



Brett Hudson  
Landman

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260  
(405) 228-8589  
(405) 552-8113 FAX

July 8, 2008

**ALL WORKING INTEREST OWNERS**  
**(See Attached List)**

Re: Cowpens 28 Fed Com 1  
1650' FSL & 1650' FEL  
Section 28-T19S-R31E  
Eddy County, New Mexico

Ladies and Gentlemen:


Devon Energy Production Company, L. P. hereby proposes to drill and complete the Cowpens 28 Fed Com 1 well, a 12,500' Morrow/Atoka well to be located in the S/2 of Section 28-T19S-R31E, Eddy County, New Mexico.

Enclosed, in duplicate, for your review is the Devon's Authority for Expenditure (AFE No. 143360) reflecting the estimated dry hole cost of \$2,029,886 and completed well costs of \$3,344,586 for this project. Please advise Devon, within thirty (30) days of receipt hereof, of your election by placing a mark in the appropriate space provided below and return a copy of this letter to my attention at the address above or by fax to (405) 552-8113. An election to participate should be accompanied by an executed AFE and your well requirement sheet including your email address.

Feel free to contact the project engineer, Marcos Ortiz, at (405) 552-8152 or the undersigned at (405) 228-8589 if there are any questions or if additional information is required.

Sincerely,

**DEVON ENERGY PRODUCTION COMPANY, L. P.**

  
Brett A. Hudson  
Landman

Oil Conservation Division  
Case No. 4A  
Exhibit No. 4A

\_\_\_\_\_ I/We hereby **elect to participate** in the drilling of the Cowpens 28 Fed Com 1.

\_\_\_\_\_ I/We hereby **elect not to participate** in the drilling of the Cowpens 28 Fed Com 1 and agree to enter into a one (1) year term assignment with Devon on mutually acceptable forms reserving an overriding royalty interest equal to the difference between twenty-two percent (22%) and existing burdens.

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Fax No. \_\_\_\_\_

**WORKING INTEREST OWNERS**

**COWPENS 28 FED COM 1  
SECTION 28-T19S-R31E  
EDDY COUNTY, NEW MEXICO**

Powder Horn Investments LLC  
P O Box 2503  
Hobbs NM 88241  
Email: [bpeters03@aol.com](mailto:bpeters03@aol.com)  
Phone: 505-391-7333  
Cell: 505-318-1133  
Fax No. 505-393-7333

ABC Rental Tool Co Inc  
P O Box 1500  
Hobbs NM 88241  
Email: [Harry.Teague@teacoenerg.com](mailto:Harry.Teague@teacoenerg.com)  
Fax No. 505-393-9889

Ben Alexander  
4002 16<sup>th</sup> ST #4315  
Lubbock TX 79416  
Email: [benalexander@jmcpa.com](mailto:benalexander@jmcpa.com)  
Phone: 806-281-6411  
Fax No. 806-281-6244

Dasco Energy Corporation  
C/O American ST Bank Trust Dept  
P O Box 1401  
Lubbock TX 79408  
Email: [benalexander@jmcpa.com](mailto:benalexander@jmcpa.com)  
Phone: 806-741-2175  
Fax No. 806-281-6244

Fonay Oil & Gas LLC  
P O Box 1708  
Hobbs NM 88241  
Email: [gwfonay@leaco.net](mailto:gwfonay@leaco.net)  
Phone: 505-392-5960  
Fax No. 505-392-7886

Kent Gabel  
C/O Sudan Feedyard  
P O Box 9  
Sudan TX 79371  
Email: [gaucho@fivearea.com](mailto:gaucho@fivearea.com)  
Phone: 806-946-9690  
Fax No. 806-227-2258

Ross Duncan  
Marbob Energy Corporation  
P O Box 227  
Artesia NM 88211-0227  
Fax No. 505-746-2523

McVay Drilling Company  
P O Box 2450  
Hobbs NM 88241  
Email: [tmcvay@valornet.com](mailto:tmcvay@valornet.com)  
Phone: 505-397-3311  
Fax No. 505-393-7455

EGL Resources Inc  
P O Box 10886  
Midland TX 79702  
Email: [wes@egresources.com](mailto:wes@egresources.com)  
Fax No. 432-682-5852

Moutray Properties LLC  
P O Box 1598  
Carlsbad NM 88241  
Email: [sevenrivers@putn.net](mailto:sevenrivers@putn.net)  
Phone: 505-457-2506  
Fax No. 505-457-2294

Lynx Petroleum Consultants Inc  
P O Box 1708  
Hobbs NM 88241  
Email: [lynxpet@leaco.net](mailto:lynxpet@leaco.net)  
Phone: 505-392-6950  
Fax No. 505-392-7886

Larry R Scott  
P O Box 1708  
Hobbs NM 88241  
Email: [lrrscott@leaco.net](mailto:lrrscott@leaco.net)  
Phone: 505-392-5960  
Fax No. 505-392-7886

Watson O&G Properties LLC  
P O Box 10  
Hobbs NM 88241  
Email: [csmith@watsonauto.com](mailto:csmith@watsonauto.com)  
Fax No. 505-397-1443

Working Interest Owners  
Cowpens 28 Fed Com 1  
Page 2

Land Department  
Harvey E. Yates Company  
P. O. Box 1933  
Roswell, NM 88202-1933  
Phone: 575-623-6601  
Fax No. 575-627-2427

Land Department  
Yates Energy Corporation  
P. O. Box 2323  
Roswell, NM 88202-2323  
Phone: 575-623-4935  
Fax No. 575-623-4947

Land Department  
Jalapeno Corporation  
P. O. Box 1608  
Albuquerque, NM 87106-1608  
Phone: 505-242-2050  
Fax No. 505-242-8501

GAS \_\_\_\_\_  
OIL \_\_\_\_\_



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

DRILLING \_\_\_\_\_  
COMPLETION \_\_\_\_\_

**AUTHORITY FOR EXPENDITURE**  
**DRILLING/COMPLETION COST ESTIMATE**

AFE NO.: 143360  
Lease Name - Well #: Cowpens 28 Fed Com 1  
Legal Description: 1650' FSL & 1650' FEL Section 28-T19S-R31E

County/Parish: Eddy  
State: New Mexico  
Prepared By: Ortiz, Marcos

**AUTHORITY REQUESTED TO:**  
Drill and complete the Cowpens 28 Fed Com #1.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	7,500	0	0	7,500
011	LAND, LEGAL	0	500	0	500
012	COMPL-SURF DAMAGES/RIGHTOFWAY	0	2,900	0	2,900
012	DRILL-SURF DMGS/RIGHT OF WAY	5,000	0	0	5,000
013	COMP-LOCATION, ROADS, PITS, FNS	0	6,200	0	6,200
013	DRILL-LOCATION,ROADS, PITS, FNCS	50,000	0	0	50,000
014	ARCHEOLOGICAL TESTING	2,500	0	0	2,500
019	DRILL-OTHER SITE PREPARATION	10,000	0	0	10,000
019	OTHER SITE PREPARATION	0	6,300	0	6,300
043	DAYWORK	672,000	80,000	0	752,000
044	DRILL-MOB/DEMOBILIZATION	112,000	0	0	112,000
045	DIRECTIONAL DRILLING	150,000	0	0	150,000
049	OTHER CONTRACTOR SERVICES	0	1,200	0	1,200
101	DRILL BITS	66,466	0	0	66,466
102	COMPLETION FLUIDS	0	22,000	0	22,000
102	DRILL-DRILLING FLUIDS	82,500	0	0	82,500
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	25,000	0	0	25,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air u:	0	30,000	0	30,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	0	17,000	0	17,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
109	DRILL-OTHER MATRLS & SUPPLIES	5,000	0	0	5,000
109	OTHER MATERIALS & SUPPLIES	0	4,000	0	4,000
201	DRILL-WELD, ROUTABOUT & OTHER	27,500	0	0	27,500
201	WELDING, ROUSTABOUTS & OTHER SERV	0	70,000	0	70,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	8,000	0	8,000
202	DIRT WORK & HEAVY EQUIPMENT	5,000	0	0	5,000
203	DRILL-TRUCKING & HOTSHOT	12,000	0	0	12,000
203	TRUCKING & HOTSHOT	0	10,000	0	10,000
251	CEMENT & CEMENTING SERVICES	40,000	80,000	0	120,000
254	FLOWBACK EQUIP-TESTING SERVICES	0	10,000	0	10,000
255	DRILL-LOGGING	125,000	0	0	125,000
255	LOGGING	0	50,000	0	50,000
257	DRILL-OPEN HOLE EVALUATION	33,600	0	0	33,600
259	CASING & TUBULAR SERVICES	19,500	20,000	0	39,500
263	DRILL-FLUID DISPOSAL	7,500	0	0	7,500
263	FLUID DISPOSAL	0	5,500	0	5,500
265	STIMULATION & GRAVEL PACK	0	250,000	0	250,000
269	COMPL - CONSULTANTS	0	25,000	0	25,000
269	CONSULTANTS	63,000	0	0	63,000
271	COMPL-FISHING SERVICES	0	3,000	0	3,000

Please include/attach well requirement data with ballot.

GAS \_\_\_\_\_  
OIL \_\_\_\_\_



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

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COMPLETION \_\_\_\_\_

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State: New Mexico  
Prepared By: Ortiz, Marcos

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Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
281	COMMUNICATION SERVICES	4,200	0	0	4,200
302	DRILL-WATER	110,000	0	0	110,000
306	DRILL-POWER & FUEL	109,200	0	0	109,200
501	PULLING & SWABBING UNITS	0	85,000	0	85,000
502	DRILL-SNUB UNIT & COILED TUBING	15,000	0	0	15,000
503	BACKFILL PITS/RESTORE LOCATION	4,200	2,000	0	6,200
552	SAFETY EQUIPMENT & TRAINING	0	1,000	0	1,000
559	COMPL-ENVMNT & SAFETY MISC	0	1,700	0	1,700
711	COMPANY SUPERVISION	0	3,000	0	3,000
721	COMPL- COMPLETION OVERHEAD	0	6,000	0	6,000
831	VEHICLE EXPENSE	0	400	0	400
865	COMPANY BENEFITS	0	1,000	0	1,000
895	DRILL-TAXES -OTHER IDC	107,320	0	0	107,320
Total Intangibles		1,895,986	801,700	0	2,697,686

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
258	COMPL-DIVING/ROV EQ SERVICES	0	20,000	0	20,000
901	SURFACE CASING	21,600	0	0	21,600
902	INTERMEDIATE CASING	102,300	0	0	102,300
903	PRODUCTION CASING	0	240,000	0	240,000
915	TUBING	0	71,000	0	71,000
925	SUBSURFACE EQUIP	0	36,000	0	36,000
931	WELLHEAD VALVES & EQUIPMENT	10,000	32,000	0	42,000
941	TANKS	0	50,000	0	50,000
945	TREATING EQUIPMENT	0	24,000	0	24,000
962	COMPL-STEEL & LINE PIPE	0	25,000	0	25,000
964	COMPL-METERS AND FITTINGS	0	15,000	0	15,000
Total Tangibles		133,900	513,000	0	646,900

TOTAL ESTIMATED COSTS		2,029,886	1,314,700	0	3,344,586
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GAS \_\_\_\_\_  
OIL \_\_\_\_\_



DRILLING \_\_\_\_\_  
COMPLETION \_\_\_\_\_

20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102  
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County/Parish: Eddy  
State: New Mexico  
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AUTHORITY REQUESTED TO:  
  
Drill and complete the Cowpens 28 Fed Com #1.

Note: Costs and participations are generally estimates. Billings will be based on actual expenditures

**WORKING INTEREST OWNER APPROVAL**

Company name:

Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_