1/28/2009 13:32 FAX 552	7843	DEVON ENERGY	٠	₫ 002/002
DATE IN 23/09 BUAPENSE	DI BYOOKS	101/28/09	NSL	PKAA 0902849642 CNEPtanel Vint
	MEXICO OIL CO	ring Bureau -	DIVISION	All: 30-045-34650 WELL NAME: NEBUPC 257H OGRID: 6137

ADMINISTRATIVE APPLICATION CHECKLIST THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE **Application Acronyms:** [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous De lication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]. [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] [1] TYPE OF APPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication ▼ NSL NSP SD Check One Only for [B] or [C] Commingling - Storage - Measurement [B]□ DHČ □ CTB □ PLC □ PC □ OLS □ OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C]] WFX [] PMX [] SWD [] IPI [] EOR [] PPR \mathbb{D} Other: Specify [2] **NOTIFICATION REQUIRED TO: -** Check Those Which Apply, or \square Does Not Apply Working, Royalty or Overriding Royalty Interest Owners [A] [B] Offset Operators, Leaseholders or Surface Owner [C] Application is One Which Requires Published Legal Notice [D]Notification and/or Concurrent Approval by BLM or SLO U.S. Buresu of Land Management - Commissioner of Public Lands, State Land Office [E]For all of the above, Proof of Notification or Publication is Attached, and/or, Waivers are Attached F SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. [4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division. Note: Statement must be completed by an individual with managerial and/or supervisory carecity.

McAlister Edvn. com



X

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

Janet Wooldridge, CPL 02 Senior Landman 405-552-4626

KELEIVED

2009 JAN 23 AM 11 56

January 19, 2009

State of New Mexico Energy and Mineral Department Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Attention: Engineering

Re: Request for Administrative Exception to Unorthodox Location

Northeast Blanco Unit No. 257H

Section 35-T31N-R7W

San Juan County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") as Operator, drilled the referenced Pictured Cliffs well and dedicated the Southwest Quarter (SW/4) of Section 35-T31N-R7W as the spacing unit. Devon attempted to place this well at a legal surface location that would prevent waste by incorporating the wellpad for this well with the existing wellpad for the NEBU 68N.

The original surface location was 1160' FWL and 2395' FSL of Section 35-T31N-R7W. The original BHL was 700' FSL and 1940' FWL of the same section. This put the end of the lateral 700' east and north of the quarter section or spacing unit line, a standard location. At the last minute it was noticed that due to the location of some existing equipment on this pad the rig and drilling equipment would not fit on the pad as we had it configured. We flipped the pad, moving the SL about 80' to the east. We filed a sundry with a revised C-102. The new SL is 1240' FWL and 2390' FNL, a move of about 80' to the east. The proposed BHL stayed the same, however, due to an oversight, we failed to have the directional company make this change in the proposed directional drilling plan. As a result, they were proceeding as if we were drilling from the original location, which had the final effect of moving the BHL about 80' to the east. We drilled 2209' south of the SL, which put the BHL 681' FSL and outside the 660' setback limit. We drilled 782' east of the SL, which put the BHL 618' west of the east spacing unit line. This left us 42' too close to the spacing unit line and in a NSL situation. Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3).

Leasehold for the entire Section 35-T31N-R7W is Federal lease SF-079003 (Northeast Blanco Unit Tract No. 7). The SE/4 of Section 35-T31N-R7W is the spacing unit for the recently drilled NEBU 68N. This well was drilled from the same well pad as the NEBU 257H. The NEBU 68N was spud on July 19, 2008 and turned to Pictured Cliffs sales on 11/21/08, flowing 400 MCFPD.

Appl. Unorthodox Location NEBU 257H January 20, 2009 Page 2

Ownership in the NEBU 68N is identical to ownership in the NEBU 257H. In the NE/4 of Section 35 Devon completed the NEBU 68M and has obtained a Paying Well Determination. In the NW/4 of Section 35 Devon completed the NEBU 250. Devon also received a Paying Well Determination for the NEBU 250. Exhibits have been prepared and Devon will file for approval of Pictured Cliffs Participating Area Expansions 10 through 22 next week. NEBU 68M will be in Expansion 20, effective September 1, 2006. NEBU 250 will be in Expansion 22, effective July 1, 2007. Both the 250 and 68M wells have the same working interest ownership as the NEBU 257H. To the northwest of the NEBU 257H spacing unit, in the NE/4 of Section 34-T31N-R7W is the NEBU 256H well, which was only recently completed and therefore does not have a Paying Well Determination. This well also is the same ownership as the NEBU 257H. In the SE/4 of Section 34-T31N-R7W, which is directly to the west of the NEBU 257H spacing unit, there is no Pictured Cliffs well. All of Section 34-T31N-R7W is NEBU Tract 7, Federal lease SF-79003.

The spacing unit to the southwest of the NEBU 257H spacing unit is the NE/4 of Section 3-T30N-R7W. This is Federal Lease SF-079001, NEBU Tract 6A. There is no Pictured Cliffs well in this spacing unit. Working interest ownership is reflected on the attached plat. Directly to the south of the NEBU 257H spacing unit is the spacing unit for the recently completed NEBU 258H well. This well is not yet ready for a Paying Well Determination. The spacing unit is the NW/4 of Section 2-T30N-R7W. This is NEBU Tracts 35 and 36, State of New Mexico leases E-289-23 and E-289-24 ownership reflected on the attached plat. To the SE of NEBU 257H is the NE/4 of Section 2-T30N-R7W. To date, no Pictured Cliffs well has been drilled in this spacing unit. The leasehold is State of New Mexico E-289-3 and ownership is reflected on the attached plat.

Devon respectfully regrets drilling this well 42' too close to the spacing unit line and would like to assure you it was an unintentional oversight. That being said, we do not believe the 42' will jeopardize production from the SE/4 of Section 35-T31N-R7W nor any of the other surrounding spacing units. We anticipate the NEBU 68N will be deemed a Paying Well and will become a part of the Pictured Cliffs Participating Area as eventually will the NEBU 257H herein.

Copies of the application for approval of the Pictured Cliffs Participating Area Expansions 10 through 22 will be forwarded to you next week. Attached for your review you will find (a)land plat showing the spacing unit and surrounding units; (b)survey plat; (c)list of affected persons as defined in Rule 1207.A(2); (d) copies of notice letters to affected persons; and (e) copy of Inwell as built directional survey.

If you have any questions or concerns regarding this application, please contact me at 405-552-4626 or jan.wooldridge@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Senior Landman

District I 1625 N. French Dr., Hobbs NM 88240

1301 W. Grand Avenue, Artesia, NM 87210 District III

1000 Rio Brazos Rd., Aziec, NM 87410

District IV

1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87504-2088 Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

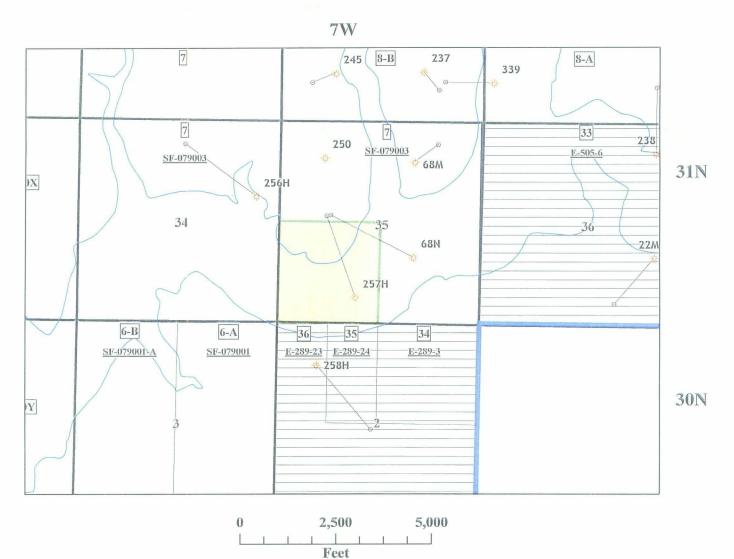
Fee Lease - 3 Copies

AMENDED REPORT

		WE	LL LO	CATION	AND ACR	EAGE DEDIC	ATIC	N PL	AТ							
	API Number			² Pool Code		Pool Name										
* Property	Code				⁵ Property	Name		Well Number								
		N	IEBU							# 257H						
) OGRID	No.				* Operator						⁹ Elevation					
		D	evon E	Cnergy P		Company, L.P	•				6205					
·					¹⁰ Surface L	ocation North/South line					та:					
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* UL or lot no.	Section	Township	Range	Loi Idn	Peet from the	North/South line		from the	Eust/Wes	line	County					
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(R) - GLO Record

NEBU 257H **Offset Ownership Unorthodox Location**



WORKING INTEREST OWNERSHIP

NEBU 257H SW/4 Sec 35 - 31N - 7W (TR. 7)

BP America Production Company .50000000 Burlington Resources Oil & Gas Co. L.P. .11756569 Conoco Philips Company .04898858 B & N Co., A Limited Partnership .00864412 BN Non-Coal .07050376 .25429785

Devon Energy Production Company

Sec. 35 - 31N - 7W and Sec. 34 - 31N - 7W (TR. 7)

SAME AS NEBU 257H TITLE

N/2 & SE/4

E/2

Sec. 3 - 30N - 7W (TR. 6A) NE/4

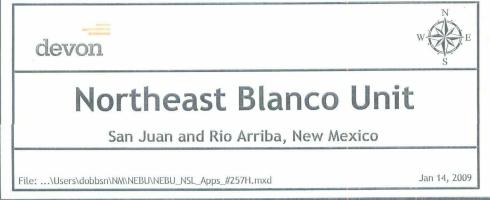
.50000000 **BP America Production Company** Conoco Philips Company .50000000

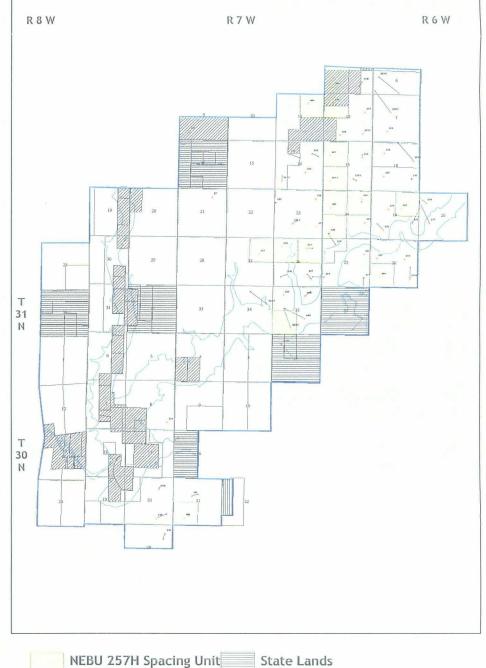
Sec. 2-30N-7W (TRS. 36 & 35) NW/4

.18000000 Williams Production Company .82000000 Conoco Philips Company

NE/4 Sec. 2 - 30N - 7W (TR. 34)

1.0000000 Forest Oil Corporation





Federal Lands

Patented Lands

Communitized W/ Outside Lands

Pictured Cliff Participating Area

Unit Outline

Tract Number

SF-079003 Lease Number

35

EXHIBIT

WORKING INTEREST OWNERS

BP America Production Company ATTN: John Larson 501 Westlake Park Blvd. WL1 19.158 Houston, Texas 77079

ConocoPhillips Company ATTN: Ben Malone 3401 East 30th. Street Farmington, New Mexico 87402-8807

Burlington Resources Oil & Gas Company ATTN: Ben Malone 3401 East 30th. Street Farmington, New Mexico 87402-8807

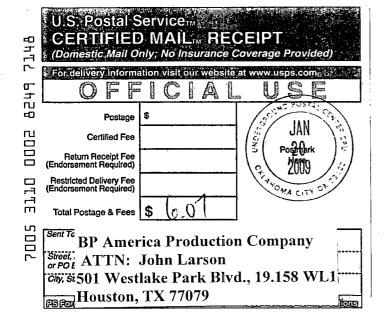
Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

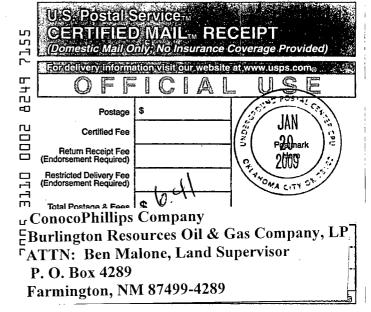
Williams Production Company ATTN: Barbara Burnett, RPL One Williams Center, MS 25-1 Tulsa, Oklahoma 74101

B & N Company, A Limited Partnership ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102

BN Non-Coal, LLC ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102

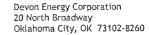
Devon Energy Production Company, L. P. ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102





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7005	Sent To	Forest Oil Cor	poration ———
2	Street, Apt. No.;	ATTN: Ken N	AcPhee
•	or PO Box No. 7	707 17th Street	, #3600
	City, State, ZIP+4	Denver, CO 80	202-4966
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Certified Mail - Return Receipt Requested

January 19, 2009

BP America Production Company ATTN: John Larson 501 Westlake Park Blvd. Room 19.158 WL 1 Houston, Texas 77079

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

If there are any questions, or if additional information is required, feel free to call me at (405) 552-4626.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

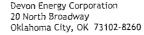
-Janet Wooldridge

Senior Division Landman

Enclosures

BP America Production Company has no objection to this administrative application for unorthodox surface location.

By:]	Date:							
Title:									





Certified Mail - Return Receipt Requested

January 19, 2009

ConocoPhillips Company ATTN: Ben Malone 3401 E. 30th Street Farmington, New Mexico 87402-8807

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

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Sincerely,

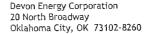
DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge
Senior Division Landman

Enclosures

ConocoPhillips Company has no objection to this administrative application for unorthodox surface location.

By:	Date:	·	
Title:			





Certified Mail - Return Receipt Requested

January 19, 2009

Burlington Resources Oil & Gas Company ATTN: Ben Malone 3401 E. 30th Street Farmington, New Mexico 87402-8807

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

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Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

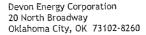
Janet Wooldridge

Senior Division Landman

Enclosures

Burlington Resources Oil & Gas Company has no objection to this administrative application for unorthodox surface location.

By:	Date:
Title:	





Certified Mail - Return Receipt Requested

January 19, 2009

Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

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Sincerely,

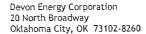
DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge Senior Division Landman

Enclosures

Forest Oil Corporation has no objection to this administrative application for unorthodox surface location.

By:	Date:
Title:	





Certified Mail - Return Receipt Requested

January 19, 2009

Williams Production Company ATTN: Barbara Burnett, RPL One Williams Center, MS 25-1 Tulsa, Oklahoma 74101

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

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If there are any questions, or if additional information is required, feel free to call me at (405) 552-4626.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge

Senior Division Landman

ant Wooldridge

Enclosures

Williams Production Company has no objection to this administrative application for unorthodox surface location.

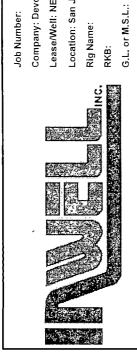
By:	I	Date:	
			_
Title:			

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR AN UNORTHODOX GAS WELL LOCATION, NEBU WELL NO. 257H, SECTION 35, TOWNSHIP 31 NORTH, RANGE 7 WEST, SAN JUAN COUNTY, NEW MEXICO.

AFFIDAVIT

AFFIDAVII
COUNTY OF OKLAHOMA)
STATE OF OKLAHOMA)
Janet Wooldridge, being duly sworn upon her oath, deposes and states:
1. I am over the age of 18, and have personal knowledge of the matters stated herein
2. B & N Co. and BN Non-Coal LLC are managed by Devon Energy Production Company, L.P. therefore, notice was not given to them.
Janet Wooldridge, Senior Landman Devon Energy Production Company, L.P. SUBSCRIBED AND SWORN TO before me this 19th day of January, 2009 by Jane Wooldridge.
My Commission Expires:



Job Number: Company: Devon Energy Lease/Well: NEBU 257H Location: San Juan County Date/Time: 09-Oct-08 / 07:31 Curve Name: AS Drilled

File name: J:\CUST08~1\SURVEYS\DEVON\08229.SVY

State/Country: New Mexico

Declination:

Grid:

Inwell, Inc

WINSERVE SURVEY CALCULATIONS

Minimum Curvature Method

Vertical Section Plane 160.40

Vertical Section Referenced to Wellhead

Rectangular Coordinates Referenced to Wellhead

Dogleg	Severity Deg/100		00.	00.	7.22	4.93	7.21		9.86	13.15	9.22	4.08	13.23
CLOSURE	Direction Deg	i	00:	00.	195.80	185.84	182.52		179.50	175.15	171.45	168.89	167.17
070	Distance FT		00.	00.	1.09	9.43	26.74		55.79	100.63	157.76	222.03	295.51
Vertical	Section FT		00.	00.	89.	8.52	24.77		52.71	97.31	154.83	219.59	293.45
	E-W FT		00.	00.	30	96	-1.18		.48	8.50	23.44	42.80	65.62
	N-S FT		00.	00.	-1.05	-9.38	-26.72		-55,78	-100.27	-156.01	-217.86	-288.13
True	Vertical Depth		00.	2305.42	2346.98	2439.58	2530.90		2618.07	2700.28	2771.82	2837.09	2893.28
Drift	Direction Deg		00.	00.	195.80	180.00	181.10	,	174.00	166.90	163.40	161.90	. 162.10
Incl	Angle Deg		00.	.00	3.00	7.40	14.10		22.90	34.80	43.00	46.60	58.90
Measured	Depth FT		00.	2305.42	2347.00	2440.00	2533.00		2625.00	2719.00	2811.00	2903.00	2996.00

Dogleg Severity Deg/100	10.67	5.81	1.96	2.63	.97	(83	1.95	.72	1.75		1.03	1.03	6.59	4.61	5.58	i,	cn.z	1.13	.58	.24	1.18	34	, L	6°.	1.18	3.37		00.
U R E Direction Deg	165.97	164.83	163.64	162.68	161.91		161.28	160.89	160.68	160.62		160.55	160.35	160.21	160.17	160.21	0	100.29	160.38	160.44	160.49	160.51	160.50	0 0 0	160.51	160.51	160.51		160.51
CLOSURE Distance Direct FT De	378.60	466.14	555.52	643.52	732.15		821.74	912.38	1004.10	1054.40		1107.68	1223.07	1315.29	1408.79	1499.74	0	1593.64	1685.51	1778.44	1872.39	1965.35	2059 32	0 7 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0	2151.30	2243.26	2274.25		2343.24
Vertical Section FT	376.81	464.75	554.64	643.01	731.90		821.65	912.35	1004.09	1054.39		1107.68	1223.07	1315.28	1408.78	1499.73	0	1593.63	1685.51	1778.44	1872.39	1965.35	2059.32	10.71	2151.30	2243.26	2274.25		2343.24
E-W	91.75	122.01	156.52	191.62	227.37		263.76	298.74	332.15	349.94		368.76	411.24	445.27	477.86	507.84	: :	537.42	565.89	595.31	625.36	655.85	687 45	0.00	717.93	748.48	758.85		781.76
N-S FT	-367.31	-449.89	-533.02	-614.33	-695.95		-778.26	-862.09	-947.58	-994.64		-1044.50	-1151.86	-1237.63	-1325.27	-1411.13		-1500.29	-1587.68	-1675.85	-1764.87	-1852.69	10/1/10	0 - 1	-2027.97	-2114.71	-2143.92		-2208.99
True Vertical Depth	2934.21	2964.34	2991.43	3016.32	3039.20		3062.64	3086.82	3111.33	3124.48		3138.00	3166.87	3184.56	3193.97	3195.88		3192.35	3188.34	3185.25	3182.47	3179.87	3177 40	0.1.1.1	3175.56	3173.07	3172.26	1	3171.06
Drift Direction Deg	161.40	158.40	156.50	156.80	155.90		156.40	158.30	159.00	159.60	TVD	159.03	157.80	158.90	160.30	161.20		162.10	161.80	161.30	161.40	160.30	160.40	01.00	160.90	160.30	160.60		160.60
Incl Angle Deg	68.80	73.40	73.10	75.50	75.70		75.10	75.10	75.00	75.70	PC Top @ 3850' MD/3138' TVD	75.82	76.10	82.20	86.30	91.30		93.00	92.00	91.80	91.60	91.60	0,000	900	91.10	92.00	91.00	o Bit	91.00
Measured Depth FT	3089.00	3182.00	3276.00	3368.00	3460.00		3553.00	3647.00	3742.00	3794.00	PC Top @	3848.99	3968.00	4062.00	4156.00	4247.00		4341.00	4433.00	4526.00	4620.00	4713.00	7007	4007.00	4899.00	4991.00	5022.00	Projected to Bit	5091.00



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

Janet Wooldridge, CPL Senior Landman 405-552-4626

2009 JAN 23 AM 11 56

January 19, 2009

State of New Mexico Energy and Mineral Department Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Attention: Engineering

Re: Request for Administrative Exception to Unorthodox Location
Northeast Blanco Unit No. 257H
Section 35-T31N-R7W
San Juan County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") as Operator, drilled the referenced Pictured Cliffs well and dedicated the Southwest Quarter (SW/4) of Section 35-T31N-R7W as the spacing unit. Devon attempted to place this well at a legal surface location that would prevent waste by incorporating the wellpad for this well with the existing wellpad for the NEBU 68N.

The original surface location was 1160' FWL and 2395' FSL of Section 35-T31N-R7W. The original BHL was 700' FSL and 1940' FWL of the same section. This put the end of the lateral 700' east and north of the quarter section or spacing unit line, a standard location. At the last minute it was noticed that due to the location of some existing equipment on this pad the rig and drilling equipment would not fit on the pad as we had it configured. We flipped the pad, moving the SL about 80' to the east. We filed a sundry with a revised C-102. The new SL is 1240' FWL and 2390' FNL, a move of about 80' to the east. The proposed BHL stayed the same, however, due to an oversight, we failed to have the directional company make this change in the proposed directional drilling plan. As a result, they were proceeding as if we were drilling from the original location, which had the final effect of moving the BHL about 80' to the east. We drilled 2209' south of the SL, which put the BHL 681' FSL and outside the 660' setback limit. We drilled 782' east of the SL, which put the BHL 618' west of the east spacing unit line. This left us 42' too close to the spacing unit line and in a NSL situation. Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3).

Leasehold for the entire Section 35-T31N-R7W is Federal lease SF-079003 (Northeast Blanco Unit Tract No. 7). The SE/4 of Section 35-T31N-R7W is the spacing unit for the recently drilled NEBU 68N. This well was drilled from the same well pad as the NEBU 257H. The NEBU 68N was spud on July 19, 2008 and turned to Pictured Cliffs sales on 11/21/08, flowing 400 MCFPD.

Appl. Unorthodox Location NEBU 257H January 20, 2009 Page 2

Ownership in the NEBU 68N is identical to ownership in the NEBU 257H. In the NE/4 of Section 35 Devon completed the NEBU 68M and has obtained a Paying Well Determination. In the NW/4 of Section 35 Devon completed the NEBU 250. Devon also received a Paying Well Determination for the NEBU 250. Exhibits have been prepared and Devon will file for approval of Pictured Cliffs Participating Area Expansions 10 through 22 next week. NEBU 68M will be in Expansion 20, effective September 1, 2006. NEBU 250 will be in Expansion 22, effective July 1, 2007. Both the 250 and 68M wells have the same working interest ownership as the NEBU 257H. To the northwest of the NEBU 257H spacing unit, in the NE/4 of Section 34-T31N-R7W is the NEBU 256H well, which was only recently completed and therefore does not have a Paying Well Determination. This well also is the same ownership as the NEBU 257H. In the SE/4 of Section 34-T31N-R7W, which is directly to the west of the NEBU 257H spacing unit, there is no Pictured Cliffs well. All of Section 34-T31N-R7W is NEBU Tract 7, Federal lease SF-79003.

The spacing unit to the southwest of the NEBU 257H spacing unit is the NE/4 of Section 3-T30N-R7W. This is Federal Lease SF-079001, NEBU Tract 6A. There is no Pictured Cliffs well in this spacing unit. Working interest ownership is reflected on the attached plat. Directly to the south of the NEBU 257H spacing unit is the spacing unit for the recently completed NEBU 258H well. This well is not yet ready for a Paying Well Determination. The spacing unit is the NW/4 of Section 2-T30N-R7W. This is NEBU Tracts 35 and 36, State of New Mexico leases E-289-23 and E-289-24 ownership reflected on the attached plat. To the SE of NEBU 257H is the NE/4 of Section 2-T30N-R7W. To date, no Pictured Cliffs well has been drilled in this spacing unit. The leasehold is State of New Mexico E-289-3 and ownership is reflected on the attached plat.

Devon respectfully regrets drilling this well 42' too close to the spacing unit line and would like to assure you it was an unintentional oversight. That being said, we do not believe the 42' will jeopardize production from the SE/4 of Section 35-T31N-R7W nor any of the other surrounding spacing units. We anticipate the NEBU 68N will be deemed a Paying Well and will become a part of the Pictured Cliffs Participating Area as eventually will the NEBU 257H herein.

Copies of the application for approval of the Pictured Cliffs Participating Area Expansions 10 through 22 will be forwarded to you next week. Attached for your review you will find (a)land plat showing the spacing unit and surrounding units; (b)survey plat; (c)list of affected persons as defined in Rule 1207.A(2); (d) copies of notice letters to affected persons; and (e) copy of Inwell as built directional survey.

If you have any questions or concerns regarding this application, please contact me at 405-552-4626 or jan.wooldridge@dvn.com.

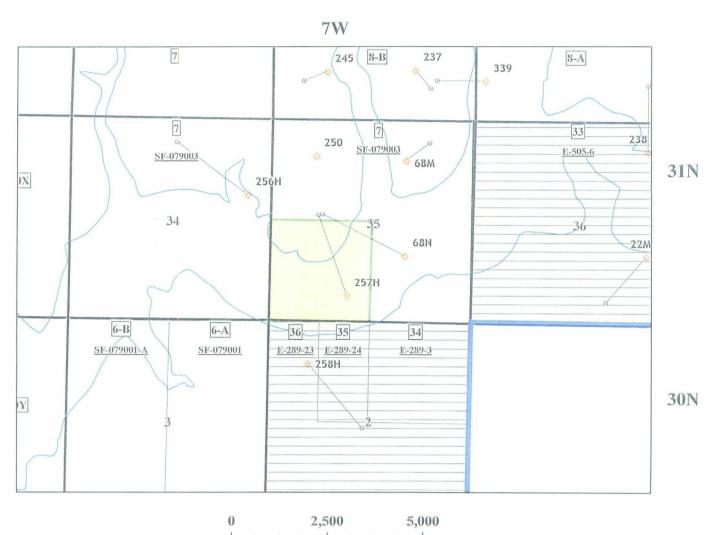
Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tanet Wooldridge, CPL Senior Landman

must wooldridge

NEBU 257H Offset Ownership Unorthodox Location



Feet

WORKING INTEREST OWNERSHIP

NEBU 257H SW/4 Sec 35 - 31N - 7W (TR. 7)

BP America Production Company .50000000
Burlington Resources Oil & Gas Co. L.P. .11756569
Conoco Philips Company .04898858
B & N Co., A Limited Partnership .00864412
BN Non-Coal .07050376

Devon Energy Production Company .25429785

N/2 & SE/4 Sec. 35 - 31N - 7W and E/2 Sec. 34 - 31N - 7W (TR. 7)

SAME AS NEBU 257H TITLE

NE/4 Sec. 3 - 30N - 7W (TR. 6A)

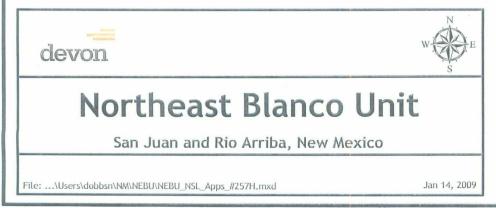
BP America Production Company .50000000 Conoco Philips Company .50000000

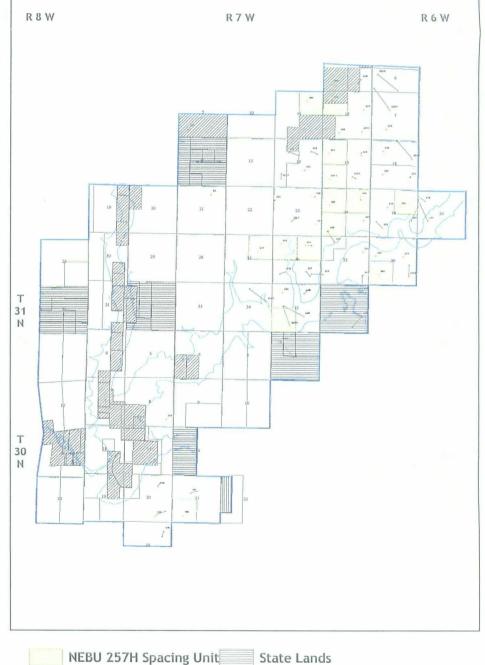
NW/4 Sec. 2-30N-7W (TRS. 36 & 35)

Williams Production Company .18000000 Conoco Philips Company .82000000

NE/4 Sec. 2 - 30N - 7W (TR. 34)

Forest Oil Corporation 1.0000000





Communitized W/ Outside Lands

Pictured Cliff Participating Area

Unit Outline

Tract Number

SF-079003 Lease Number

35

Federal Lands

Patented Lands

District I 1625 N. French Dr., Hobbs NM 88240

1301 W. Grand Avenue, Artesia, NM 87210 District III

1000 Rio Brazos Rd., Aziec, NM 87410

District (V

1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87504-2088

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

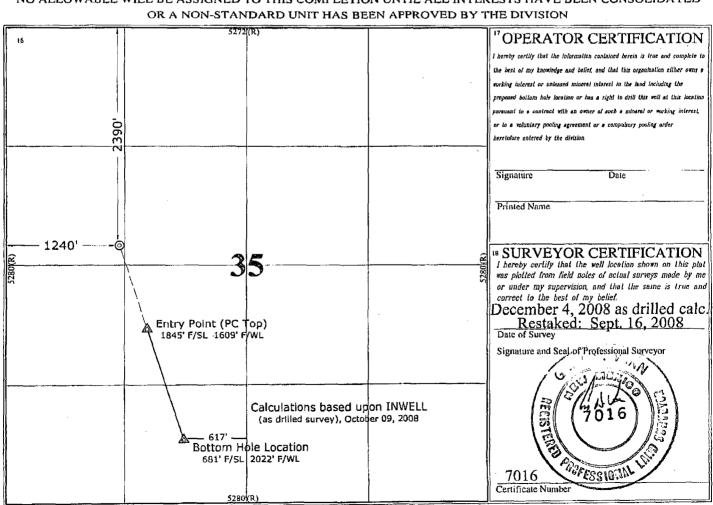
'API Number	¹ Pool Code	Pool Name			
Property Code	⁵ Property Name	6 Well Number			
	NEBU	# 257H			
1 OGRID No.	Operator Name	⁹ Elevation			
	Devon Energy Production Company, L.P.	6205			
,	¹⁰ Surface Location				
- I - NI- CI	Programming Aparts Land Barrier North/South line Barrier day	- Bast West line County			

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E	35	31 N	7 W	2390		NORTH	1240	WEST	SAN JUAN	
UL or Lot No,	Section	Township	Range	Lot Idn Feet from the		North/South line	Feet from the	East/West line	County	ı

Bottom Hole Location If Different From Surface

* UL or lot no.	Section	Township	Township Range Lot Idn Feet from the North/South line		Yownship Range Lot Idn Feet from the North/South line Feet from t		Range Lot Idn		Range Lot Idn Feet from the North/South line		Feet from the	East/West line	County
N	35	31 N	7 W		681	SOUTH	2022	WEST	SAN JUAN				
Dedicated Acres Joint or Infill Consolidation Code		n Code 15	Order No.										

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED



(R) - GLO Record

EXHIBIT

WORKING INTEREST OWNERS

BP America Production Company ATTN: John Larson 501 Westlake Park Blvd. WL1 19.158 Houston, Texas 77079

ConocoPhillips Company ATTN: Ben Malone 3401 East 30th. Street Farmington, New Mexico 87402-8807

Burlington Resources Oil & Gas Company ATTN: Ben Malone 3401 East 30th. Street Farmington, New Mexico 87402-8807

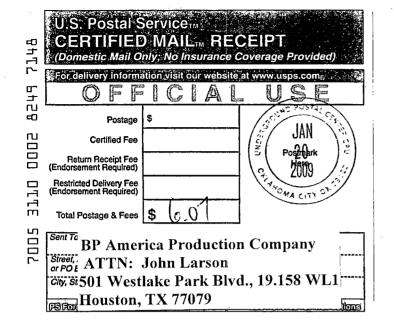
Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

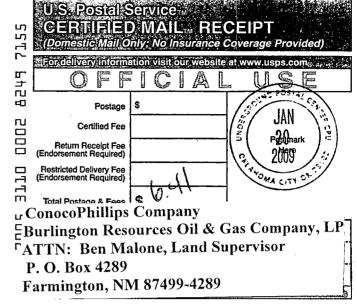
Williams Production Company ATTN: Barbara Burnett, RPL One Williams Center, MS 25-1 Tulsa, Oklahoma 74101

B & N Company, A Limited Partnership ATTN: Janet Wooldridge20 North BroadwayOklahoma City, Oklahoma 73102

BN Non-Coal, LLC ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102

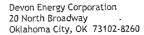
Devon Energy Production Company, L. P. ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102





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Certified Mail - Return Receipt Requested

January 19, 2009

BP America Production Company ATTN: John Larson 501 Westlake Park Blvd. Room 19.158 WL 1 Houston, Texas 77079

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

If there are any questions, or if additional information is required, feel free to call me at (405) 552-4626.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Fanet Wooldridge

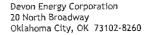
Senior Division Landman

Enclosures

Title:

BP America Production Company has no objection to this administrative application for unorthodox surface location.

By:	y: ·			Date:					
				· ·					
· ·									





Certified Mail - Return Receipt Requested

January 19, 2009

ConocoPhillips Company ATTN: Ben Malone 3401 E. 30th Street Farmington, New Mexico 87402-8807

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

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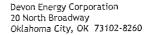
DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge
Senior Division Landman

Enclosures

ConocoPhillips Company has no objection to this administrative application for unorthodox surface location.

By:		Date:	
	•		





Certified Mail - Return Receipt Requested

January 19, 2009

Burlington Resources Oil & Gas Company ATTN: Ben Malone 3401 E. 30th Street Farmington, New Mexico 87402-8807

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

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DEVON ENERGY PRODUCTION COMPANY, L. P.

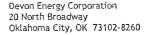
Janet Wooldridge

Senior Division Landman

Enclosures

Burlington Resources Oil & Gas Company has no objection to this administrative application for unorthodox surface location.

By:	Date:
Title:	





Certified Mail - Return Receipt Requested

January 19, 2009

Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

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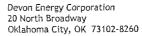
DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge Senior Division Landman

Enclosures

Forest Oil Corporation has no objection to this administrative application for unorthodox surface location.

By:	Date:
Title	





Certified Mail - Return Receipt Requested

January 19, 2009

Williams Production Company ATTN: Barbara Burnett, RPL One Williams Center, MS 25-1 Tulsa, Oklahoma 74101

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

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If there are any questions, or if additional information is required, feel free to call me at (405) 552-4626.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge

Senior Division Landman

Enclosures

Williams Production Company has no objection to this administrative application for unorthodox surface location.

By:	Date:
Title:	

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR AN UNORTHODOX GAS WELL LOCATION, NEBU WELL NO. 257H, SECTION 35, TOWNSHIP 31 NORTH, RANGE 7 WEST, SAN JUAN COUNTY, NEW MEXICO.

AFFIDAVIT

COUNTY OF OKI		•
STATE OF OKLA) ss. .HOMA)	
Janet Wool	dridge, being duly sworn upon her oath	, deposes and states:
1. I am	n over the age of 18, and have personal	knowledge of the matters stated herein.
	k N Co. and BN Non-Coal LLC are neerefore, notice was not given to them.	nanaged by Devon Energy Production
SUBSCRIE Wooldridge.	BED AND SWORN TO before me this	Janet Wool bridge Janet Wooldridge, Senior Landman Devon Energy Production Company, L.P. day of January, 2009 by Janes
My Commission F	#07000978 ### #07000978	Notary Public



Location: San Juan County Company: Devon Energy Lease/Well: NEBU 257H Job Number:

G.L. or M.S.L.: RKB:

State/Country: New Mexico Declination: Grid:

File name: J:\CUST08~1\SURVEYS\DEVON\08229.SVY Date/Time: 09-Oct-08 / 07:31

Curve Name: AS Drilled

Inwell, Inc

Rectangular Coordinates Referenced to Wellhead Vertical Section Plane 160.40 Vertical Section Referenced to Wellhead WINSERVE SURVEY CALCULATIONS Minimum Curvature Method

Dogleg Severity Deg/100	00.	00.	7.22	4.93	7.21	9.86	13.15	9.22	4.08	13.23
C L O S U R E ice Direction Deg	00.	00.	195.80	185.84	182.52	179.50	175.15	171.45	168.89	167.17
C L O S Distance FT	00.	00.	1.09	9.43	26.74	55.79	100.63	157.76	222.03	295.51
Vertical Section FT	00.	00.	68.	8.52	24.77	52.71	97.31	154.83	219.59	293.45
E-W FT	00.	00.	30	96'-	-1.18	.48	8.50	23.44	42.80	65.62
N-S FT	00.	00.	-1.05	-9.38	-26.72	-55.78	-100.27	-156.01	-217.86	-288.13
True Vertical Depth	00.	2305.42	2346.98	2439.58	2530.90	2618.07	2700.28	2771.82	2837.09	2893.28
Drift Direction Deg	00.	00.	195.80	180.00	181.10	174.00	166.90	163.40	161.90	162.10
Incl Angle Deg	00.	00.	3.00	7.40	14.10	22.90	34.80	43.00	46.60	58.90
Measured Depth FT	00.	2305.42	2347.00	2440.00	2533.00	2625.00	2719.00	2811.00	2903.00	2996.00

Dogleg Severity Deg/100	10.67	5.81	1.96	2.63	26.	;	.83	1.95	.72	1.75		1.03	1.03	6.59	4.61	5.58	2.05	1.13	.58	.24	1.18	.34	50	, t	3.37		C	00.
U R E Direction Deg	165.97	164.83	163.64	162.68	161.91		161.28	160.89	160.68	160.62		160.55	160.35	160.21	160.17	160.21	160.29	160.38	160.44	160.49	160.51	160.50	160 51	160.51	160.31			160.51
CLOSURE Distance Direct FT Der	378.60	466.14	555.52	643.52	732.15		821.74	912.38	1004.10	1054.40		1107.68	1223.07	1315.29	1408.79	1499.74	1593.64	1685.51	1778.44	1872.39	1965.35	2059.32	215130	213130	2243.20	04:1		2343.24
Vertical Section FT	376.81	464.75	554.64	643.01	731.90		821.65	912.35	1004.09	1054.39		1107.68	1223.07	1315.28	1408.78	1499.73	1593.63	1685.51	1778.44	1872.39	1965.35	2059.32	7164 20	2131.30	2243.20	07:177		2343.24
E-W FT	91.75	122.01	156.52	191.62	227.37		263.76	298.74	332.15	349.94		368.76	411.24	445.27	477.86	507.84	537.42	565.89	595.31	625.36	655.85	687 45	20.74	740.40	750 05	20.00		781.76
N-S FT	-367.31	-449.89	-533.02	-614.33	-695.95		-778.26	-862.09	-947.58	-994.64		-1044.50	-1151.86	-1237.63	-1325.27	-1411.13	-1500.29	-1587.68	-1675.85	-1764.87	-1852.69	-1941 19	1000	-2021.97	-2114.71	-2.143.92		-2208.99
True Vertical Depth	2934.21	2964.34	2991.43	3016.32	3039.20		3062.64	3086.82	3111.33	3124.48		3138.00	3166.87	3184.56	3193.97	3195.88	3192.35	3188.34	3185.25	3182.47	3179.87	2177 40	7 - 10	31/5.50	31/3.0/	3112.20		3171.06
Drift Direction Deg	161.40	158.40	156.50	156.80	155.90		156.40	158.30	159.00	159.60	ΛD	159.03	157.80	158.90	160.30	161.20	162.10	161.80	161.30	161.40	160.30	160.40	00.40	160.90	160.30	190.00		160.60
Incl Angle Deg	68.80	73.40	73.10	75.50	75.70		75.10	75.10	75.00	75.70	PC Top @ 3850' MD/3138' TVD	75.82	76.10	82.20	86.30	91.30	93.00	92.00	91.80	91.60	91.60	04 20	00.10	91.10	92.00	Bit 81.00		91.00
Measured Depth FT	3089.00	3182.00	3276.00	3368.00	3460.00		3553.00	3647.00	3742.00	3794.00	PC Top @ 3	3848.99	3968.00	4062.00	4156.00	4247.00	4341.00	4433.00	4526.00	4620,00	4713.00	00 2007	00.7004	4899.00	4991.00	SUZZ.UU Projected to Rit	n parado i	5091.00

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 18, 2009

Ms. Janet Wooldridge Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, OK 73102 FAX No. 405-552-7843

Re: Northeast Blanco Unit Well No. 257H

Unit E, Section 35-31N-7W San Juan County, New Mexico Non-Standard Location application

Dear Ms. Wooldridge:

In reviewing this application, I noticed that the notice letters you sent to offsetting interest owners do not include the statement required by Division Rule Part 15, Section 13.D to the effect that any objection must be filed with the division "within 20 days from the date the division received the application."

Accordingly it is necessary that offsetting owners be re-noticed. However, based on my examination of the title information you have supplied, I believe the only notice required for this application was to Forest Oil Corporation, the leasehold owner in the NE/4 of Section 2-30N-7W. Although the location also encroaches toward the SE/4 of Section 35-31N-7W, you have represented that ownership of that unit is identical to ownership of the SW/4 of Section 35. Therefore no notice to owners in the SE/4 of Section 35 is required.

Please re-notice Forest, including the required language, and we will process the application after 20 days from the date of the new notice. Alternatively, we will process the application if you supply a waiver of notice signed by Forest.



February 18, 2009 Page 2

If you have questions or other concerns, please feel free to contact the undersigned.

Very truly yours,

David K. Brooks Legal Examiner

505-476-3450

david.brooks@state.nm.us



Devon Energy Corporation 20 North Broadway Oklahoma City, OK 73102-8260Jo Ann Kerran ja.kerran@dvn.com 405-552-8156

2009 FEB 25 FM 1 25

February 24, 2009

State of New Mexico Oil Conservation Division ATTN: David K. Brooks 1220 South St. Francis Drive Santa Fe, New Mexico 87505

RE: Waiver of Notice of Application for Administrative Exception – Non-Standard Location Northeast Blanco Unit Well No. 257H Unit E, Section 35-T31N-R7W San Juan County, New Mexico

Dear Mr. Brooks:

Enclosed is a Waiver of Notice from Omimex Petroleum, Inc., successor to interest of Forest Oil Corporation, with respect to the Non-Standard Location Exception for the NEBU 257H well.

If you need additional information or assistance, please contact Janet Wooldridge at 405-552-4626.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Jo Ann Kerran Land Associate

Enclosures

devon

February 23, 2009

20 North Broadway Oklahoma City, Oklahoma 73102 405-552-7843 FAX Janet Wooldridge, CPL Senior Landman 405-552-4626

Omimex Petroleum, Inc. 2001 Beach Street, Suite 810 Fort Worth, Texas 76103 Attention: Clark P. Storm, Vice President

Re: Waiver of Notice of Application for

Administrative Exception - Non-Standard Location

Northeast Blanco Unit Well No 257H

Unit E, Section 35-T31N-R7W San Juan County, New Mexico

Gentlemen:

On January 19, 2008 Devon Energy Production Company, L.P. ("Devon") sent notice by certified mail to your predecessor in title, Forest Oil Corporation, of Devon's administrative application for approval of an unorthodox well location covering the NEBU 257H Pictured Cliffs well. On June 30th, 2009 Omimex Petroleum, Inc. ("Omimex") provided documentation to Devon that Omimex now owned the interest in this property formerly held by Forest Oil Corporation. In addition, Omimex, as successor by assignment to Forest Oil Corporation, provided written declaration of no objection to this administrative application for unorthodox location.

Unfortunately, Devon erred in its January 19, 2009 notice and failed to properly advise you that as an offsetting interest owner to the NEBU 257H property and in accordance with Division Rule Part 15, Section 13.D you have the right to object to said administrative application for approval of an unorthodox well location covering the NEBU 257H Pictured Cliffs well and that said objection must be filed with the New Mexico Oil Conservation Division within 20 days from the date the division received said application. By re-noticing you with the required language, essentially the application will begin a new 20 day notice period. Alternatively, we may supply a waiver of notice executed by you to the New Mexico Oil Conservation Division.

It is Devon's desire to prevent any further delay in the processing of the referenced application. If you are in agreement to a waiver of notice with respect to this corrected notice, please so indicate by signing and returning one copy of this letter to me at the address shown above.

Should you have any questions, please contact me at 405-552-4626.

Omimex Petroleum, Inc. February 23, 2009 Page 2

Sincerely,

Title:_

DEVON ENERGY PRODUCTION COMPANY, L.P.

Fanet Wooldridge, CPL

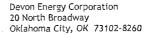
Omimex Petroleum, Inc. successor by assignment to Forest Oil Corporation hereby waives notice of this administrative application for unorthodox location for the NEBU 257H well.

Date:

2-25-09

By: CLARK P. STORMS

Vice President Land & Legal





Certified Mail - Return Receipt Requested

January 19, 2009

Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

RE: NEBU Well No. 257H SW/4 Section 35-31N-7W San Juan County, New Mexico

Ladies and Gentlemen:

Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

If there are any questions, or if additional information is required, feel free to call me at (405) 552-4626.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Janet Wooldridge
Senior Division Landman

Enclosures

Onincx Petrolecus, Inc., successor by assignment to Forest Oil Corporation has no objection to this administrative application for unorthodox surface location.

By: Date: Jan 30, 2009

Title: VICE PRESIDENT



Omimex Resources, Inc.

Omimex Energy, Inc. Omimex Petroleum, Inc Omimex Canada, Ltd.

January 30; 2009

RECEIVED FEB 0.2.2009. WESTERN LAND.

Ms. Janet Wooldridge Devon Energy Corporation 20 North Broadway Oklahoma City, Oklahoma 73102-8260

Re: NEBU Well No: 257H
SW/4 Section 35 31N-7W
San Juan County, New Mexico.

Dear Ms. Wooldridge

Omimex Petroleum, Inc. is successor to Forest Oil Corporation in the above referenced well as signified by General Assignment, Bill of Sale, Conveyance and Assumption dated November 25, 2008 - but effective December 1, 2008, by and between Forest Oil Corporation and Omimex Petroleum, Inc. A copy of that General Assignment and a recorded copy of the Assignment filed in Rio Arriba County, New Mexico are attached for your files.

Also enclosed is one copy of your letter dated January, 19, 2009 which has been executed and approved by Omimex Petroleum, Inc.

If you have any questions please call me at (817) 735-1500; ext. 219

Very truly yours,

OMIMEX PETROLEUM, INC

Marie Baldin

Marie Baldwin Land Assistant

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Enclosures



FOREST OIL CORPORATION

707 Seventeenth Street, Suite 3600 Denver, CO 80202 (303) 812-1400

November 25, 2008

DEVON ENERGY PRODUCTION CO, LP 20 N BROADWAY, STE 1500 OKLAHOMA CITY, OK 73102-8260

Attention: Steve Holmes

Re: Letter in Lieu of Transfer Order

(See Exhibit A hereto for list of wells and properties)

Gentlemen:

This letter will serve as notice that **FOREST OIL CORPORATION**, ("Forest") has sold its interests in the properties described in Exhibit A attached hereto, to **OMIMEX PETROLEUM**, **INC** ("Omimex"), whose address is, 2001 Beach Street, Suite 810, Fort Worth, Texas 76103.

Enclosed you will find a copy of the unrecorded Assignment and Bill of Sale ("Assignment") whereby all right, title and interest of Forest was transferred to Omimex. The assignment has been sent for recordation and a recorded copy will be furnished to you if you request same.

This letter is executed by Forest and Omimex as an agreement in lieu of separate Division or Transfer Orders. The transfer will be effective December 1, 2008, Forest will handle accounting on the properties through the production month of November 2008. Please continue remitting production proceeds to Forest through November 2008 production.

Commencing with December 2008 production, please remit production proceeds related to December and forward production directly to Omimex. Please remit all production proceeds related to November 2008 production and prior to Forest.

All future requests and correspondence that would previously have been directed to Forest should be sent to Omimex at the following address:

Omimex Petroleum, Inc. 2001 Beach Street, Suite 810 Fort Worth, Texas 76103 Tax ID Number: 26-3526364 All payments made by check should be sent to the following address, to wit:

Omimex Petroleum, Inc. 2001 Beach Street, Suite 810 Fort Worth, Texas 76103

All payments made by wire transfer should be sent to the following account, to wit:

Account Name: Omimex Petroleum, Inc.

Bank: Citibank, N.A.

Austin, TX

ABA: 113193532

Acct. Number: 9786160087

In consideration of your acceptance of this Letter-In-Lieu of Division or Transfer Orders, Omimex hereby ratifies, confirms, adopts and agrees to be bound by all the terms and conditions of all previous sale contracts, Transfer and/or Division Orders insofar as they cover and relate to the interests acquired from Forest, and Forest and Omimex further agree to indemnify, save and hold you harmless from and against any and all claims, demands, actions, judgments, damages, liabilities and expenses that you sustain by reason of payment in accordance with this letter.

<u>PLEASE DO NOT SUSPEND PAYMENTS</u>. IT IS THE INTENTION OF FOREST AND OMIMEX THAT THERE BE NO SUSPENSION OR INTERRUPTION OF PAYMENTS.

If you have any questions regarding this transfer of interests or other matters set forth herein, or if for any reason, you are unable to comply with the directions set forth in this letter, you are requested to contact:

Omimex Petroleum, Inc. 2001 Beach Street, Suite 810 Fort Worth, Texas 76103 Attention: Clark P. Storms

Telephone: 817-735-1500, ext. 207

Facsimile: 817-735-8033

Email: clark storms@omimexgroup.com

In order that we may have a record evidencing your acceptance of this letter, we request that you sign one copy of this letter in the space provided and return it to Forest.

OMIMEX PETROLEUM, INC.

BY: Clark P. Storms TITLE: Vice President

BY: Glen J. Mizenko

TITLE: Senior Vice President

FOREST OIL CORPORATION

AGREED AND ACCEPTED:

BY:		 	
TITLE:		 <u> </u>	
DATE:	 	 	

Attachment: Assignment and Bill of Sale with Exhibit A

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

ASSIGNMENT

This Assignment ("Assignment") is from FOREST OIL CORPORATION, a New York corporation, whose address is 707 Seventeenth Street, Suite 3600, Denver, Colorado 80202 ("Assignor"), to OMIMEX PETROLEUM, INC., a Delaware corporation, whose address is 2001 Beach Street, Suite 810, Fort Worth, Texas 76103 ("Assignee").

WITNESSETH:

Assignor, for and in consideration of the sum of One Hundred and No/100 Dollars (\$100.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, CONVEYED, ASSIGNED and DELIVERED, and by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN and DELIVER, subject to the terms and provisions of this Assignment, all of Assignor's right, title and interest in and to the leases described on Exhibit "A" attached hereto (the "Leases"), together with all wells, equipment, fixtures and personal property related thereto (the Leases and all wells, equipment, fixtures and personal property related thereto collectively referred to hereinafter as the "Interests"), subject however to that certain Agreement for Purchase and Sale of Assets by and between Assignor and Assignee dated September 24, 2008.

TO HAVE AND TO HOLD the Interests, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Assignee, its successors and assigns, forever, subject to the matters set forth herein.

This Assignment is made without any warranty, express or implied, by Assignor except Assignor does hereby bind and obligate itself and its affiliates, successors and assigns to warrant and forever defend unto Assignee, its successors and assigns, all and singular the Interests against all persons lawfully claiming or to claim the same or any part thereof by, through or under Assignor but not otherwise.

All tangible equipment and personal property included in the Interests are sold "AS IS, WHERE IS" and Assignor MAKES NO, AND DISCLAIMS ANY, REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, AND WHETHER BY COMMON LAW, STATUTE, OR OTHERWISE. Assignor and Assignee agree that the preceding disclaimers of warranty are "conspicuous" disclaimers for purposes of any applicable law, rule or order.

RIO ARRIBA |
MOISES A MORALES JR, CLERK
200900098
Book 532 Page 98
1 of 4
01/06/2009 01:00:41 PM
BY DELORA

This Assignment is made and accepted subject to all burdens, encumbrances, contracts and agreements which are of record or listed in Exhibit "A" to the extent that same are in force and effect and affect the Interests.

Assignee assumes, as of date of execution of this Assignment, all of Assignor's obligations relating to the Interests, including, but not limited to, the obligation of plugging and abandoning any well on the Leases, at Assignee's cost, risk and expense (to the extent of the interest herein assigned).

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on this 25th day of November, 2008, but effective for all purposes as of 12:01 a.m. on December 1, 2008.

ASSIGNOR:

FOREST OIL CORPORATION

Name: Glen Mizenko

Title: Senior Vice President

ASSIGNEE

OMIMEX PETROLEUM, INC.

Name: Clark P. Storms Title: Vice President

> RIO ARRIBA MOISES A MORALES JR, CLERK 200900098 Book 532 Page 98 2 of 4 01/06/2009 01:00:41 PM BY DELORA

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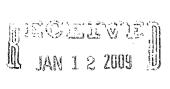
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		E JOHNSON
	President of Fores n.	acknowledged before me on Mountain, 20, 20 President of Forest Oil Corporation, a New York corporation. Augustian State of Corporation of

Judy E. Johnson Notary Public State of Colorado My Commission Expires: September 19, 2012

RIO ARRIBA
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Book 532 Page 98
3 of 4
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BY DELORA

County: RIO ARRIBA

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04107-000001 ST	ST NM E 290	LEVI A HUGHES	05/02/45 18 5	RIO ARRIBA	New Mexico Principal Meridian
					T27N R5W Sec 2: LOT 1 & 2, SWANE4, SE4NE4, SE4
					Sec 16: NW4
					Sec 32: W2
					Sec 36: NZ4 .
					TZ7N A6W Sec 2: S2NW4, SW4NE4
					Sec 32: EZNW4, NE4SW4
					TZTN RTH Sec. 16. Super .
04107-000002 ST	ST NM E 289	LEVI A HUGHES	05/02/45	RIO ARRIBA	New Mexico Principal Meridian
•			ţ		T3ON R7W
					Sec 2: LOTS 5 & 6, SW4NE4, SE4NE4
					Sec 36: WZSE4
					T31N R6W
					Sec 16: SW4
04107-000003-A ST	ST NM E 291 3	LEVI HUCHES	05/02/45	RIO ARRIBA	
					TZSN RGW Sec 32: NW4,NZSW4
					Sec 36: WZNE4 BELOW BASE OF DAKOTA FORNATION
					T26N R7W Sec 2: LOTS 1,2,SINE4,SE4 AKA TRACT 26 OF RINCON UNIT
04107-000003-B ST	ST NM E 291 52	LEVI A HUGHES	05/02/45	RIO ARRIBA	TZSN RGW Sec 2: WZNW4,SW4



T26N R6W Sec 32: NW4

Sec 32: E2 L&E THE GALLUP FORMATION

RIO ARRIBA
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4 of 4
01/06/2009 01:00:41 PM
BY DELORA



GENERAL ASSIGNMENT, BILL OF SALE, CONVEYANCE AND ASSUMPTION

This General Assignment, Bill of Sale, Conveyance and Assumption (the "Assignment") dated effective as of the Effective Time is from FOREST OIL CORPORATION, a New York corporation ("Assignor"), by and through its hereunto duly authorized officer, and is to OMIMEX PETROLEUM, INC., a Delaware corporation ("Assignee"), acting by and through its hereunto duly authorized officer. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THAT:

ARTICLE 1

Defined Terms

The following words, terms and phrases when used herein shall have the respective meanings set forth below:

1.1 "Assets" shall mean the following:

- (a) All right, title and interest of Assignor in and to all oil and gas leases, other similar leases, mineral interests, royalties, and overriding royalties, whether producing or non-producing, as described on Schedule A-1 attached hereto (the "Leases"), and any other oil, gas or other mineral rights and interests of any type in, on or under or relating to the lands also described on Schedule A-1 (the "Land"), and including any and all right, title and interest of Assignor in and to the oil, gas and other hydrocarbons and other products produced in association therewith in, on or under any of the foregoing, and all oil and gas wells and injection and disposal wells located on any of the foregoing, or used or useful in connection therewith, or on lands pooled or unitized therewith, including, without limitation, the wells described in Schedule A-2 attached hereto (the "Wells");
- (b) All right, title and interest of Assignor in, to and under or derived from all presently existing or proposed unitization, pooling and communitization agreements, declarations and orders, and the properties covered and the units created or to be created thereby (including, but not limited to, all units formed or to be formed under orders, regulations, rules or other official actions of any federal, state or other governmental agency having jurisdiction) described in Schedule A-3 attached hereto to the extent that they relate to or affect any of the properties and interests of Assignor described or referred to in sub section (a) of this Section 1.1 ("Unit Agreements"), or the production of oil, gas and other hydrocarbons and other products produced in association therewith attributable to said properties and interests;

- (c) All right, title and interest of Assignor in, to and under or derived from all presently existing and effective oil, gas liquids, condensate, casinghead gas and gas sales, purchase, exchange, gathering, transportation and processing contracts described in Schedule A-3 attached hereto to the extent that they relate to any of the properties and interests of Assignor described or referred to in sub section (a) of this Section 1.1 ("Product Sales and Transportation Agreements"), operating agreements, joint venture agreements, farmout agreements, partnership agreements, settlement agreements and all other agreements and instruments described in Schedule A-3 attached hereto to the extent that they relate to any of the properties and interests of Assignor described or referred to in sub section (a) of this Section 1.1 ("Operating Agreements");
- (d) All right, title and interest of Assignor in or to all personal property, fixtures, equipment leases, improvements, and other personal property, whether real, personal, or mixed (including, but not limited to, well equipment, casing, tubing, tanks, rods, tank batteries, boilers, buildings, pumps, motors, machinery, injection facilities, disposal facilities, field separators and liquid extractors, compressors, pipelines, gathering systems, docking facilities, air service facilities, helicopter facilities, power lines, telephone and telegraph lines, roads, and field processing plants, field offices and office furnishings related thereto, field office leases, equipment leases, trailers and all other appurtenances thereunto belonging), (the "Equipment") and in and to all easements, permits, licenses, servitudes, rights-of-way, surface leases and other surface rights, to the extent now being used or proposed to be used in connection with the exploration, development, operation or maintenance of the properties and interests described in sub sections (a), (b) and (c) of this Section 1.1, or now being used or proposed to be used in connection with the producing. treating, processing, storing, gathering, transporting or marketing of oil, gas and other hydrocarbons and other products produced in association therewith attributable to such properties or interests, and all contract rights (including rights under leases to third parties) related thereto (the "Easements") and in and to all natural gas, crude oil, condensate or other products produced from the properties described or referred to in sub section (a) of this Section 1.1 placed into storage or into pipelines (the "Products");
- (e) All of Assignor's right, title and interest in and to any production imbalances or balancing agreements relating to any of the Leases or otherwise arising by virtue of the fact that Assignor may not have taken or marketed its full share of oil, gas and other hydrocarbons and other products produced in association therewith attributable to its ownership prior to the Effective Time;
- (f) All of Assignor's right, title and interest in and to the seisimic described in Schedule B attached hereto.
- (g) All of Assignor's right, title and interest in and to all causes of action, judgments, pending litigation, claims and demands set forth on Schedule C; and
- (h) All accounting records, books and files relating to any of the foregoing matters set forth in this Section 1.1 including, without limitation, all production records, operating records, correspondence, lease records, well records, and division order records; prospect files; title records (including abstracts of title, title opinions and memoranda, and title curative documents related to the Leases and Wells), contracts, geological data and interpretative reports, maps, electric logs, core data, pressure data, decline curves, graphical production curves, and a non-exclusive license to all geophysical data owned by Assignor

(collectively, the "Records"); provided, however, that the Records shall not include payroll and personnel records and any geophysical and interpretive data or reports that Assignor is not contractually permitted to assign.

- 1.2 "Effective Time" shall mean December 1, 2008, at 12:01 a.m., local time, said time to be determined for each locality in which the Assets are located in accordance with the time generally observed in said locality.
- 1.3 "Purchase Agreement" shall mean that certain Agreement for Purchase and Sale of Assets dated September 24, 2008, executed by and between Assignor, and others, as "Seller" and Assignee as "Purchaser," covering and describing the Assets.

ARTICLE 2

Conveyance

Assignor, for and in consideration of the sum of One Hundred and No/100 Dollars (\$100.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, conveyed, assigned and delivered, and by these presents does hereby grant, bargain, sell, convey, assign and deliver, the Assets unto Assignee, subject to the terms and provisions of this Assignment.

ARTICLE 3

Assumption

Subject to the provisions of the Purchase Agreement, Assignee hereby assumes the obligations, express and implied, contained in the Leases, applicable operating and unit agreements, production sales agreements and related agreements, but only to the extent they relate to the Assets or to the oil and gas business of Assignor related thereto. Assignee specifically agrees to be responsible for its share of the proper plugging and abandoning of the wells, flowlines and pipelines presently located on the leases and the restoration of the site in accordance with the terms of the applicable leases, as well as any wells subsequently drilled on the leases, all as may be required by the applicable governmental authority having jurisdiction. Assignee agrees to indemnify Assignor for any loss or damage attributable to Assignee's failure to fulfill its obligations assumed hereunder. The assumption of said obligations by Assignee hereunder shall not be deemed to create, confirm or give rise to any rights of any third party, as third-party beneficiary or otherwise, or to waive any

defenses available to Assignor or Assignee with respect to any such liabilities, it being understood that such assumption is for the sole purpose of allocating responsibility between Assignor and Assignee.

TO HAVE AND TO HOLD the Assets, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Assignee, its successors and assigns, forever, subject to the matters set forth herein.

ARTICLE 4

Warranties and Limitations on Warranties

- 4.1 Notwithstanding anything to the contrary in this Assignment (including any exhibit, schedule or other attachment hereto) and without limiting, disclaiming or negating Assignor's rights under the Purchase Agreement as provided in Section 5.2 below, this Assignment is made without any warranty, express or implied, by Assignor except the following warranty set forth in this Section 4.1. Assignor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular the Assets unto Assignee and Assignee's successors and assigns, against every person whomsoever claiming or to claim the same or any part thereof by, through or under Assignor, but not otherwise, hereby specially warranting the Assets as against every person whomsoever claiming or to claim the same or any part thereof by, through or under Assignor, but not otherwise, in the case of each Asset or portion thereof and with respect to which a "W.I." and a "N.R.I." is expressly specified in Schedule A,
 - (a) that the share of costs attributable thereto (or cost-bearing interest) is, and shall be throughout the life of the property, not greater than the share set forth in Schedule A as the "W.I." for the Asset or portion thereof (unless Assignor's net revenue interest attributable thereto is greater than the net revenue interest share specified in Schedule A by a proportionate or greater amount), and
 - (b) that the share of oil and gas production (or net revenue interest) which is attributable thereto is, and shall be throughout the life of the property, not less than the share set forth in Schedule A as the "N.R.I." for that Asset or portion thereof.
 - 4.2 To the extent the same as transferable,
 - (a) Assignor hereby transfers and assigns unto Assignee, its successors and assigns, all its rights under and by virtue of all covenants and warranties pertaining to the

Assets, express or implied (including, without limitation, title warranties and manufacturers', suppliers' and contractors' warranties), which have heretofore been made by all of Assignor's predecessors in title, or by all third party manufacturers, suppliers and contractors (the "Prior Covenants and Warranties"), and

- (b) this Conveyance is made with full substitution and subrogation of Assignee, its successors and assigns, in and to and under and by virtue of the Prior Covenants and Warranties and with full subrogation to all rights accruing under the statutes of limitation, prescription and repose under the laws of the applicable jurisdictions in relation to the Assets and all causes of action, rights of action or warranty of Assignor against all former owners of the Assets.
- 4.3 The parties agree that to the extent required by applicable law, rule or order to be operative the disclaimers of certain warranties contained in this Section and in the conveyancing document to be delivered pursuant to this Agreement are "conspicuous" disclaimers for the purposes of any such applicable law, rule or order. ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY WARRANTY AS TO THE CONDITION OF ANY PERSONAL PROPERTY, EQUIPMENT, FIXTURES AND ITEMS OF MOVABLE PROPERTY COMPRISING ANY PART OF THE ASSETS, INCLUDING
 - (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY,
 - (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE,
 - (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OR MATERIALS,
 - (d) ANY RIGHTS OF ASSIGNEE UNDER APPLICABLE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, AND
 - (e) ANY CLAIM BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN,

IT BEING EXPRESSLY UNDERSTOOD BY ASSIGNEE THAT SAID PERSONAL PROPERTY, FIXTURES, EQUIPMENT, AND ITEMS ARE BEING CONVEYED TO ASSIGNEE "AS IS", "WHERE IS", WITH ALL FAULTS, AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND THAT ASSIGNEE WILL MAKE, PRIOR TO CLOSING, SUCH INSPECTIONS THEREOF AS ASSIGNEE DEEMS APPROPRIATE.

Except as otherwise expressly set forth herein or in the Purchase Agreement, Assignor also expressly disclaims and negates any implied or express warranty as to the accuracy of any of the information furnished with respect to the existence or extent of reserves or the value of the Assets based thereon or the condition or state of repair of any of the Assets (it being understood that all estimates of quantities or values of oil and gas reserves on which Assignee has relied or is relying have been derived by individual evaluation of Assignee).

ARTICLE 5

Miscellaneous

- Assignor has executed or will execute separate assignments of individual oil, gas and mineral leases or interests therein which are included in the Assets for filing with and approval by the United States of America, and the various state and county authorities in which the Assets lie. Assignor also has executed or will execute separate assignments and conveyances of fee tracts, surface leases, pipelines, easements, servitudes, processing plants, and other personal property, which are included in the Assets for filing in the public records of the counties which such properties are located. In addition to such assignments and conveyances (without creating any additional conveyances, warranties or representations of or by Assignor), Assignor covenants and agrees to execute and deliver to Assignee all such other and additional conveyances, instruments and other documents and to do all such other acts and things as may be necessary more fully to assure Assignee all of the Assets and the respective properties, rights and interests herein and hereby granted or intended to be granted. Such separate or additional assignments and conveyances,
 - (a) shall evidence the conveyance and assignment of the Assets herein made or intended to be made;
 - (b) shall not modify any of the terms, covenants and warranties herein set forth and shall not create any additional representations, covenants or warranties of or by Assignor to Assignee; and
 - (c) shall be deemed to contain all of the terms and provisions hereof, as fully and to all intents and purposes as though the same were set forth at length in the separate assignments.

In the event any term or provision of such a separate or additional assignment or conveyance should be inconsistent with or conflict with the terms or provisions of this Assignment, the terms and provisions of this Assignment shall control and shall govern the rights, obligations and interests of the parties hereto, their successors and assigns. Such separate assignments and conveyances and this Assignment shall, when taken together, be deemed to constitute the one conveyance and assignment by Assignor of all of the Assets. This Assignment, insofar as it pertains to those Assets as to which said separate assignments have been or will be executed for filing with and approval by the United States of America, or a state or other governmental authority, are made and accepted subject to such approval and to the terms of such approval if and to the extent required by law.

- 5.2 This Assignment is in all respects delivered pursuant to and is made subject to the Purchase Agreement; however, the representations and warranties made by Assignor to Assignee in the Purchase Agreement are separate from and independent of any representation or warranty set forth in this Assignment; and neither the representations and warranties nor other terms of the Purchase Agreement shall be limited, expanded, extended, extinguished, negated, disclaimed or otherwise modified by this Assignment; provided, however, that if any representation or warranty contained in the Purchase Agreement covers the same subject matter as any representation or warranty contained in this Assignment, no double recovery for the same act breaching both warranties or representations shall be permitted.
- 5.3 Unless provided otherwise, all references in the Schedules hereto to recording data of a lease or other instrument or agreement include, and are intended as a reference to, the Volume or Book (and Entry or File Number if provided) and the page of the appropriate Federal, State or County records where and when recorded, and reference is hereby made to each of such instruments and the record thereof for all purposes.
- 5.4 This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment in multiple counterparts on this 25th day of November, 2008, but to be effective for all purposes as of the Effective Time.

Title: Vice President

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this day personally appeared Glen Mizer King of FOREST OIL CORPORATIOn and acknowledged to me that he executed for the uses, property of the Board of Directors of said corporation, as	No, to me personally known to be the identical ing instrument as representing FOREST OIL ited the same on the date hereof on behalf of said imposes and considerations therein expressed by
E. JOHNS	Notary Public in and for the State of Printed Name: My Commission Expires:

Judy E. Johnson Notary Public State of Colorado My Commission Expires: September 19, 2012

STATE OF Colorado §	
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this day personally appeared Clark P. Stuces	, to me personally known to be the identical person
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CYTEMPATEMPORARY INTERNATIONAL PUBLIC
State of Colorado
My Commission Expires:
September 19, 2012

Preamble

This Preamble is part of the Schedule A attached to and made a part of this Assignment. The parties agree and stipulate the following:

- (1) Any heading at the top of a page indicating the name of a prospect or well is for identification purposes only and is not intended to, nor should it be construed as, constituting a part of the description of the interests or as limiting the interests described or as describing any interest in excess of Assignor's actual interest.
- One or more pages may indicate decimal interests owned by Assignor in a well or wells. The decimal interests indicated are for warranty purposes only and are not intended, nor should they be construed as, limiting the interests described. For purposes of these interest indications: (i) "WI" means "working interest" which is the share of the cost of operations for that well for which Assignor is responsible; (ii) "NRI" means "net revenue interest" which is Assignor's interest in production after deducting all burdens against production and includes Assignor's royalty interest, if any, therein; and (iii) "ORI" means the overriding royalty interest owned by Assignor.
- (3) Recording information references are to book or volume and page, or the filenumber, instrument number or other identification number, of the applicable public records for proper recordation of the instrument in the county in which the real property affected by the instrument is located.
- (3) The land description is intended to reflect the lands in which Assignor owns an interest; however, such description shall not limit the interest described or purport to describe any interest in excess of Assignor's actual interest and such description shall be deemed to include all of Assignor's right, title and interest in the leases and other interests and not in excess thereof.
- (4) The lease number on the left side of the page that appears on one or more pages is Assignor's internal lease number as is for identification purposes only and does not constitute part of the description.

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Attached to and made a part of that certain Agreement For Purchase and Sale of Assets
Effective July 1, 2008, by and between Ommrex Résources, Inc. as Purchaser, and Forest Oil Corporation, as Seller

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Schedule A.2 Wells
Attached to and made a part of that certain Agreement For Purchase and Sale of Assets
Effective July 1, 2008, by and between Omilmex Resourges, Inc. as Purchaser, and Forest Oil Corporation. as Saller

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Effective July 1, 2008, by and between Omimix Resources, Inc. as Purchiaser, and Forest Oil Corporation, as Seller

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

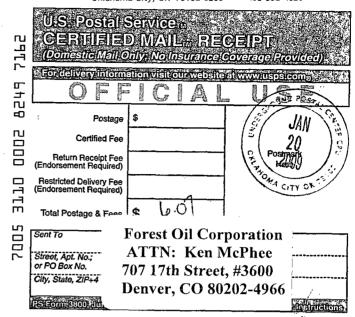
Certified Mail - Return Receipt Requested

January 19, 2009

Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

RE: NEBU Well No. 257H **SW/4 Section 35-31N-7W** San Juan County, New Mexico

Ladies and Gentlemen:



Attached you will find Devon Energy Production Company, L. P.'s ("Devon") administrative application for approval of an unorthodox well surface location covering the referenced Pictured Cliffs well. Devon's records indicate that your company may be the owner of operating rights in an offset spacing unit and are entitled to notice of this application in accordance with Division Rule 104 (f). Objections to this application should be submitted to the NMOCD. If you have no objections to this application, please so indicate by signing and returning one copy of this letter to me at the address show above.

If there are any questions, or if additional information is required, feel free to call me at (405) 552-4626.

Sincerely,		
DEVON ENERGY PRODUCT		
Janet Wooldridge Senior Division Landman	SENDER: COMPLETE THIS SECTION :: 10 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece,	A. Signature A. Signature Addressee B. Received by (Printed Name) C. Date of Delivery M. Russe
Enclosures Forest Oil Corporation has no olocation.	or on the front if space permits. 1. Article Addressed to: Forest Oil Corporation ATTN: Ken McPhee	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
By:	707 17th Street, #3600 Denver, CO 80202-4966	3. Service Type Certified Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee)
Title:	. 2. Article Number 7 🛮 🗘 5	3110 0002 8249 7162

EXHIBIT

WORKING INTEREST OWNERS

BP America Production Company ATTN: John Larson 501 Westlake Park Blvd. WL1 19.158 Houston, Texas 77079

ConocoPhillips Company ATTN: Ben Malone 3401 East 30th. Street Farmington, New Mexico 87402-8807

Burlington Resources Oil & Gas Company ATTN: Ben Malone 3401 East 30th. Street Farmington, New Mexico 87402-8807

Forest Oil Corporation ATTN: Ken McPhee 707 17th Street, Suite 3600 Denver, Colorado 80202

Williams Production Company ATTN: Barbara Burnett, RPL One Williams Center, MS 25-1 Tulsa, Oklahoma 74101

B & N Company, A Limited Partnership ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102

BN Non-Coal, LLC ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102

Devon Energy Production Company, L. P. ATTN: Janet Wooldridge 20 North Broadway Oklahoma City, Oklahoma 73102

EXHIBIT

NEBU 257H SW/4 Section 35-T31N-R7W Application for Administrative Location Exception

SE/4 - NEBU 68N NE/4 - NEBU 68M NW/4 - NEBU 250

Section 34-T31N-R7W:

Forest Oil Corporation

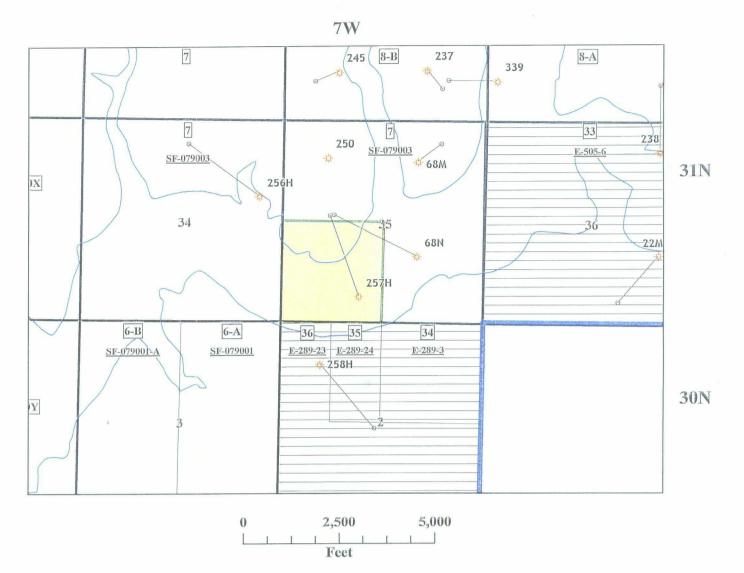
NE/4 - NEBU 256H

SE/4 - Unit Tract 7

Working Interest Owner	Working Interest
BP America Production Company	.50000000
Burlington Resources Oil & Gas Company, LP	.11756569
ConocoPhillips Company	.04898858
BN Non-Coal, LLC	.07050376
B & N Company, L. P.	.00864412
Devon Energy Production Company, L. P.	.25429785
	1.00000000
Section 3-T30N-R7W: NE/4 – Unit Tract 6A	•••••
Working Interest Owner	Working Interest
BP America Production Company	.50000000
ConocoPhillips Company	<u>.50000000</u>
•	1.00000000
Section 2-T30N-R7W: NW/4 – NEBU 258H	••••••
Working Interest Owner	Working Interest
Williams Production Company	.18000000
ConocoPhillips Company	<u>.82000000</u>
	1.00000000
Section 2-T30N-R7W: NE/4 – Unit Tract 34	
Working Interest Owner	Working Interest

1.00000000

NEBU 257H Offset Ownership **Unorthodox Location**



WORKING INTEREST OWNERSHIP

NEBU 257H SW/4 Sec 35 - 31N - 7W (TR. 7)

.50000000 **BP** America Production Company Burlington Resources Oil & Gas Co. L.P. .11756569 Conoco Philips Company .04898858 B & N Co., A Limited Partnership .00864412

BN Non-Coal .07050376 **Devon Energy Production Company** .25429785

N/2 & SE/4 Sec. 35 - 31N - 7W and Sec. 34 - 31N - 7W (TR. 7) E/2

SAME AS NEBU 257H TITLE

Sec. 3 - 30N - 7W (TR. 6A) NE/4

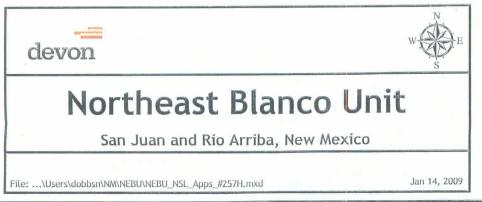
.50000000 **BP America Production Company** .50000000 Conoco Philips Company

Sec. 2-30N-7W (TRS. 36 & 35) NW/4

Williams Production Company .18000000 .82000000 Conoco Philips Company

NE/4 Sec. 2 - 30N - 7W (TR. 34)

1.0000000 Forest Oil Corporation





Pictured Cliff Participating Area

Unit Outline

Tract Number

SF-079003 Lease Number

35



January 19, 2009

State of New Mexico Energy and Mineral Department Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Attention: Engineering

Re: Request for Administrative Exception to Unorthodox Location
Northeast Blanco Unit No. 257H
Section 35-T31N-R7W
San Juan County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") as Operator, drilled the referenced Pictured Cliffs well and dedicated the Southwest Quarter (SW/4) of Section 35-T31N-R7W as the spacing unit. Devon attempted to place this well at a legal surface location that would prevent waste by incorporating the wellpad for this well with the existing wellpad for the NEBU 68N.

The original surface location was 1160' FWL and 2395' FSL of Section 35-T31N-R7W. The original BHL was 700' FSL and 1940' FWL of the same section. This put the end of the lateral 700' east and north of the quarter section or spacing unit line, a standard location. At the last minute it was noticed that due to the location of some existing equipment on this pad the rig and drilling equipment would not fit on the pad as we had it configured. We flipped the pad, moving the SL about 80' to the east. We filed a sundry with a revised C-102. The new SL is 1240' FWL and 2390' FNL, a move of about 80' to the east. The proposed BHL stayed the same, however, due to an oversight, we failed to have the directional company make this change in the proposed directional drilling plan. As a result, they were proceeding as if we were drilling from the original location, which had the final effect of moving the BHL about 80' to the east. We drilled 2209' south of the SL, which put the BHL 681' FSL and outside the 660' setback limit. We drilled 782' east of the SL, which put the BHL 618' west of the east spacing unit line. This left us 42' too close to the spacing unit line and in a NSL situation. Devon respectfully requests that the Commission administratively approve this application for an unorthodox location in accordance with Division Rule 104(F)(3).

Leasehold for the entire Section 35-T31N-R7W is Federal lease SF-079003 (Northeast Blanco Unit Tract No. 7). The SE/4 of Section 35-T31N-R7W is the spacing unit for the recently drilled NEBU 68N. This well was drilled from the same well pad as the NEBU 257H. The NEBU 68N was spud on July 19, 2008 and turned to Pictured Cliffs sales on 11/21/08, flowing 400 MCFPD.

Appl. Unorthodox Location NEBU 257H January 19, 2009 Page 2

Ownership in the NEBU 68N is identical to ownership in the NEBU 257H. In the NE/4 of Section 35 Devon completed the NEBU 68M and has obtained a Paying Well Determination. In the NW/4 of Section 35 Devon completed the NEBU 250. Devon also received a Paying Well Determination for the NEBU 250. Exhibits have been prepared and Devon will file for approval of Pictured Cliffs Participating Area Expansions 10 through 22 next week. NEBU 68M will be in Expansion 20, effective September 1, 2006. NEBU 250 will be in Expansion 22, effective July 1, 2007. Both the 250 and 68M wells have the same working interest ownership as the NEBU 257H. To the northwest of the NEBU 257H spacing unit, in the NE/4 of Section 34-T31N-R7W is the NEBU 256H well, which was only recently completed and therefore does not have a Paying Well Determination. This well also is the same ownership as the NEBU 257H. In the SE/4 of Section 34-T31N-R7W, which is directly to the west of the NEBU 257H spacing unit, there is no Pictured Cliffs well. All of Section 34-T31N-R7W is NEBU Tract 7, Federal lease SF-79003.

The spacing unit to the southwest of the NEBU 257H spacing unit is the NE/4 of Section 3-T30N-R7W. This is Federal Lease SF-079001, NEBU Tract 6A. There is no Pictured Cliffs well in this spacing unit. Working interest ownership is reflected on the attached plat. Directly to the south of the NEBU 257H spacing unit is the spacing unit for the recently completed NEBU 258H well. This well is not yet ready for a Paying Well Determination. The spacing unit is the NW/4 of Section 2-T30N-R7W. This is NEBU Tracts 35 and 36, State of New Mexico leases E-289-23 and E-289-24 ownership reflected on the attached plat. To the SE of NEBU 257H is the NE/4 of Section 2-T30N-R7W. To date, no Pictured Cliffs well has been drilled in this spacing unit. The leasehold is State of New Mexico E-289-3 and ownership is reflected on the attached plat.

Devon respectfully regrets drilling this well 42' too close to the spacing unit line and would line to assure you it was an unintentional oversight. That being said, we do not believe the 42' will jeopardize production from the SE/4 of Section 35-T31N-R7W nor any of the other surrounding spacing units. We anticipate the NEBU 68N will be deemed a Paying Well and will become a part of the Pictured Cliffs Participating Area as eventually will the NEBU 257H herein.

Copies of the application for approval of the Pictured Cliffs Participating Area Expansions 10 through 22 will be forwarded to you next week. Attached for your review you will find (a)land plat showing the spacing unit and surrounding units; (b)survey plat; (c)list of affected persons as defined in Rule 1207.A(2); (d) copies of notice letters to affected persons; and (e) copy of Inwell as built directional survey.

If you have any questions or concerns regarding this application, please contact me at 405-552-4626 or jan.wooldridge@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Janet Wooldridge, CPL

Senior Landman

District I 1625 N. French Dr., Hobbs NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 87210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87504-2088

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

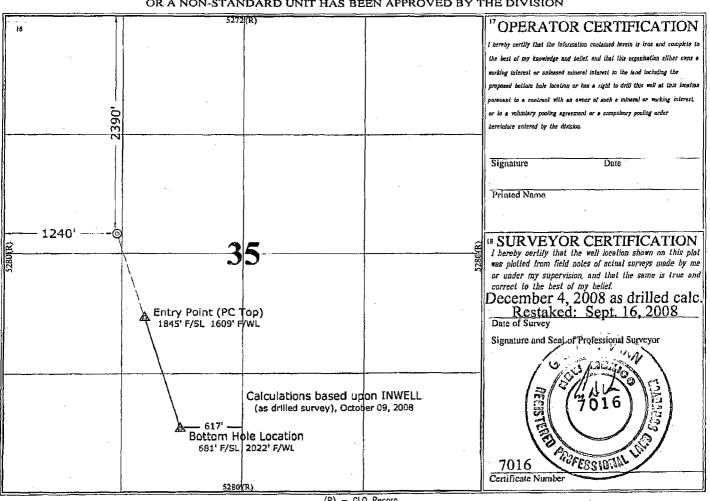
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number			¹ Pool Code			¹ Pool	Nume	
* Property	Code				⁴ Property	y Name			* Well Number
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					¹⁰ Surface I	Location			
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			" Bott	om Hole	Location If	Different From	n Surface		
7 UL or lot no. Section Township		Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
N	35	31 N	7 W		681	SOUTH	2022	WEST	SAN JUAN
Dedicated Acre	s 13 Join	or Infill	Consolidation	Code 15	Order No.	<u> </u>	L		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





Company: Devon Energy Lease/Well: NEBU 257H Location: San Juan County Rig Name: RKB:

Declination:
Grid:
File name: J:\CUST08~1\SURVEYS\DEVON\08229.SVY
Date/Time: 09-Oct-08 / 07:31

Curve Name: AS Drilled

State/Country: New Mexico

Inwell, Inc

WINSERVE SURVEY CALCULATIONS Minimum Curvature Method Vertical Section Plane 160.40 Vertical Section Referenced to Wellhead Rectangular Coordinates Referenced to Wellhead

R E Dogleg irection Severity Deg Deg/100	00: 00.		195.80 7.22				175.15 13.15			
CLOSURE Distance Direction FT Deg	. 00	00.		9.43			100.63			
Vertical Section FT	00.	00.	.89	8.52	24.77	52.71	97.31	154.83	040,000	218.38
E-W FT	00.	00.	30	96	-1.18	. 48	8.50	23.44	72.80	44.00
N-S FT	00.	00.	-1.05	-9.38	-26.72	-55.78	-100.27	-156.01	247 BE	00.717-
True Vertical Depth	00.	2305.42	2346.98	2439.58	2530.90	2618.07	2700.28	2771.82	00 7590	60.7002
Drift Direction Deg	00.	00.	195.80	180.00	181.10	174.00	166.90	163.40	161.00	06.101
Incl Angle Deg	00.	00.	3.00	7,40	14.10	22.90	34.80	43.00	16 GO	10.0
Measured Depth FT	00.	2305.42	2347.00	2440.00	2533.00	2625.00	2719.00	2811.00	2903 00	00.001

Dogleg Severity Deg/100	10.67 5.81 1.96	2.63 .97	.83 1.95 .72 1.75	1.03	1.03 6.59 4.61 5.58	2.05 1.13 .58 .24 1.18	.34 .59 1,18 3.37	00:
CLOSURE se Direction Deg	165.97 164.83 163.64	162.68 161.91	161.28 160.89 160.68	160.55	160.35 160.21 160.17 160.21	160.29 160.38 160.44 160.49	160.50 160.51 160.51 160.51	160.51
CLC Distance FT	378.60 466.14 555.52	643.52 732.15	821.74 912.38 1004.10 1054.40	1107.68	1223.07 1315.29 1408.79 1499.74	1593.64 1685.51 1778.44 1872.39 1965.35	2059.32 2151.30 2243.26 2274.25	2343.24
Vertical Section FT	376.81 464.75 554.64	643.01 731.90	821.65 912.35 1004.09 1054.39	1107.68	1223.07 1315.28 1408.78 1499.73	1593.63 1685.51 1778.44 1872.39	2059.32 2151.30 2243.26 2274.25	2343.24
E-W FT	91.75 122.01 156.52	191.62 227.37	263.76 298.74 332.15 349.94	368.76	411.24 445.27 477.86 507.84	537.42 565.89 595.31 625.36 655.85	687.45 717.93 748.48 758.85	781.76
გ-N T∃	-367.31 -449.89 -533.02	-614.33 -695.95	-778.26 -862.09 -947.58	-1044.50	-1151.86 -1237.63 -1325.27 -1411.13	-1587,68 -1675,85 -1764,87 -1852,69	-1941.19 -2027.97 -2114.71 -2143.92	-2208.99
True Vertical Depth	2934.21. 2964.34 2991.43	3016.32 3039.20	3062.64 3086.82 3111.33 3124.48	3138.00	3166.87 3184.56 3193.97 3195.88	3192.35 3188.34 3185.25 3179.87	3177.49 3175.56 3173.07 3172.26	3171,06
Drift Direction Deg	161.40 158.40 156.50	156.80 155.90	156.40 158.30 159.00 159.60	TVD 159.03	157.80 158.90 160.30 161.20	162.10 161.80 161.30 161.40 160.30	160.40 160.90 160.30 160.60	160.60
Incl Angle Deg	68.80 73.40 73.10	75.50 75.70	75.10 75.10 75.00 75.70	PC Top @ 3850' MD/3138' TVD 8848.99 75.82	76.10 82.20 86.30 91.30	93.00 92.00 91.80 91.60	91.30 91.10 92.00 91.00	o Bit 91.00
Measured Depth FT	3089.00 3182.00 3276.00	3368.00 3460.00	3553.00 3647.00 3742.00 3794.00	PC Top @ :	3968.00 4062.00 4156.00 4247.00	4341.00 4433.00 4526.00 4620.00 4713.00	4807.00 4899.00 4991.00 5022.00	Projected to Bit 5091.00