MMSCF
EUR: 254.46 MMSCF
Daily Gas1 - MMCF
Cum: 41.26 MMSCF
1000
1
Cal Day Gas1 - mcf/d
100
Daily Gas1 - MMCF
0.1
10
.01
2008
2009
Year

DEVON ENERGY CORP.

ECONOMIC SUMMARY

NEBU DAKOTA 354 PAYWELL

Database: Western Reserves Budget Oracle

CASE PARAMETERS

DIVISION	WESTERN DIVISION	OPERATED	YES	AFE NUMBER:	X
DISTRICT	ROCKY MOUNTAIN	OPERATOR	DEVON		
PROJECT AREA	XGEK	STATUS		TITLE 1:	X
FIELD GROUNORTHEAST BLANCO UNIT CONVEN		RESERVOIR	X	TITLE 2:	X
FIELD	09	PROPERY CODE	X	TITLE 3:	X
RES CAT CURRENT	DK	*MAJOR PHASE*	PAYWELL		
RES CAT YEAREND	DK	ENGINEER	CDS		
RES CAT PRIOR YE	DK	RIO WELLZONENUM	X		

CASE DATES

REPORT START DATE	2008/04
REPORT END DATE	2020/04
EVALUATION DATE	2008/04
DISCOUNT DATE	2008/04
PRODUCTION START	2008/05
ECONOMIC LIMIT	2020/04
1ST INVESTMENT	2008/04

DATE AND TIME

DATE:	2/24/2009
TIME:	14:03

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	NEBU DAKOTA 354 PAYWELL
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	Cond_WTI-Cushing
COND PRICE OFFSET1	
NGL PRICE BASE'	Ngl_Mt Belvieu/Conway
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	87.500	87.500	0.000
NRI GAS	87.500	87.500	87.500
NRI BYPROD	87.500	87.500	0.000
WI OPCOST	100.000	100.000	95.882
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	Base
GAS PRICE	Base
COND PRICE	Base
NGL PRICE	Base

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	0.00	0.0
PAYOUT PERIOD	STND. (MO'S)	0.00	0.0
	PROJ. (MO'S)	0.00	0.0
UNDISC. PIR	M$/M$	-0.44	-0.28
10.0 PCNT. PIR	M$/M$	-0.57	-0.39
15.0 PCNT. PIR	M$/M$	-0.61	-0.43
FD COST	*$/BOE*	*28.945*	
FDO COST	$/BOE	44.644	
NET UPLIFT	BOEPD/MM$	19.0881	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	1,025.000	-455.879	-282.645
5	1,025.000	-529.533	-349.471
8	1,025.000	-563.450	-381.200
10	1,025.000	-582.865	-399.698
12	1,025.000	-600.169	-416.417
14	1,025.000	-615.668	-431.598
15	1,025.000	-622.820	-438.676
16	1,025.000	-629.613	-445.443
18	1,025.000	-642.217	-458.120
20	1,025.000	-653.657	-469.772

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	254.268	222.484
- SALES	MMCF	242.826	212.472
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	40.471	35.412

ULTIMATE RECOVERABLE		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	254.458
NGL	MBBL	0.000	0.000

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$
2008 04	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
2008 05	0.000	1.760	0.000	0.000	1.471	0.000	0.245	0.000	9.430	0.000	0.000	13.869	0.000	0.000	13.869
2008 06	0.000	6.570	0.000	0.000	5.490	0.000	0.915	0.000	9.850	0.000	0.000	54.077	0.000	0.000	54.077
2008 07	0.000	7.210	0.000	0.000	6.025	0.000	1.004	0.000	11.360	0.000	0.000	68.442	0.000	0.000	68.442
2008 08	0.000	5.760	0.000	0.000	4.813	0.000	0.802	0.000	7.640	0.000	0.000	36.773	0.000	0.000	36.773
2008 09	0.000	10.650	0.000	0.000	8.899	0.000	1.483	0.000	6.430	0.000	0.000	57.223	0.000	0.000	57.223
2008 10	0.000	4.160	0.000	0.000	3.476	0.000	0.579	0.000	4.270	0.000	0.000	14.843	0.000	0.000	14.843
2008 11	0.000	3.530	0.000	0.000	2.950	0.000	0.492	0.000	2.840	0.000	0.000	8.377	0.000	0.000	8.377
2008 12	0.000	2.770	0.000	0.000	2.315	0.000	0.386	0.000	4.630	0.000	0.000	10.717	0.000	0.000	10.717
2009 01	0.000	3.137	0.000	0.000	2.622	0.000	0.437	0.000	4.830	0.000	0.000	12.662	0.000	0.000	12.662
2009 02	0.000	2.758	0.000	0.000	2.305	0.000	0.384	0.000	4.000	0.000	0.000	9.218	0.000	0.000	9.218
2009 03	0.000	2.972	0.000	0.000	2.483	0.000	0.414	0.000	4.000	0.000	0.000	9.933	0.000	0.000	9.933
2009 04	0.000	2.796	0.000	0.000	2.337	0.000	0.389	0.000	4.000	0.000	0.000	9.347	0.000	0.000	9.347
2009 05	0.000	2.810	0.000	0.000	2.348	0.000	0.391	0.000	4.000	0.000	0.000	9.391	0.000	0.000	9.391
2009 06	0.000	2.644	0.000	0.000	2.209	0.000	0.368	0.000	4.000	0.000	0.000	8.837	0.000	0.000	8.837
Sub.	0.000	59.526	0.000	0.000	49.742	0.000	8.290	0.000	—	0.000	0.000	323.710	0.000	0.000	323.710
Rem.	0.000	194.741	0.000	0.000	162.731	0.000	27.122	0.000	—	0.000	0.000	801.358	0.000	0.000	801.358
Total	*0.000*	*254.268*	*0.000*	*0.000*	*212.472*	*0.000*	*35.412*	*0.000*	—	*0.000*	*0.000*	*1,125.068*	*0.000*	*0.000*	*1,125.068*

OPCOSTS AND OH

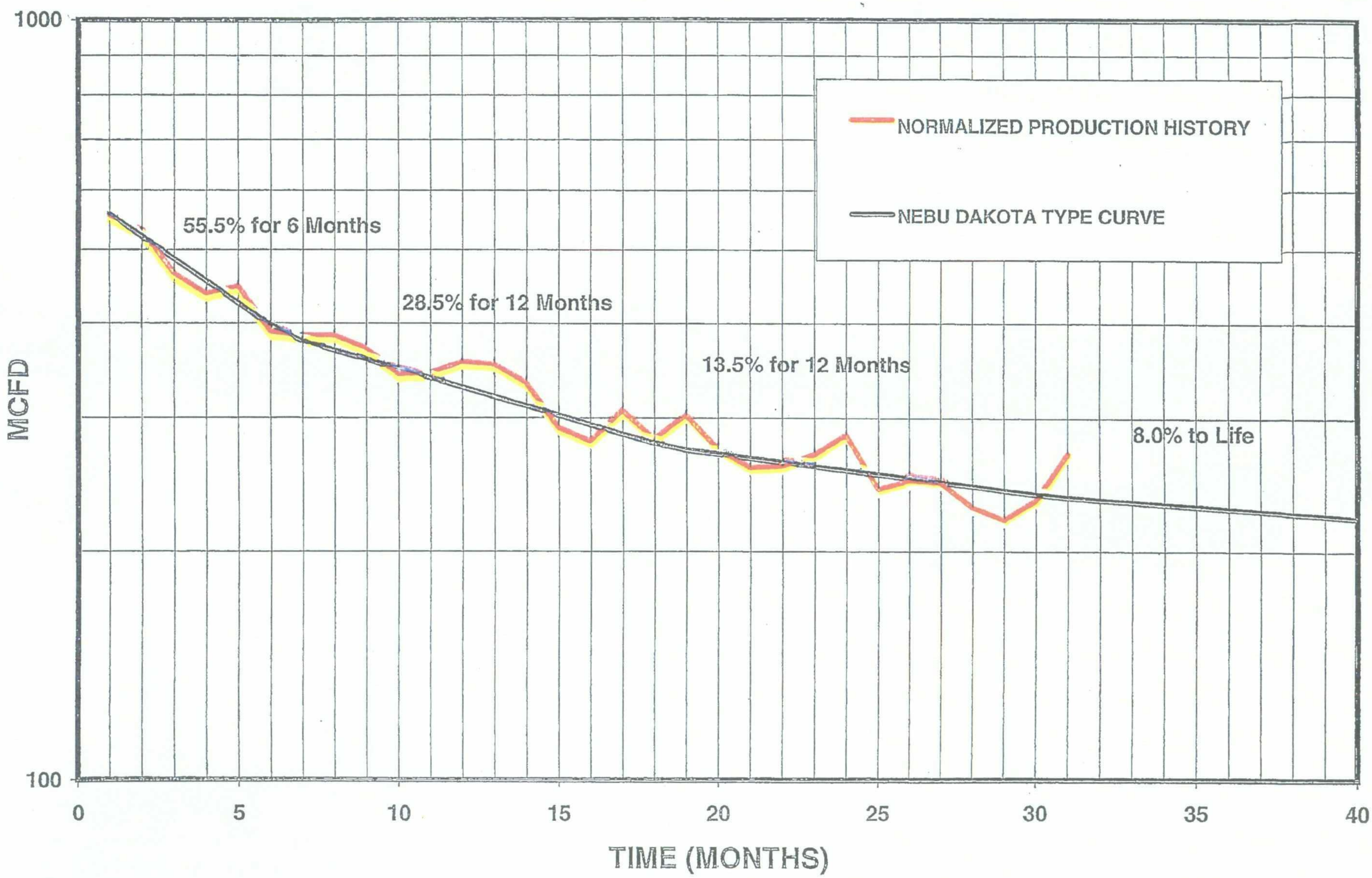
Date	NUM OF WELLS	TOTAL GROSS OPERATING EXPENSE	NET RECURRING LOE	NET COPAS	NET WORKOVER	NET AD VALOREM TAX	NET PRODUCT TRANSPORTATION	TOTAL NET LOE	NET SEVERANCE TAX	TOTAL NET OPERATING EXPENSE	NET OPERATING INCOME	NET DIRECT OH	NET REIMB OH	TOTAL NET OVERHEAD
		M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
2008 04	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	0.000
2008 05	1.00	4.638	2.700	0.000	0.000	0.000	0.515	3.215	1.181	4.396	9.473	0.000	0.000	0.000
2008 06	1.00	10.168	2.700	0.000	0.000	0.000	1.922	4.622	4.613	9.234	44.843	0.000	0.000	0.000
2008 07	1.00	11.817	2.700	0.000	0.000	0.000	2.109	4.809	5.868	10.677	57.765	0.000	0.000	0.000
2008 08	1.00	8.170	2.700	0.000	0.000	0.000	1.685	4.385	3.102	7.486	29.286	0.000	0.000	0.000
2008 09	1.00	11.724	2.700	0.000	0.000	0.000	3.115	5.815	4.781	10.596	46.627	0.000	0.000	0.000
2008 10	1.00	5.464	2.700	0.000	0.000	0.000	1.217	3.917	1.202	5.119	9.724	0.000	0.000	0.000
2008 11	1.00	4.619	2.700	0.000	0.000	0.000	1.032	3.732	0.646	4.379	3.998	0.000	0.000	0.000
2008 12	1.00	4.625	2.700	0.000	0.000	0.000	0.810	3.510	0.874	4.385	6.332	0.000	0.000	0.000
2009 01	1.00	4.933	2.700	0.000	0.000	0.000	0.918	3.618	1.037	4.654	8.008	0.000	0.000	0.000
2009 02	1.00	4.470	2.700	0.000	0.000	0.000	0.807	3.507	0.742	4.248	4.970	0.000	0.000	0.000
2009 03	1.00	4.607	2.700	0.000	0.000	0.000	0.869	3.569	0.799	4.369	5.564	0.000	0.000	0.000
2009 04	1.00	4.494	2.700	0.000	0.000	0.000	0.818	3.518	0.752	4.270	5.077	0.000	0.000	0.000
2009 05	1.00	4.503	2.700	0.000	0.000	0.000	0.822	3.522	0.756	4.278	5.114	0.000	0.000	0.000
2009 06	1.00	4.397	2.700	0.000	0.000	0.000	0.773	3.473	0.711	4.184	4.653	0.000	0.000	0.000
Sub.	—	88.629	37.800	0.000	0.000	0.000	17.410	55.210	27.065	82.275	241.434	0.000	0.000	0.000
Rem.	—	491.197	351.000	0.000	0.000	0.000	56.956	407.956	65.716	473.672	327.686	0.000	0.000	0.000
Total	—	*579.825*	*388.800*	*0.000*	*0.000*	*0.000*	*74.365*	*463.165*	*92.782*	*555.947*	*569.121*	*0.000*	*0.000*	*0.000*

BT AND AT CASH FLOW

Date	TOTAL GROSS CAPITAL	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$	M$
2008 04	1,025.000	1,025.000	0.000	1,025.000	-1,025.000	-1,025.000	-1,025.000	5.694	0.000	74.028	-79.722	0.000	-30.294	-994.706	-994.706
2008 05	0.000	0.000	0.000	0.000	9.473	-1,015.527	9.398	5.694	0.000	74.028	-70.249	0.000	-26.695	36.168	35.882
2008 06	0.000	0.000	0.000	0.000	44.843	-970.684	44.136	5.694	0.000	74.028	-34.880	0.000	-13.254	58.097	57.181
2008 07	0.000	0.000	0.000	0.000	57.765	-912.919	56.405	5.694	0.000	74.028	-21.957	0.000	-8.344	66.109	64.552
2008 08	0.000	0.000	0.000	0.000	29.286	-883.633	28.371	5.694	0.000	74.028	-50.436	0.000	-19.166	48.452	46.937
2008 09	0.000	0.000	0.000	0.000	46.627	-837.005	44.812	5.694	0.000	74.028	-33.095	0.000	-12.576	59.203	56.898
2008 10	0.000	0.000	0.000	0.000	9.724	-827.281	9.272	5.694	0.000	74.028	-69.998	0.000	-26.599	36.324	34.633
2008 11	0.000	0.000	0.000	0.000	3.998	-823.282	3.782	5.694	0.000	74.028	-75.724	0.000	-28.775	32.773	31.001
2008 12	0.000	0.000	0.000	0.000	6.332	-816.950	5.943	5.694	0.000	74.028	-73.390	0.000	-27.888	34.221	32.114
2009 01	0.000	0.000	0.000	0.000	8.008	-808.942	7.455	7.321	0.000	0.000	0.686	0.000	0.261	7.747	7.213
2009 02	0.000	0.000	0.000	0.000	4.970	-803.972	4.590	7.321	0.000	0.000	-2.352	0.000	-0.894	5.863	5.416
2009 03	0.000	0.000	0.000	0.000	5.564	-798.408	5.099	7.321	0.000	0.000	-1.757	0.000	-0.668	6.232	5.711
2009 04	0.000	0.000	0.000	0.000	5.077	-793.332	4.615	7.321	0.000	0.000	-2.245	0.000	-0.853	5.930	5.391
2009 05	0.000	0.000	0.000	0.000	5.114	-788.218	4.612	7.321	0.000	0.000	-2.208	0.000	-0.839	5.953	5.369
2009 06	0.000	0.000	0.000	0.000	4.653	-783.566	4.163	7.321	0.000	0.000	-2.669	0.000	-1.014	5.667	5.070
Sub.	1,025.000	1,025.000	0.000	1,025.000	-783.566	-783.566	-792.347	95.179	0.000	666.250	-519.994	0.000	-197.598	-585.968	-601.339
Rem.	0.000	0.000	0.000	0.000	327.686	-455.879	209.482	263.571	0.000	0.000	64.115	0.000	24.364	303.323	201.641
Total	*1,025.000*	*1,025.000*	*0.000*	*1,025.000*	*-455.879*	*-455.879*	*-582.865*	*358.750*	*0.000*	*666.250*	*-455.879*	*0.000*	*-173.234*	*-282.645*	*-399.698*

CASE NOTES

NEBU DAKOTA TYPE CURVE
NEBU AREA WELLS



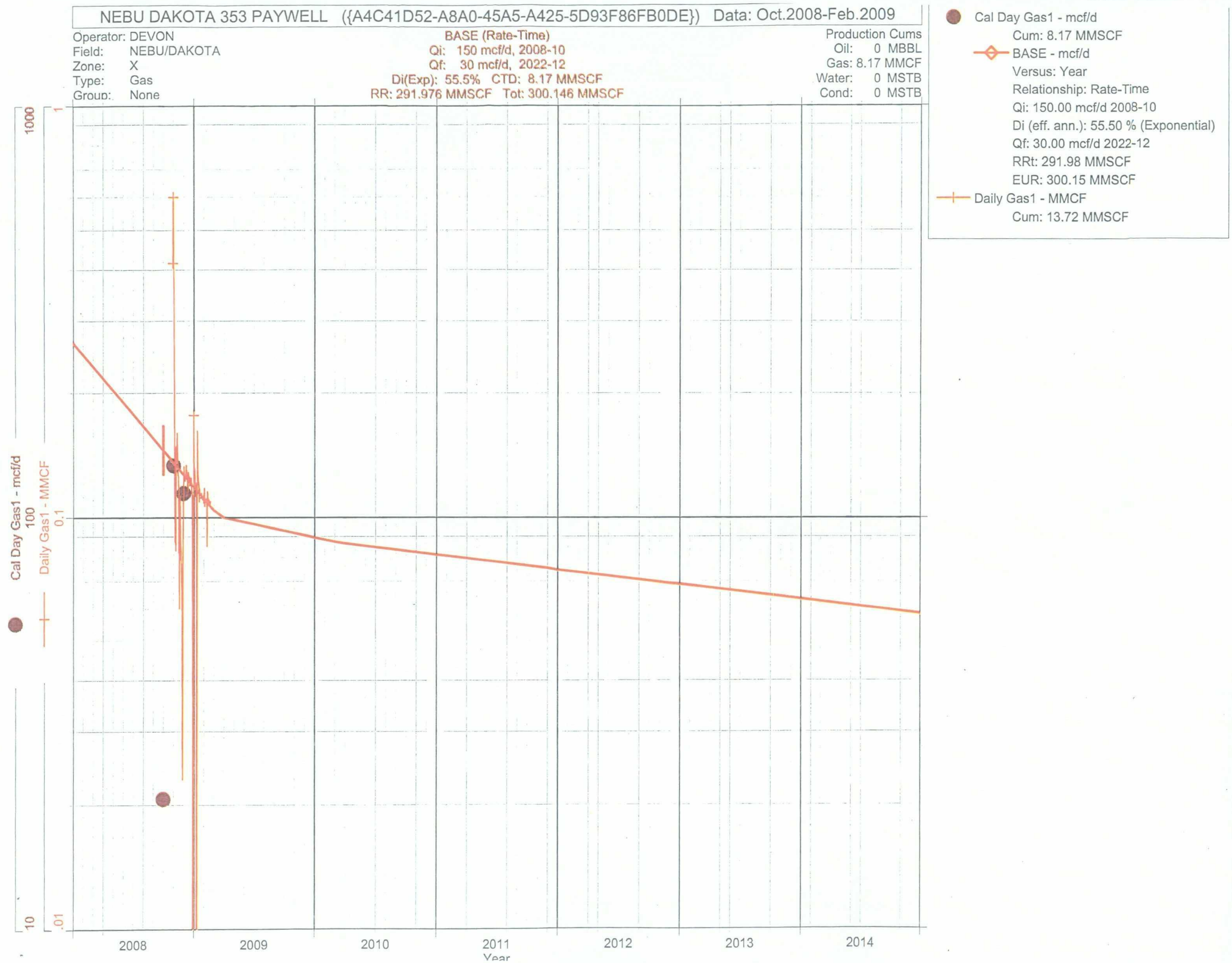
PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 353 (DAKOTA)
NW 5-30N-7W

ECONOMIC PARAMETERS:

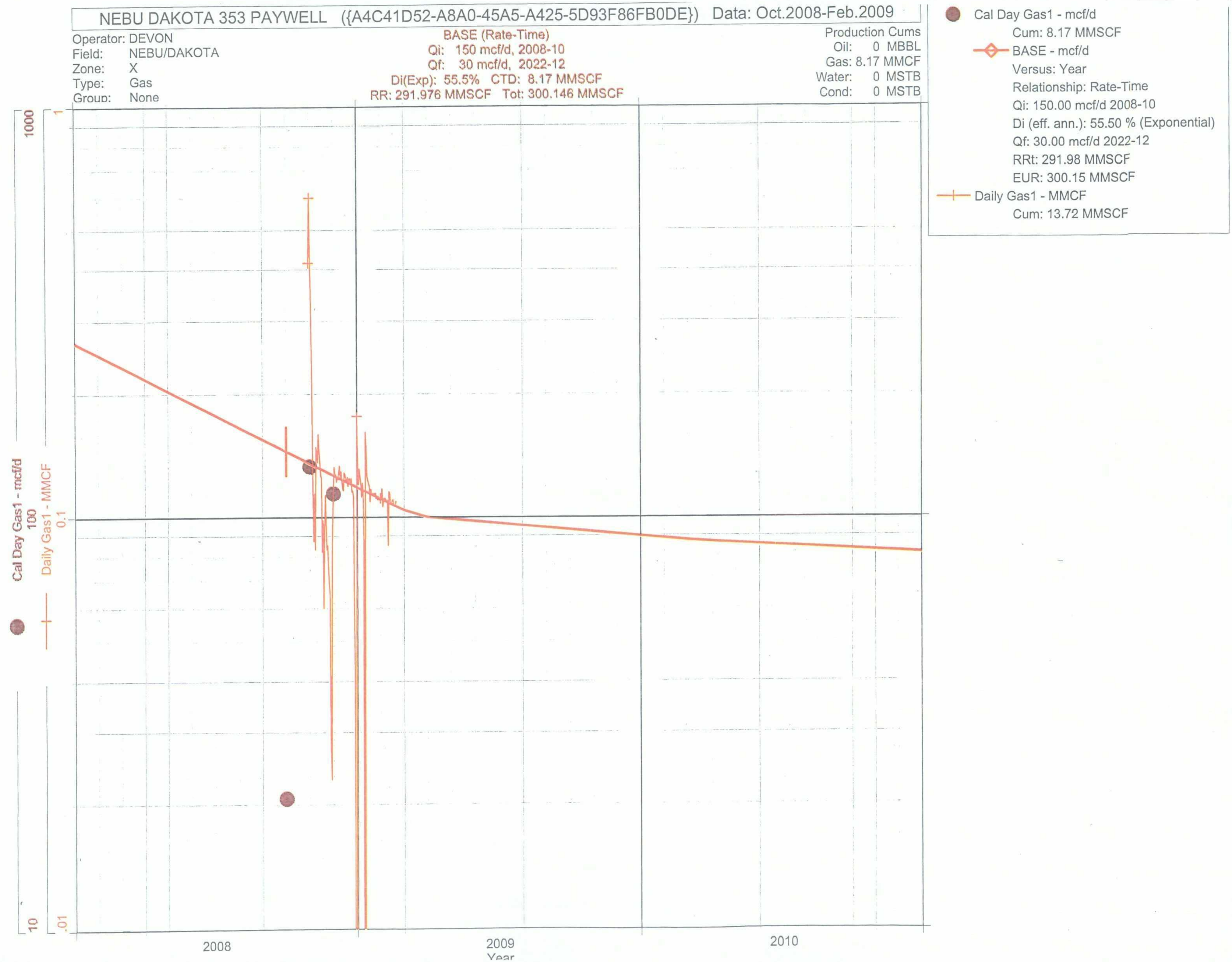
DRILLING AND COMPLETION COST	-	$1025M
OPERATING COST	-	$2700/Month
GAS TRANSPORTATION FEE	-	$0.35/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.86%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL 3/09–12/09 FRCST = $4.00/MCF LONGTERM = $5.00/MCF

RATE FORECAST PROCEDURE:

The early time gas production history of NEBU 353 was fit to a Dakota type decline curve. Future production for this well was then forecast to follow the type decline curve as shown on the attached production curve. The Dakota type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. A copy of the Dakota type curve is attached. The dark red circles on the production curve represent average daily production rates for the month, the thin red line shows the actual daily production rates.



NEBU DAKOTA 353 PAYWELL ({A4C41D52-A8A0-45A5-A425-5D93F86FB0DE}) Data: Oct.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 150 mcf/d, 2008-10
Qf: 30 mcf/d, 2022-12
Di(Exp): 55.5% CTD: 8.17 MMSCF
RR: 291.976 MMSCF Tot: 300.146 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 8.17 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 8.17 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 150.00 mcf/d 2008-10
Di (eff. ann.): 55.50 % (Exponential)
Qf: 30.00 mcf/d 2022-12
RRt: 291.98 MMSCF
EUR: 300.15 MMSCF
Daily Gas1 - MMCF
Cum: 13.72 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
100
10
1
0.1
.01
2008
2009
2010
2011
2012
2013
2014
Year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Daily Gas1 - MMCF
1000
100
10
1
0.1
.01
2008
2009
2010
Year

DEVON ENERGY CORP.
ECONOMIC SUMMARY
NEBU DAKOTA 353 PAYWELL
Database: Western Reserves Budget Oracle

CASE PARAMETERS

DIVISION	WESTERN DIVISION	OPERATED	YES	AFE NUMBER:	X
DISTRICT	ROCKY MOUNTAIN	OPERATOR	DEVON		
PROJECT AREA	XGEK	STATUS		TITLE 1:	X
FIELD GROUPORTHEAST BLANCO UNIT CONVEN		RESERVOIR	X	TITLE 2:	X
FIELD	09	PROPERY CODE	X	TITLE 3:	X
RES CAT CURRENT	DK	MAJOR PHASE	PAYWELL		
RES CAT YEAREND	DK	ENGINEER	CDS		
RES CAT PRIOR YE	DK	RIO WELLZONENUM	X		

CASE DATES

REPORT START DATE	2008/09
REPORT END DATE	2022/11
EVALUATION DATE	2008/09
DISCOUNT DATE	2008/09
PRODUCTION START	2008/10
ECONOMIC LIMIT	2022/11
1ST INVESTMENT	2008/09

DATE AND TIME

DATE:	2/24/2009
TIME:	13:54

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	NEBU DAKOTA 353 PAYWELL
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	Cond_WTI-Cushing
COND PRICE OFFSET1	
NGL PRICE BASE	Ngl_Mt Belvieu/Conway
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	87.500	87.500	0.000
NRI GAS	87.500	87.500	87.500
NRI BYPROD	87.500	87.500	0.000
WI OPCOST	100.000	100.000	96.026
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	Base
GAS PRICE	Base
COND PRICE	Base
NGL PRICE	Base

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	0.00	0.0
PAYOUT PERIOD	STND. (MO'S)	0.00	0.0
	PROJ. (MO'S)	0.00	0.0
UNDISC. PIR	M$/M$	-0.44	-0.28
10.0 PCNT. PIR	M$/M$	-0.63	-0.42
15.0 PCNT. PIR	M$/M$	-0.69	-0.47
FD COST	$/BOE	24.561	
FDO COST	$/BOE	40.046	
NET UPLIFT	BOEPD/MM$	12.3016	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	1,025.000	-455.553	-282.443
5	1,025.000	-570.627	-370.166
8	1,025.000	-621.465	-409.910
10	1,025.000	-649.901	-432.484
12	1,025.000	-674.815	-452.496
14	1,025.000	-696.769	-470.337
15	1,025.000	-706.783	-478.546
16	1,025.000	-716.222	-486.327
18	1,025.000	-733.547	-500.728
20	1,025.000	-749.053	-513.758

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	299.651	262.194
- SALES	MMCF	286.166	250.396
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	47.694	41.733

ULTIMATE RECOVERABLE		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	300.146
NGL	MBBL	0.000	0.000

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$
2008 09	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
2008 10	0.000	0.640	0.000	0.000	0.535	0.000	0.089	0.000	4.270	0.000	0.000	2.284	0.000	0.000	2.284
2008 11	0.000	3.990	0.000	0.000	3.334	0.000	0.556	0.000	2.840	0.000	0.000	9.469	0.000	0.000	9.469
2008 12	0.000	3.540	0.000	0.000	2.958	0.000	0.493	0.000	4.630	0.000	0.000	13.696	0.000	0.000	13.696
2009 01	0.000	3.669	0.000	0.000	3.066	0.000	0.511	0.000	4.830	0.000	0.000	14.807	0.000	0.000	14.807
2009 02	0.000	3.104	0.000	0.000	2.593	0.000	0.432	0.000	4.000	0.000	0.000	10.374	0.000	0.000	10.374
2009 03	0.000	3.219	0.000	0.000	2.690	0.000	0.448	0.000	4.000	0.000	0.000	10.758	0.000	0.000	10.758
2009 04	0.000	2.991	0.000	0.000	2.499	0.000	0.417	0.000	4.000	0.000	0.000	9.997	0.000	0.000	9.997
2009 05	0.000	3.053	0.000	0.000	2.551	0.000	0.425	0.000	4.000	0.000	0.000	10.205	0.000	0.000	10.205
2009 06	0.000	2.919	0.000	0.000	2.439	0.000	0.406	0.000	4.000	0.000	0.000	9.756	0.000	0.000	9.756
2009 07	0.000	2.979	0.000	0.000	2.490	0.000	0.415	0.000	4.000	0.000	0.000	9.959	0.000	0.000	9.959
2009 08	0.000	2.943	0.000	0.000	2.459	0.000	0.410	0.000	4.000	0.000	0.000	9.836	0.000	0.000	9.836
2009 09	0.000	2.813	0.000	0.000	2.351	0.000	0.392	0.000	4.000	0.000	0.000	9.403	0.000	0.000	9.403
2009 10	0.000	2.872	0.000	0.000	2.400	0.000	0.400	0.000	4.000	0.000	0.000	9.598	0.000	0.000	9.598
2009 11	0.000	2.745	0.000	0.000	2.294	0.000	0.382	0.000	4.000	0.000	0.000	9.176	0.000	0.000	9.176
Sub.	0.000	41.476	0.000	0.000	34.658	0.000	5.776	0.000	—	0.000	0.000	139.318	0.000	0.000	139.318
Rem.	0.000	258.175	0.000	0.000	215.737	0.000	35.956	0.000	—	0.000	0.000	1,076.345	0.000	0.000	1,076.345
Total	0.000	299.651	0.000	0.000	250.396	0.000	41.733	0.000	—	0.000	0.000	1,215.663	0.000	0.000	1,215.663

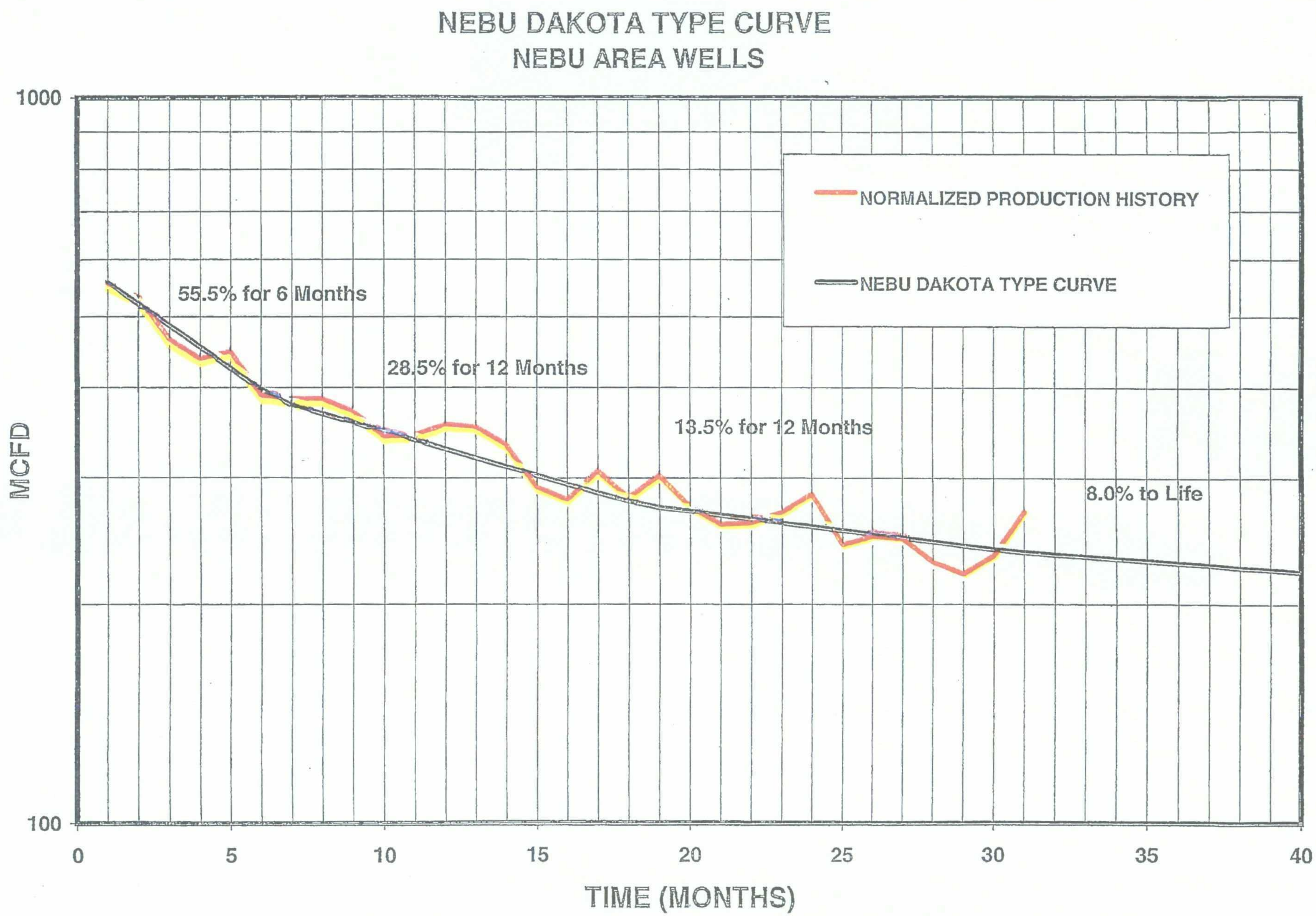
OPCOSTS AND OH

Date	NUM OF WELLS	TOTAL GROSS OPERATING EXPENSE M$	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$
2008 09	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	0.000
2008 10	1.00	3.125	2.700	0.000	0.000	0.000	0.187	2.887	0.185	3.072	-0.789	0.000	0.000	0.000
2008 11	1.00	4.869	2.700	0.000	0.000	0.000	1.167	3.867	0.731	4.598	4.871	0.000	0.000	0.000
2008 12	1.00	5.160	2.700	0.000	0.000	0.000	1.035	3.735	1.117	4.853	8.843	0.000	0.000	0.000
2009 01	1.00	5.312	2.700	0.000	0.000	0.000	1.073	3.773	1.212	4.985	9.822	0.000	0.000	0.000
2009 02	1.00	4.692	2.700	0.000	0.000	0.000	0.908	3.608	0.835	4.443	5.931	0.000	0.000	0.000
2009 03	1.00	4.765	2.700	0.000	0.000	0.000	0.941	3.641	0.866	4.507	6.251	0.000	0.000	0.000
2009 04	1.00	4.619	2.700	0.000	0.000	0.000	0.875	3.575	0.805	4.379	5.618	0.000	0.000	0.000
2009 05	1.00	4.659	2.700	0.000	0.000	0.000	0.893	3.593	0.821	4.414	5.791	0.000	0.000	0.000
2009 06	1.00	4.573	2.700	0.000	0.000	0.000	0.854	3.554	0.785	4.339	5.417	0.000	0.000	0.000
2009 07	1.00	4.612	2.700	0.000	0.000	0.000	0.871	3.571	0.802	4.373	5.586	0.000	0.000	0.000
2009 08	1.00	4.588	2.700	0.000	0.000	0.000	0.861	3.561	0.792	4.352	5.484	0.000	0.000	0.000
2009 09	1.00	4.505	2.700	0.000	0.000	0.000	0.823	3.523	0.757	4.280	5.123	0.000	0.000	0.000
2009 10	1.00	4.543	2.700	0.000	0.000	0.000	0.840	3.540	0.773	4.312	5.286	0.000	0.000	0.000
2009 11	1.00	4.462	2.700	0.000	0.000	0.000	0.803	3.503	0.739	4.241	4.935	0.000	0.000	0.000
Sub.	—	64.484	37.800	0.000	0.000	0.000	12.130	49.930	11.218	61.149	78.170	0.000	0.000	0.000
Rem.	—	608.476	421.200	0.000	0.000	0.000	75.508	496.708	88.359	585.067	491.278	0.000	0.000	0.000
Total	—	672.961	459.000	0.000	0.000	0.000	87.638	546.838	99.577	646.216	569.447	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	TOTAL GROSS CAPITAL M$	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$
2008 09	1,025.000	1,025.000	0.000	1,025.000	-1,025.000	-1,025.000	-1,025.000	12.812	0.000	166.563	-179.375	0.000	-68.162	-956.838	-956.838
2008 10	0.000	0.000	0.000	0.000	-0.789	-1,025.789	-0.782	12.812	0.000	166.563	-180.164	0.000	-68.462	67.674	67.138
2008 11	0.000	0.000	0.000	0.000	4.871	-1,020.917	4.795	12.812	0.000	166.563	-174.504	0.000	-66.311	71.183	70.061
2008 12	0.000	0.000	0.000	0.000	8.843	-1,012.074	8.635	12.812	0.000	166.563	-170.532	0.000	-64.802	73.645	71.911
2009 01	0.000	0.000	0.000	0.000	9.822	-1,002.252	9.515	7.321	0.000	0.000	2.500	0.000	0.950	8.872	8.594
2009 02	0.000	0.000	0.000	0.000	5.931	-996.321	5.700	7.321	0.000	0.000	-1.390	0.000	-0.528	6.460	6.208
2009 03	0.000	0.000	0.000	0.000	6.251	-990.070	5.950	7.321	0.000	0.000	-1.070	0.000	-0.407	6.658	6.348
2009 04	0.000	0.000	0.000	0.000	5.618	-984.452	5.314	7.321	0.000	0.000	-1.704	0.000	-0.647	6.265	5.926
2009 05	0.000	0.000	0.000	0.000	5.791	-978.661	5.434	7.321	0.000	0.000	-1.531	0.000	-0.582	6.372	5.980
2009 06	0.000	0.000	0.000	0.000	5.417	-973.244	5.043	7.321	0.000	0.000	-1.904	0.000	-0.724	6.141	5.717
2009 07	0.000	0.000	0.000	0.000	5.586	-967.658	5.159	7.321	0.000	0.000	-1.736	0.000	-0.660	6.245	5.769
2009 08	0.000	0.000	0.000	0.000	5.484	-962.174	5.025	7.321	0.000	0.000	-1.838	0.000	-0.698	6.182	5.665
2009 09	0.000	0.000	0.000	0.000	5.123	-957.051	4.658	7.321	0.000	0.000	-2.198	0.000	-0.835	5.959	5.417
2009 10	0.000	0.000	0.000	0.000	5.286	-951.765	4.768	7.321	0.000	0.000	-2.035	0.000	-0.773	6.060	5.465
2009 11	0.000	0.000	0.000	0.000	4.935	-946.830	4.415	7.321	0.000	0.000	-2.387	0.000	-0.907	5.842	5.227
Sub.	1,025.000	1,025.000	0.000	1,025.000	-946.830	-946.830	-951.361	131.786	0.000	666.250	-719.866	0.000	-273.549	-673.281	-681.411
Rem.	0.000	0.000	0.000	0.000	491.278	-455.552	301.459	226.964	0.000	0.000	264.313	0.000	100.439	390.839	248.927
Total	1,025.000	1,025.000	0.000	1,025.000	-455.553	-455.552	-649.901	358.750	0.000	666.250	-455.553	0.000	-173.110	-282.443	-432.484

CASE NOTES



NEBU DAKOTA TYPE CURVE
NEBU AREA WELLS
1000
100
MCFD
0
5
10
15
20
25
30
35
40
TIME (MONTHS)
NORMALIZED PRODUCTION HISTORY
NEBU DAKOTA TYPE CURVE
55.5% for 6 Months
28.5% for 12 Months
13.5% for 12 Months
8.0% to Life

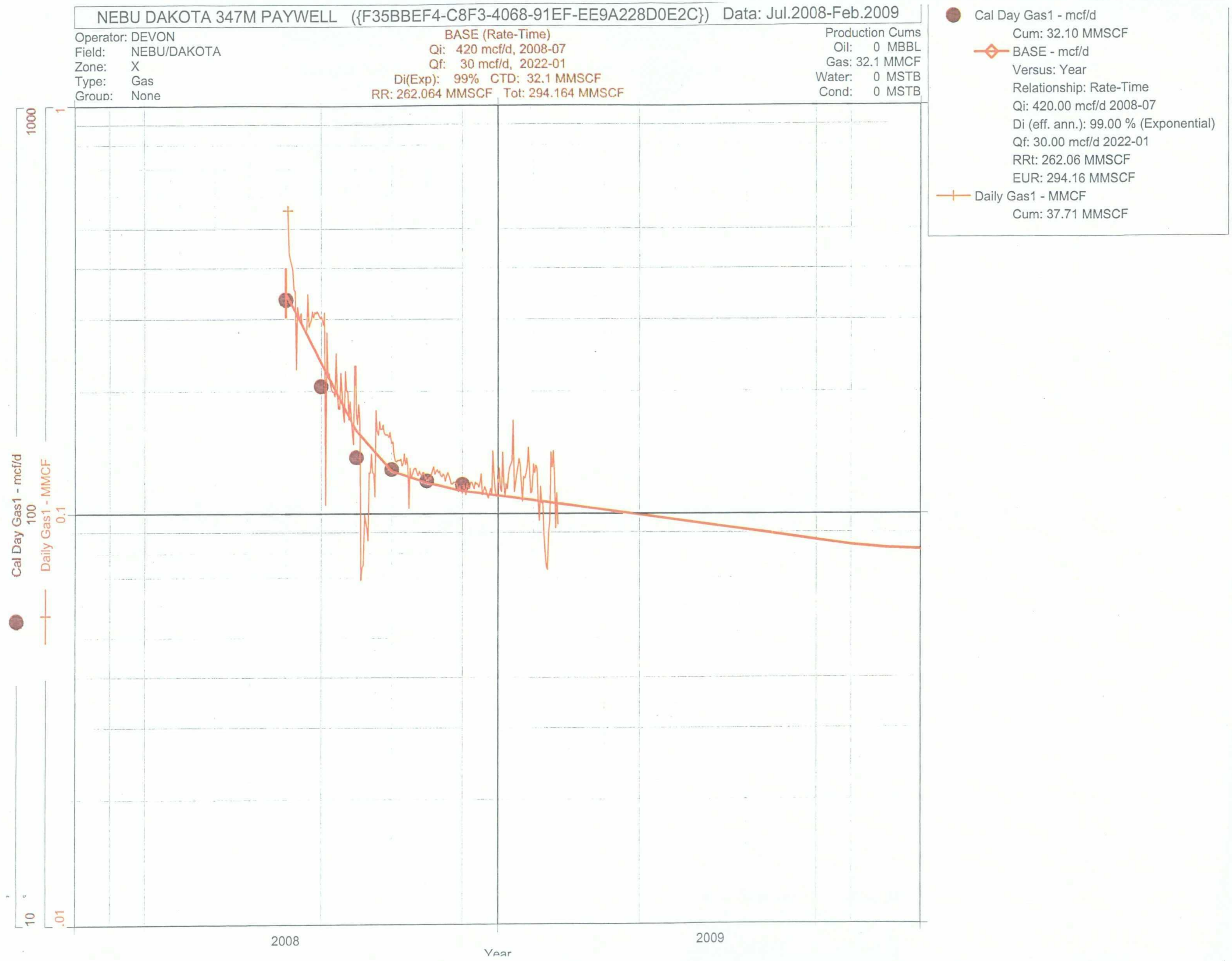
PAYING WELL DETERMINATION
NORTHEAST BLANCO UNIT 347M (DAKOTA)
NW 36-31N-8W

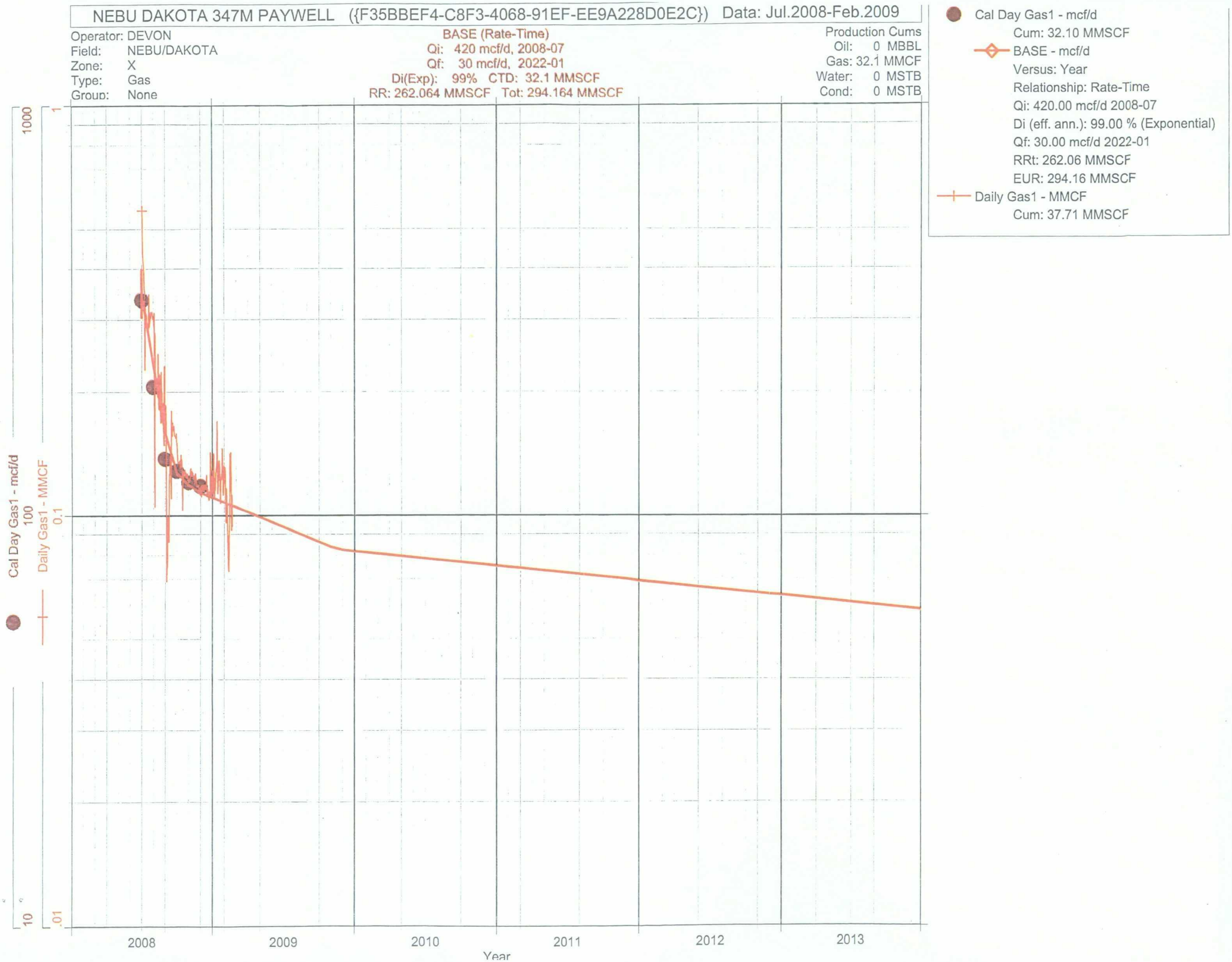
ECONOMIC PARAMETERS:

DRILLING AND COMPLETION COST	-	$1025M
OPERATING COST	-	$2700/Month
GAS TRANSPORTATION FEE	-	$0.35/mcf
ROYALTY	-	12.5%
TAXES (Severance + Ad Valorem)	-	8.86%
DISCOUNT RATE	-	10%
GAS PRICE	-	HISTORIC = ACTUAL 3/09–12/09 FRCST = $4.00/MCF LONGTERM = $5.00/MCF

RATE FORECAST PROCEDURE:

The early time gas production history of NEBU 347M was fit to a Dakota type decline curve. Future production for this well was then forecast to follow the type decline curve as shown on the attached production curve. The Dakota type curve was constructed from historic gas production rates of Dakota wells in, and adjacent to, Northeast Blanco Unit. A copy of the Dakota type curve is attached. The dark red circles on the production curve represent average daily production rates for the month, the thin red line shows the actual daily production rates.


NEBU DAKOTA 347M PAYWELL ({F35BBEF4-C8F3-4068-91EF-EE9A228D0E2C}) Data: Jul.2008-Feb.2009
Operator: DEVON
Field: NEBU/DAKOTA
Zone: X
Type: Gas
Group: None
BASE (Rate-Time)
Qi: 420 mcf/d, 2008-07
Qf: 30 mcf/d, 2022-01
Di(Exp): 99% CTD: 32.1 MMSCF
RR: 262.064 MMSCF Tot: 294.164 MMSCF
Production Cums
Oil: 0 MBBL
Gas: 32.1 MMCF
Water: 0 MSTB
Cond: 0 MSTB
Cal Day Gas1 - mcf/d
Cum: 32.10 MMSCF
BASE - mcf/d
Versus: Year
Relationship: Rate-Time
Qi: 420.00 mcf/d 2008-07
Di (eff. ann.): 99.00 % (Exponential)
Qf: 30.00 mcf/d 2022-01
RRt: 262.06 MMSCF
EUR: 294.16 MMSCF
Daily Gas1 - MMCF
Cum: 37.71 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
100
10
1
0.1
.01
2008
2009
Year



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EUR: 294.16 MMSCF
Daily Gas1 - MMCF
Cum: 37.71 MMSCF
Cal Day Gas1 - mcf/d
Daily Gas1 - MMCF
1000
100
10
1
0.1
.01
2008
2009
2010
2011
2012
2013
Year

DEVON ENERGY CORP.

ECONOMIC SUMMARY

NEBU DAKOTA 347M PAYWELL

Database: Western Reserves Budget Oracle

CASE PARAMETERS

DIVISION	WESTERN DIVISION	OPERATED	YES	AFE NUMBER:	X
DISTRICT	ROCKY MOUNTAIN	OPERATOR	DEVON		
PROJECT AREA	XGEK	STATUS		TITLE 1:	X
FIELD GROUP	NORTHEAST BLANCO UNIT CONVEN	RESERVOIR	X	TITLE 2:	X
FIELD	09	PROPERY CODE	X	TITLE 3:	X
RES CAT CURRENT	DK	MAJOR PHASE	PAYWELL		
RES CAT YEAREND	DK	ENGINEER	CDS		
RES CAT PRIOR YE	DK	RIO WELLZONENUM	X		

CASE DATES

REPORT START DATE	2008/06
REPORT END DATE	2021/12
EVALUATION DATE	2008/06
DISCOUNT DATE	2008/06
PRODUCTION START	2008/07
ECONOMIC LIMIT	2021/12
1ST INVESTMENT	2008/06

DATE AND TIME

DATE:	2/24/2009
TIME:	13:24

CASE LINKS

MODEL	Devon USModel
GLOBAL PARM	Devon US
LINKED WELL	NEBU DAKOTA 347M PAYWELL
PRECEDING CASE	
OIL PRICE BASE	
OIL PRICE OFFSET1	
GAS PRICE BASE	
GAS PRICE OFFSET1	
COND PRICE BASE	Cond_WTI-Cushing
COND PRICE OFFSET1	
NGL PRICE BASE	Ngl_Mt Belvieu/Conway
NGL PRICE OFFSET1	

OWNERSHIP INTEREST

	INITIAL %	FINAL %	AVG %
NRI OIL	87.500	87.500	0.000
NRI GAS	87.500	87.500	87.500
NRI BYPROD	87.500	87.500	0.000
WI OPCOST	100.000	100.000	95.854
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	Base
GAS PRICE	Base
COND PRICE	Base
NGL PRICE	Base

SUMMARY INDICATORS

		B. TAX	A. TAX
ROR	%	0.00	0.0
PAYOUT PERIOD	STND. (MO'S)	0.00	0.0
	PROJ. (MO'S)	0.00	0.0
UNDISC. PIR	M$/M$	-0.38	-0.23
10.0 PCNT. PIR	M$/M$	-0.55	-0.37
15.0 PCNT. PIR	M$/M$	-0.60	-0.42
FD COST	$/BOE	25.058	
FDO COST	$/BOE	40.395	
NET UPLIFT	BOEPD/MM$	17.8365	

NPV SUMMARY

DISC RATE (%)	NET INVESTMENT M$	BEFORE TAX CASH FLOW M$	AFTER TAX CASH FLOW M$
0	1,025.000	-387.909	-240.503
5	1,025.000	-488.699	-322.250
8	1,025.000	-533.760	-359.911
10	1,025.000	-559.131	-381.505
12	1,025.000	-581.457	-400.787
14	1,025.000	-601.240	-418.095
15	1,025.000	-610.289	-426.099
16	1,025.000	-618.836	-433.710
18	1,025.000	-634.573	-447.865
20	1,025.000	-648.713	-460.750

RESERVES SUMMARY

REMAINING RESERVES		GROSS	NET
OIL/COND	MBBL	0.000	0.000
GAS - PROD	MMCF	293.707	256.994
- SALES	MMCF	280.491	245.429
NGL	MBBL	0.000	0.000
OIL EQ (SALES)	MBOE	46.748	40.905

ULTIMATE RECOVERABLE		GROSS PRIOR	GROSS EUR
OIL/COND	MBBL	0.000	0.000
GAS	MMCF	0.000	294.164
NGL	MBBL	0.000	0.000

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$
2008 06	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
2008 07	0.000	10.370	0.000	0.000	8.665	0.000	1.444	0.000	11.360	0.000	0.000	98.439	0.000	0.000	98.439
2008 08	0.000	6.370	0.000	0.000	5.323	0.000	0.887	0.000	7.640	0.000	0.000	40.667	0.000	0.000	40.667
2008 09	0.000	4.120	0.000	0.000	3.443	0.000	0.574	0.000	6.430	0.000	0.000	22.137	0.000	0.000	22.137
2008 10	0.000	3.980	0.000	0.000	3.326	0.000	0.554	0.000	4.270	0.000	0.000	14.201	0.000	0.000	14.201
2008 11	0.000	3.610	0.000	0.000	3.017	0.000	0.503	0.000	2.840	0.000	0.000	8.567	0.000	0.000	8.567
2008 12	0.000	3.650	0.000	0.000	3.050	0.000	0.508	0.000	4.630	0.000	0.000	14.122	0.000	0.000	14.122
2009 01	0.000	3.428	0.000	0.000	2.865	0.000	0.477	0.000	4.830	0.000	0.000	13.836	0.000	0.000	13.836
2009 02	0.000	3.014	0.000	0.000	2.518	0.000	0.420	0.000	4.000	0.000	0.000	10.073	0.000	0.000	10.073
2009 03	0.000	3.247	0.000	0.000	2.713	0.000	0.452	0.000	4.000	0.000	0.000	10.854	0.000	0.000	10.854
2009 04	0.000	3.056	0.000	0.000	2.553	0.000	0.426	0.000	4.000	0.000	0.000	10.213	0.000	0.000	10.213
2009 05	0.000	3.070	0.000	0.000	2.565	0.000	0.428	0.000	4.000	0.000	0.000	10.262	0.000	0.000	10.262
2009 06	0.000	2.889	0.000	0.000	2.414	0.000	0.402	0.000	4.000	0.000	0.000	9.656	0.000	0.000	9.656
2009 07	0.000	2.903	0.000	0.000	2.426	0.000	0.404	0.000	4.000	0.000	0.000	9.702	0.000	0.000	9.702
2009 08	0.000	2.821	0.000	0.000	2.357	0.000	0.393	0.000	4.000	0.000	0.000	9.430	0.000	0.000	9.430
Sub.	0.000	56.527	0.000	0.000	47.236	0.000	7.873	0.000	—	0.000	0.000	282.160	0.000	0.000	282.160
Rem.	0.000	237.180	0.000	0.000	198.194	0.000	33.032	0.000	—	0.000	0.000	982.293	0.000	0.000	982.293
Total	0.000	293.707	0.000	0.000	245.429	0.000	40.905	0.000	—	0.000	0.000	1,264.453	0.000	0.000	1,264.453

OPCOSTS AND OH

Date	NUM OF WELLS	TOTAL GROSS OPERATING EXPENSE	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$	M$
2008 06	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	0.000
2008 07	1.00	15.812	2.700	0.000	0.000	0.000	3.033	5.733	8.440	14.173	84.266	0.000	0.000	0.000
2008 08	1.00	8.749	2.700	0.000	0.000	0.000	1.863	4.563	3.430	7.993	32.674	0.000	0.000	0.000
2008 09	1.00	6.191	2.700	0.000	0.000	0.000	1.205	3.905	1.850	5.755	16.383	0.000	0.000	0.000
2008 10	1.00	5.345	2.700	0.000	0.000	0.000	1.164	3.864	1.150	5.014	9.187	0.000	0.000	0.000
2008 11	1.00	4.662	2.700	0.000	0.000	0.000	1.056	3.756	0.661	4.417	4.150	0.000	0.000	0.000
2008 12	1.00	5.237	2.700	0.000	0.000	0.000	1.068	3.768	1.152	4.920	9.202	0.000	0.000	0.000
2009 01	1.00	5.141	2.700	0.000	0.000	0.000	1.003	3.703	1.133	4.835	9.001	0.000	0.000	0.000
2009 02	1.00	4.634	2.700	0.000	0.000	0.000	0.881	3.581	0.811	4.392	5.681	0.000	0.000	0.000
2009 03	1.00	4.784	2.700	0.000	0.000	0.000	0.950	3.650	0.874	4.523	6.330	0.000	0.000	0.000
2009 04	1.00	4.661	2.700	0.000	0.000	0.000	0.894	3.594	0.822	4.416	5.798	0.000	0.000	0.000
2009 05	1.00	4.670	2.700	0.000	0.000	0.000	0.898	3.598	0.826	4.424	5.838	0.000	0.000	0.000
2009 06	1.00	4.554	2.700	0.000	0.000	0.000	0.845	3.545	0.777	4.322	5.334	0.000	0.000	0.000
2009 07	1.00	4.563	2.700	0.000	0.000	0.000	0.849	3.549	0.781	4.330	5.373	0.000	0.000	0.000
2009 08	1.00	4.510	2.700	0.000	0.000	0.000	0.825	3.525	0.759	4.284	5.146	0.000	0.000	0.000
Sub.	—	83.512	37.800	0.000	0.000	0.000	16.533	54.333	23.466	77.798	204.362	0.000	0.000	0.000
Rem.	—	570.987	399.600	0.000	0.000	0.000	69.368	468.968	80.596	549.563	432.730	0.000	0.000	0.000
Total	—	654.499	437.400	0.000	0.000	0.000	85.900	523.300	104.061	627.361	637.091	0.000	0.000	0.000

BT AND AT CASH FLOW

Date	TOTAL GROSS CAPITAL	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$	M$
2008 06	1,025.000	1,025.000	0.000	1,025.000	-1,025.000	-1,025.000	-1,025.000	7.321	0.000	95.179	-102.500	0.000	-38.950	-986.050	-986.050
2008 07	0.000	0.000	0.000	0.000	84.266	-940.734	83.599	7.321	0.000	95.179	-18.234	0.000	-6.929	91.195	90.473
2008 08	0.000	0.000	0.000	0.000	32.674	-908.060	32.159	7.321	0.000	95.179	-69.826	0.000	-26.534	59.208	58.275
2008 09	0.000	0.000	0.000	0.000	16.383	-891.678	15.997	7.321	0.000	95.179	-86.117	0.000	-32.725	49.107	47.951
2008 10	0.000	0.000	0.000	0.000	9.187	-882.491	8.900	7.321	0.000	95.179	-93.313	0.000	-35.459	44.646	43.250
2008 11	0.000	0.000	0.000	0.000	4.150	-878.340	3.989	7.321	0.000	95.179	-98.350	0.000	-37.373	41.523	39.906
2008 12	0.000	0.000	0.000	0.000	9.202	-869.138	8.774	7.321	0.000	95.179	-93.298	0.000	-35.453	44.655	42.577
2009 01	0.000	0.000	0.000	0.000	9.001	-860.138	8.514	7.321	0.000	0.000	1.679	0.000	0.638	8.363	7.910
2009 02	0.000	0.000	0.000	0.000	5.681	-854.457	5.331	7.321	0.000	0.000	-1.641	0.000	-0.623	6.304	5.916
2009 03	0.000	0.000	0.000	0.000	6.330	-848.127	5.894	7.321	0.000	0.000	-0.991	0.000	-0.377	6.707	6.244
2009 04	0.000	0.000	0.000	0.000	5.798	-842.329	5.355	7.321	0.000	0.000	-1.524	0.000	-0.579	6.377	5.890
2009 05	0.000	0.000	0.000	0.000	5.838	-836.491	5.350	7.321	0.000	0.000	-1.483	0.000	-0.564	6.402	5.866
2009 06	0.000	0.000	0.000	0.000	5.334	-831.157	4.849	7.321	0.000	0.000	-1.987	0.000	-0.755	6.089	5.536
2009 07	0.000	0.000	0.000	0.000	5.373	-825.784	4.846	7.321	0.000	0.000	-1.949	0.000	-0.741	6.113	5.513
2009 08	0.000	0.000	0.000	0.000	5.146	-820.638	4.604	7.321	0.000	0.000	-2.176	0.000	-0.827	5.973	5.344
Sub.	1,025.000	1,025.000	0.000	1,025.000	-820.638	-820.638	-826.840	109.821	0.000	666.250	-571.710	0.000	-217.250	-603.389	-615.398
Rem.	0.000	0.000	0.000	0.000	432.730	-387.909	267.709	248.929	0.000	0.000	183.801	0.000	69.844	362.885	233.893
Total	1,025.000	1,025.000	0.000	1,025.000	-387.909	-387.909	-559.131	358.750	0.000	666.250	-387.909	0.000	-147.405	-240.503	-381.505

CASE NOTES

NEBU DAKOTA TYPE CURVE
NEBU AREA WELLS