



Tim Prout
Landman

Devon Energy Production Co., L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102-8260
Office: (405) 552-6113
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10/11/2018

VIA FED EX

ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079

Re: Marwari 28-16 State Fed Com 238H
SHL 175' FNL & 925' FEL
Section 28-T28S-R32E
BHL 330' FNL & 660' FEL
Section 16-T25S-R32E
Lea County, New Mexico

Case 20154
Proposal Letter

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Marwari 28-16 State Fed Com 238H well to an approximate TVD of 10,000' in order to test the 2nd Bone Spring formation. The proposed surface hole location is approximately 175' FNL & 925' FEL Section 28-T25S-R32E. The proposed bottom hole is approximately 330' FNL & 660' FEL Section 16-T25S-R32E.

To accommodate the 2-mile well Devon proposes forming a working interest unit made up of Section 21 and Section 16, Township 25 South, Range 32 East, Lea County, New Mexico, insofar and only insofar as leases cover depths from below the base of the Delaware formation to the base of the Wolfcamp formation.

Devon is proposing to drill this well subject to the terms of a 2015 AAPL model form Operating Agreement with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,000/\$1,100 Drilling and Producing Overhead Rates

Enclosed you will find Devon's proposed AFE for the procedure reflecting our estimated completed well cost of \$7,019,970.01. Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY LP.
Case No. 20154.
EXHIBIT 1- D

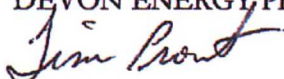
(2/21/19)

If you elect to participate in this well, please return to my attention via mail, email, or fax @ 405-552-6113 a signed AFE and your most updated well requirement sheet including email addresses. If returned by email or fax, the signature will be deemed an original response.

If you have any questions concerning this proposal, please do not hesitate to contact me at (405) 552-6113 or email me at Tim.Prout@dvn.com.

Yours truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in cursive script, appearing to read "Tim Prout".

Tim Prout
Landman

/rf
Enclosures



Authorization for Expenditure

AFE # XX-127256.01

Well Name: MARWARI 28-16 STATE FED COM 238H

Cost Center Number: 1093848501

Legal Description: SECTION 28-25S-32E

Revision: ☐

AFE Date: 10/11/2018

State: NM

County/Parish: LEA

Explanation and Justification:

DRILL AND COMPLETE

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	93,625.00	0.00	0.00	93,625.00
6060130	GASEOUS FUELS	32,700.00	0.00	0.00	32,700.00
6080100	DISPOSAL - SOLIDS	51,230.00	1,050.00	0.00	52,280.00
6080110	DISP-SALTWATER & OTH	0.00	149,625.00	0.00	149,625.00
6090100	FLUIDS - WATER	48,675.00	468,441.28	0.00	517,116.28
6100100	PERMIT SURVEY&TITLE	40,000.00	0.00	0.00	40,000.00
6100110	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	100,000.00	12,600.00	0.00	112,600.00
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130170	COMM SVCS - WAN	4,769.00	0.00	0.00	4,769.00
6130360	RTOC - ENGINEERING	0.00	10,500.00	0.00	10,500.00
6130370	RTOC - GEOSTEERING	28,273.00	0.00	0.00	28,273.00
6150100	CH LOG PERFRTG&WL SV	0.00	278,302.50	0.00	278,302.50
6160100	MATERIALS & SUPPLIES	545.00	0.00	0.00	545.00
6170110	SNUBBG&COIL TUBG SVC	0.00	242,809.59	0.00	242,809.59
6190100	TRCKG&HL-SOLID&FLUID	80,250.00	0.00	0.00	80,250.00
6190110	TRUCKING&HAUL OF EQP	62,400.00	15,750.00	0.00	78,150.00
6200130	CONSLT & PROJECT SVC	95,375.00	94,853.84	0.00	190,228.84
6230120	SAFETY SERVICES	44,963.00	0.00	0.00	44,963.00
6300270	SOLIDS CONTROL SRVCS	107,000.00	0.00	0.00	107,000.00
6310120	STIMULATION SERVICES	0.00	1,905,850.24	0.00	1,905,850.24
6310200	CASING & TUBULAR SVC	79,400.00	0.00	0.00	79,400.00
6310250	CEMENTING SERVICES	157,000.00	0.00	0.00	157,000.00
6310280	DAYWORK COSTS	517,400.00	0.00	0.00	517,400.00
6310300	DIRECTIONAL SERVICES	329,000.00	0.00	0.00	329,000.00
6310310	DRILL BITS	94,100.00	0.00	0.00	94,100.00
6310330	DRILL&COMP FLUID&SVC	219,000.00	2,100.00	0.00	221,100.00
6310380	OPEN HOLE EVALUATION	24,750.00	0.00	0.00	24,750.00
6310480	TSTNG-WELL, PL & OTH	0.00	79,887.24	0.00	79,887.24
6310600	MISC PUMPING SERVICE	0.00	58,302.05	0.00	58,302.05
6320100	EQPMNT SVC-SRF RNTL	59,527.00	201,379.26	0.00	260,906.26
6320110	EQUIP SVC - DOWNHOLE	180,450.00	0.00	0.00	180,450.00
6320160	WELDING SERVICES	2,000.00	0.00	0.00	2,000.00
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
6550110	MISCELLANEOUS SVC	33,650.00	0.00	0.00	33,650.00
6630110	CAPITAL OVERHEAD	8,175.00	0.00	0.00	8,175.00
6740340	TAXES OTHER	272.00	0.00	0.00	272.00
	Total Intangibles	2,529,529.00	3,521,451.00	0.00	6,050,980.00

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310460	WELLHEAD EQUIPMENT	65,000.00	36,750.00	0.00	101,750.00
6310530	SURFACE CASING	22,638.00	0.00	0.00	22,638.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-127256.01

Well Name: MARWARI 28-16 STATE FED COM 238H

Cost Center Number: 1093848501

Legal Description: SECTION 28-25S-32E

Revision: ☐

AFE Date: 07/24/2018

State: NM

County/Parish: LEA

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310540	INTERMEDIATE CASING	350,799.00	0.00	0.00	350,799.00
6310550	PRODUCTION CASING	393,303.01	0.00	0.00	393,303.01
6310580	CASING COMPONENTS	50,500.00	0.00	0.00	50,500.00
	Total Tangibles	932,240.01	36,750.00	0.00	968,990.01

TOTAL ESTIMATED COST	3,461,769.01	3,558,201.00	0.00	7,019,970.01
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.