

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-33899
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Hackberry Draw 33 State
8. Well Number 1
9. OGRID Number 6137
10. Pool name or Wildcat Happy Valley; Morrow (Gas)

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

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

2. Name of Operator
Devon Energy Production Company, LP

3. Address of Operator
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-7802

4. Well Location
Unit Letter N : 660 feet from the south line and 1070 feet from the west line
Section 33 Township 21S Range 26E NMPM County Eddy, NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3234'

Pit or Below-grade Tank Application ☐ or Closure ☐

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

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

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

NOTICE OF INTENTION TO:

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

OTHER: Withdraw APD ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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

Devon Energy respectfully requests approval to withdraw the APD for the Hackberry Draw 33 State 1. It was filed and approved by the OCD 01/20/06, in Sec 33 T21S R26E, Lot N. See attached regarding reconfiguration of spacing unit.

RECEIVED

JAN 18 2006

OCD-ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE _____ TITLE Sr. Staff Engineering Technician DATE 1/13/06

Type or print name Stephanie Ysasaga E-mail address: Stephanie.Ysasaga@dvnm.com Telephone No. (405) 552-7802

For State Use Only

APPROVED BY: District II Supervisor TITLE _____ DATE JAN 18 2006

Conditions of Approval (if any):

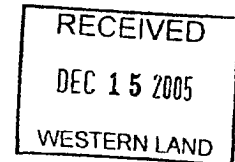
KF ENERGY, L.L.C.

P. O. BOX 2101

TULSA, OKLAHOMA 74101-2101

6733 South Yale Avenue, 74136
(918) 491-4457 Fax: (918) 491-4459

December 6, 2005



Mr. Ray Miller
Marbob Energy Company
P. O. Box 227
Artesia, New Mexico 88211-0227

Mr. Ken Gray
Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, Ok 73102-8113

RE: Agreement to Reconfigure Morrow
320 Acre Gas Spacing Units and
Acreage Trade for Section 33
T21S R26E, Eddy County, NM

Gentlemen:

It is the understanding of the parties hereto that Marbob Energy Company (Marbob), Devon Energy Production Company (Devon), and Kaiser-Francis Oil Company (Kaiser), have agreed to notify the New Mexico Oil Conservation Division (NMOCD), and the Bureau of Land Management (BLM) that the respective parties wish to dismiss their APD's for the Devon proposed Hackberry Draw 33 No. 1 test located 660' FSL and 1,070' FWL of Section 33 and the Kaiser proposed Roundy Round 1-33 test located 990' FNL and 660' FWL of Section 33 and the attendant 320 acre laydown (N/2 and S/2) units proposed for these tests within 10 days of the execution by all parties of this agreement.

In addition, Marbob, upon approval of this agreement by all parties, will within three business days reimburse Kaiser for the \$6,500 it has expended in preparation to drill the Roundy Round 1-33 test in the NW/4 of Section 33. Further, as part of this agreement, Marbob agrees to trade approximately 23.667 net acres with a delivered net revenue factor (NRF) of 80% from their lease holdings in the E/2 of Section 33 to Kaiser for a like number of acres with a delivered NRF of 80% from Kaiser's lease holdings in the W/2 of Section 33 within 10 days of the execution of this agreement by all parties.

Marbob, Devon, and Kaiser agree to provide each other with all drilling, and completion data on a daily basis, supply copies of all open and cased hole well logs and copies of any drill stem tests or other pressure and/or tests conducted on any well drilled within Section 33 pursuant to this agreement. The operator of such wells drilled in Section 33 will

KF ENERGY, L.L.C.

P. O. BOX 2101

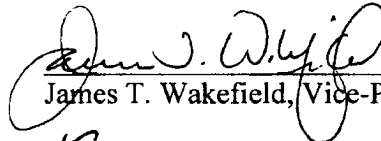
TULSA, OKLAHOMA 74101-2101

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request notification instructions from the other parties subject to this agreement at least 15 days prior to spud of any wells in Section 33 to insure timely receipt of the information per the above discussion. This notice requirement is transferable to all successors in interest to the parties of this agreement.

If this letter sets forth terms acceptable to Devon and Marbob, please sign as indicated below and return one copy by fax to the undersigned at (918) 491-4459. In the event you have any questions concerning this agreement, please contact me at (918) 491-4510 or by email address of jimwake@kfoc.net.

KF Energy L.L.C.



James T. Wakefield, Vice-President

AGREED TO AND ACCEPTED ON THIS 19 DAY OF DECMEBER, 2005

DEVON ENERGY PRODUCTION COMPANY LP

By: Name: Ken GrayTitle: SR LANO ADVISOR

MARBOB ENERGY COMPANY

By: _____

Name: _____

Title: _____