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2013 NOV 26 P 2: 31

Ezeanyim

Ken Gray  
Senior Advisor, Land

Devon Energy Corporation  
333 West Sheridan  
Oklahoma City, Oklahoma 73102-8260  
Office: (405) 552-4633  
Fax: (405) 552-8113

November 19, 2013

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO POOLED WORKING INTEREST OWNERS  
ADDRESS LIST ATTACHED

Re: New Mexico Oil Conservation Division  
Case No.14968 & Case No.14969  
Order No. R-13767  
Harroun Trust 31-30 Fed Com #2H  
Harroun Trust 31 #3H  
Section 30 & 31-T23S-R29E  
Eddy County, New Mexico

Gentlemen:

Enclosed you will find the referenced order, pooling all uncommitted interests in the Delaware formation underlying the applicable project areas as set forth in ordering paragraphs 1 through 6, naming Devon Energy Production Company, L.P. ("Devon") as operator for the purpose of drilling and completing the referenced horizontal wells in the Delaware formation.

In accordance with ordering paragraphs 12 and 13 Devon designates the Harroun Trust 31-30 Fed Com #2H as the Initial Well and the Harroun Trust 31 #3H as the Subsequent Well. An itemized schedule of estimated costs of drilling, completing and equipping each of the proposed wells is enclosed in the form of Devon's Authority for Expenditure which reflects an estimated cost of each well to be approximately \$7,227,000.

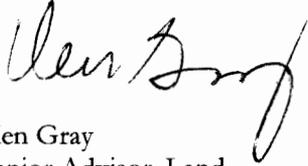
Pursuant to the referenced order, please make your election within thirty (30) days from receipt of the enclosed documents to: (1) participate in the drilling and completion of the Initial Well by paying your proportionate share of the well costs for the Initial Well, or (2) elect to be a non-consenting working interest owner subject to the applicable risk penalty for the Initial Well.

Elections with respect to the Subsequent Well shall be made in accordance ordering paragraph 13.

If there are any questions or if additional information is required, feel free to contact me at 405-552-4633.

Very Truly Yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Ken Gray". The signature is fluid and cursive, with the first name "Ken" being more prominent than the last name "Gray".

Ken Gray  
Senior Advisor, Land

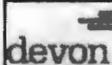
cc: James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

POOLED WORKING INTEREST OWNERS  
NMOCD Case No. 14968 & 14969  
Order No. R-13767

Chevron U.S.A., Inc.  
1400 Smith Street  
Houston, TX 77002  
Attn: Jason Levine  
Certified Mail #7006-2760-0003-6282-6845

Khody Land & Minerals  
210 Park Avenue, Suite 900  
Oklahoma City, OK 73120  
Attn: Cody Reid  
Certified Mail #7006-2760-0003-6282-6852



PROJECT NAME	Harroun Trust 31 3H			PROJECT NUM	01-02439
OPERATOR	Devon Energy Production Company, L.P.	LAND	Ken Gray	DATE SUBMITTED	NO DATE ENTERED
DIVISION	Mid-Continent Division	RESERVOIR	Jeff Bentley	TMD (FT)	NO TMD ENTERED
DISTRICT	Permian Basin	GEOLOGIST	Craig Harran	TVD (FT)	NO TVD ENTERED
SUB DISTRICT		GEOPHYSICIST	Larry Dewett	PBTMD(FT)	NO PBTMD ENTERED
REGION	PB New Mexico	DRLG ENGINEER	John Logemann	PBTVD(FT)	NO PBTVD ENTERED
FIELD GROUP	Polato Basin Area	PROD ENGINEER	Dan McCorkell	KB ELEV(FT)	NO KB ELEV ENTERED
FIELD	Culebra Bluff South	DRLG SUPT	NO DRLG SUPT ENTERED	GL(FT)	NO GROUND ELEV ENTERED
COUNTY	Eddy	COST CTR NUM	1090047701	EST SPUO DATE	NO DATE ENTERED
STATE	NM	COST CTR NAME	Harroun Trust 31 3H	API #	NO API ENTERED
LEGAL DESC	SURFACE LOCATION: 330' FSL & 1345' FWL, Sec. 31-T238-R29E / BOTTOM HOLE LOCATION: 2310' FSL & 1980' FWL, Sec. 30-T235-R29E				
WORK DESC	Drill & Complete Lower Brushy Canyon Horizontal Oil Well				

### Drill and Complete Cost Plan Summary

Cost Element #	Cost Element Description	Surface Lease Acquire 01-00001.01	Wellsite Preparation 01-00001.02	Drill 01-00001.03	Case and Suspend 01-00001.04	Complete 01-00001.05	Site Equip 01-00001.06	Well Tie In 01-00001.07	Element	Totals
6010100	Employee Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6020100	Contract Labor									\$0
6060100	Dyed Liquid Fuels (Texas Only)			\$0	\$0	\$0	\$0	\$0		\$0
6060110	Liquid Fuels - Other			\$200,000	\$20,000	\$0	\$0	\$0		\$220,000
6090120	Electricity & Utilities			\$0	\$0	\$0	\$0	\$0		\$0
6080110	Disposal - Saltwater & Other Fluids			\$250,000	\$0	\$150,000				\$400,000
6090100	Fluids - Water		\$0	\$150,000	\$0	\$132,000				\$282,000
6090110	Fluids - Lube & Hydraulic Oil							\$0		\$0
6100100	Permitting, Surveying & Title Services	\$0	\$0			\$0	\$0	\$0		\$0
6100110	Right Of Way	\$0						\$0		\$0
6110100	Roads & Location Recovery			\$0		\$0		\$0		\$0
6110120	Road & Site Preparation Materials & Supplies						\$0	\$0		\$0
6110130	Road & Site Preparation Services		\$0			\$16,500	\$0	\$0		\$16,500
6110170	Damages & Remediation	\$0	\$0				\$0	\$0		\$0
6120120	Measurement Equipment							\$83,500		\$83,500
6130170	Communication Services - Other			\$2,000	\$0	\$0	\$0			\$2,000
6140100	Enviro - Community Consultations	\$0								\$0
6140110	Enviro - Compliance & Fines	\$0						\$0		\$0
6140190	Enviro - Services	\$0		\$0	\$0	\$5,500				\$5,500
6150100	Logging, Perf & W/L Services (CH Only)			\$100,000	\$0	\$93,500				\$193,500
6160100	Materials & Supplies		\$0	\$20,000	\$0	\$0	\$0	\$0		\$20,000
6170100	Pulling & Swabbing Services					\$92,400				\$92,400
6170110	Snubbing & Coil Tubing Services					\$0				\$0
6180130	Vehicles - Usage		\$0	\$0	\$0	\$0	\$0	\$0		\$0
6190110	Trucking & Hauling		\$0	\$60,000	\$7,000	\$3,300	\$0	\$0		\$70,300
6320190	Welding Services			\$30,000	\$0	\$0				\$30,000
6200110	Inspection Services			\$0	\$0	\$0	\$0	\$0		\$0
6200130	Consultants - Technical & Professional Fees	\$0	\$0	\$130,000	\$14,000	\$27,000	\$0	\$0		\$171,000
6310120	Stimulation Services					\$1,647,600				\$1,647,600
6310200	Casing & Tubular Services			\$30,000	\$40,000	\$3,900				\$73,900
6310250	Cementing Services			\$100,000	\$200,000	\$5,500				\$305,500
6310280	Daywork Costs			\$750,000	\$150,000	\$0				\$900,000
6310290	Turnkey Drilling Costs			\$0	\$0	\$0				\$0
6310300	Directional Services			\$370,000	\$0					\$370,000
6310310	Drill Bits			\$120,000	\$0	\$0				\$120,000
6310330	Drilling and Completion Fluids & Services			\$50,000	\$9,000	\$0				\$59,000
6310350	Fishing Services			\$0	\$0	\$0				\$0
6310360	Footage Costs			\$0						\$0
6310370	Mob & Demobilization			\$500,000		\$0				\$500,000
6310380	Open Hole Evaluation			\$0						\$0
6310480	Well Testing Services					\$83,200				\$83,200
6320100	Equipment Services - Surface Rentals			\$75,000	\$10,000	\$72,100	\$0	\$0		\$157,100
6320110	Equipment Services - Downhole Rentals			\$75,000	\$0	\$36,300				\$111,300
6350100	Construction Services							\$0		\$0
6370100	Land							\$0		\$0
6520100	Legal Fees	\$0								\$0
6520110	Legal Settlements	\$0								\$0
6550100	Miscellaneous Costs	\$0								\$0
6550110	Other Services	\$0		\$0	\$0	\$600	\$0	\$0		\$600
6120100	Electrical, Instrumentation & Control Service						\$0			\$0
6230120	Safety Services						\$0			\$0
6610100	Casualty & Property Insurance			\$0	\$0	\$0				\$0
6630110	Overhead			\$0	\$0	\$0	\$0	\$0		\$0
6650100	Leasehold Rentals	\$0								\$0
6650200	Other Leasehold Costs	\$0								\$0
<b>TOTALS (EXCLUDING ITEMS 6300110-6320140)</b>										
Cost Element #	Cost Element Description	Surface Lease Acquire 01-00001.01	Wellsite Preparation 01-00001.02	Drill 01-00001.03	Case and Suspend 01-00001.04	Complete 01-00001.05	Site Equip 01-00001.06	Well Tie In 01-00001.07	Element	Totals
6300110	Dehydration Equipment						\$0	\$0		\$0
6300130	Heaters & Heat Exchange Equipment						\$0	\$0		\$0
6300150	Separator Equipment						\$0	\$0		\$0
6300210	Treater & Free Water Knockout Equipment						\$71,300			\$71,300
6300220	Storage Vessels & Tanks						\$91,400			\$91,400
6300230	Pumps - Surface						\$0			\$0
6300260	Valves							\$0		\$0
6310130	Artificial Lift Equipment					\$110,000				\$110,000
6310150	Casing - Conductor & Drive Pipe			\$30,000						\$30,000
6310410	Sucker Rods					\$28,000				\$28,000
6310420	Oil Country Tubular Goods Tubing					\$73,800				\$73,800
6310460	Wellhead Equipment			\$11,000	\$0	\$8,400				\$19,400
6310530	Surface Casing			\$35,000						\$35,000
6310540	Intermediate Casing			\$150,000						\$150,000
6310550	Production Casing				\$350,000	\$0				\$350,000
6310560	Prod Liners & Tiebacks			\$0	\$0	\$0				\$0
6310570	Drill Liners & Tiebacks			\$0						\$0
6320180	Equipment Other					\$14,900	\$226,600	\$0		\$241,500
6310220	Corrosion Protection Equip						\$0	\$0		\$0
6330100	Pipe, Fitting, Flanges & Couplings						\$89,900	\$22,000		\$91,900
6130120	Comm devices and accessories - SCADA						\$20,000			\$20,000
6120110	Electrical, Instrumentation & Control Equip						\$0			\$0
6120120	Measurement Equipment						\$0			\$0
6320140	Engines & Motors						\$0			\$0
<b>TOTAL TANGIBLE ITEMS</b>										
<b>TANGIBLE SPUD</b>										

Signature: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Email Address: \_\_\_\_\_  
 Company Name: \_\_\_\_\_



PROJECT NAME	Harroun Trust 31 Fed Com 2H			PROJECT NUM	01-02435
OPERATOR	Devon Energy Production Company, L.P.	LAND	Ken Gray	DATE SUBMITTED	NO DATE ENTERED
DIVISION	NO DIVISION ENTERED	RESERVOIR	Jeff Bentley	1MD(FT)	NO TMD ENTERED
DISTRICT	Mid-Continent Division	GEOLOGIST	Craig Harran	TVD (FT)	NO TVD ENTERED
SUB DISTRICT	Parmian Basin	GEOPHYSICIST	Larry Dewett	PBTMD(FT)	NO PBTMD ENTERED
REGION	PB New Mexico	DRLG ENGINEER	John Logemann	PBTVD(FT)	NO PBTVD ENTERED
FIELD GROUP	Potato Basin Area	PROD ENGINEER	Jlm Cromer	KB ELEV(FT)	NO KB ELEV ENTERED
FIELD	Culebra Bluff South	DRLG SUPT	NO DRLG SUPT ENTERED	GL(FT)	NO GROUND ELEV ENTERED
COUNTY	Eddy	COST CTR NUM	1000038701	EST SPUD DATE	NO DATE ENTERED
STATE	NM	COST CTR NAME	Harroun Trust 31 Fed Com 2H	API #	NO API ENTERED

LEGAL DESC SURFACE LOCATION: 330' F8L & 330' FWL, Sec. 31-T23S-R29E / BOTTOM HOLE LOCATION: 2310' F8L & 330' FWL, Sec. 30-T23S-R29E

WORK DESC Drill & Complete Lower Brushy Canyon Horizontal Delaware Oil Well

### Drill and Complete Cost Plan Summary

Cost Element #	Cost Element Description	Surface Lease Acquire 01-02435.01	Wellsite Preparation 01-02435.02	Drill 01-02435.03	Case and Suspend 01-02435.04	Complete 01-02435.05	Site Equip 01-02435.06	Well Tie In 01-02435.07	Element	Totals
6010100	Employee Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6020100	Contract Labor							\$0		\$0
6060100	Dyed Liquid Fuels (Texas Only)			\$0	\$0	\$0	\$0	\$0		\$0
6060110	Liquid Fuels - Other			\$200,000	\$20,000	\$0	\$0	\$0		\$220,000
6060120	Electricity & Utilities			\$0	\$0	\$0	\$0	\$0		\$0
6080110	Disposal - Saltwater & Other Fluids			\$250,000	\$0	\$150,000	\$0	\$0		\$400,000
6090100	Fluids - Water		\$0	\$150,000	\$0	\$132,000	\$0	\$0		\$282,000
6090110	Fluids - Lube & Hydraulic Oil							\$0		\$0
6100100	Permitting, Surveying & Title Services	\$0	\$0			\$0	\$0	\$0		\$0
6100110	Right Of Way	\$0						\$0		\$0
6110100	Roads & Location Recovery			\$0		\$0				\$0
6110120	Road & Site Preparation Materials & Supplies						\$0	\$0		\$0
6110130	Road & Site Preparation Services		\$0			\$16,500	\$0	\$0		\$16,500
6110170	Damages & Remediation	\$0	\$0				\$0	\$0		\$0
6120120	Measurement Equipment							\$83,500		\$83,500
6130170	Communication Services - Other			\$2,000	\$0	\$0	\$0	\$0		\$2,000
6140100	Enviro - Community Consultations	\$0								\$0
6140110	Enviro - Compliance & Fines	\$0								\$0
6140160	Enviro - Services	\$0		\$0	\$0	\$5,500				\$5,500
6150100	Logging, Perf & W/L Services (CH Only)			\$100,000	\$0	\$93,500				\$193,500
6160100	Materials & Supplies		\$0	\$20,000	\$0	\$0	\$0	\$0		\$20,000
6170100	Pulling & Swabbing Services					\$92,400				\$92,400
6170110	Snubbing & Coil Tubing Services					\$0				\$0
6180130	Vehicles - Usage		\$0	\$0	\$0	\$0	\$0	\$0		\$0
6190110	Trucking & Hauling		\$0	\$90,000	\$7,000	\$3,300	\$0	\$0		\$70,300
6320160	Welding Services			\$30,000	\$0	\$0				\$30,000
6200110	Inspection Services			\$0	\$0	\$0	\$0	\$0		\$0
6200130	Consultants - Technical & Professional Fees	\$0	\$0	\$130,000	\$14,000	\$27,000	\$0	\$0		\$171,000
6310120	Stimulation Services					\$1,647,600				\$1,647,600
6310200	Casing & Tubular Services			\$30,000	\$40,000	\$3,900				\$73,900
6310250	Cementing Services			\$100,000	\$200,000	\$5,500				\$305,500
6310280	Daywork Costs			\$750,000	\$150,000	\$0				\$900,000
6310290	Turnkey Drilling Costs			\$0	\$0	\$0				\$0
6310300	Directional Services			\$370,000	\$0	\$0				\$370,000
6310310	Drill Bits			\$120,000	\$0	\$0				\$120,000
6310330	Drilling and Completion Fluids & Services			\$50,000	\$0,000	\$0				\$50,000
6310350	Fishing Services			\$0	\$0	\$0				\$0
6310360	Footage Costs			\$0		\$0				\$0
6310370	Mob & Demobilization			\$500,000		\$0				\$500,000
6310380	Open Hole Evaluation			\$0		\$0				\$0
6310480	Well Testing Services					\$83,200				\$83,200
6320100	Equipment Services - Surface Rentals			\$75,000	\$10,000	\$72,100	\$0	\$0		\$157,100
6320110	Equipment Services - Downhole Rentals			\$75,000	\$0	\$36,300				\$111,300
6350100	Construction Services							\$0		\$0
6370100	Land							\$0		\$0
6520100	Legal Fees	\$0								\$0
6520110	Legal Settlements	\$0								\$0
6550100	Miscellaneous Costs	\$0								\$0
6550110	Other Services	\$0		\$0	\$0	\$600	\$0	\$0		\$600
6120100	Electrical, Instrumentation & Control Service						\$0			\$0
6230120	Safety Services						\$0			\$0
6610100	Casualty & Property Insurance			\$0	\$0	\$0				\$0
6630110	Overhead			\$0	\$0	\$0	\$0	\$0		\$0
6650100	Leasehold Rentals	\$0								\$0
6650200	Other Leasehold Costs	\$0								\$0
TOTAL INTANGIBLE ITEMS				\$112,000	\$20,000	\$26,300	\$0	\$3,500		\$161,800

Cost Element #	Cost Element Description	Surface Lease Acquire 01-02435.01	Wellsite Preparation 01-02435.02	Drill 01-02435.03	Case and Suspend 01-02435.04	Complete 01-02435.05	Site Equip 01-02435.06	Well Tie In 01-02435.07	Element	Totals
6300110	Dehydration Equipment						\$0	\$0		\$0
6300130	Heaters & Heat Exchange Equipment						\$0	\$0		\$0
6300150	Separator Equipment						\$0	\$0		\$0
6300210	Treater & Free Water Knockout Equipment						\$71,300			\$71,300
6300220	Storage Vessels & Tanks						\$91,400			\$91,400
6300230	Pumps - Surface						\$0			\$0
6300260	Valves							\$0		\$0
6310130	Artificial Lift Equipment					\$110,000				\$110,000
6310150	Casing - Conductor & Drive Pipe			\$30,000						\$30,000
6310410	Sucker Rods					\$28,000				\$28,000
6310420	Oil Country Tubular Goods Tubing					\$73,800				\$73,800
6310460	Wellhead Equipment			\$11,000	\$0	\$8,400				\$19,400
6310530	Surface Casing			\$35,000						\$35,000
6310540	Intermediate Casing			\$150,000						\$150,000
6310550	Production Casing				\$350,000	\$0				\$350,000
6310560	Prod Liners & Tiebacks				\$0	\$0				\$0
6310570	Drill Liners & Tiebacks			\$0						\$0
6320180	Equipment Other					\$14,900	\$226,600	\$0		\$241,500
6310220	Corrosion Protection Equip						\$0	\$0		\$0
6330100	Pipe, Fitting, Flanges & Couplings						\$69,900	\$22,000		\$91,900
6130120	Comm devices and accessories - SCADA						\$20,000			\$20,000
6120110	Electrical, Instrumentation & Control Equip						\$0			\$0
6120120	Measurement Equipment						\$0			\$0
6320140	Engines & Motors						\$0			\$0
TOTAL TANGIBLE ITEMS				\$21,000	\$350,000	\$26,300	\$296,300	\$22,000		\$1,015,100
TOTAL				\$21,000	\$350,000	\$26,300	\$296,300	\$22,000		\$1,015,100

Signature: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Email Address: \_\_\_\_\_  
 Company Name: \_\_\_\_\_