



Jim Ball
Land Advisor

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 552-3384
Fax: (405) 552-8113

August 5, 2010

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067

Attention: Mr. Charlie Hill
Land Manager of Mineral Management Department

RE: Loving 7 Fee 1H
L. E. Ranch Wells
Chaves County, NM

Dear Mr. Hill,

I have enclosed one copy of the Joint Operating Agreement for you to review. In the event you decide to participate, and this JOA is acceptable, please let me know and I will provide the applicable signatory pages for the JOA along with the Recording Supplement of Operating Agreement. When all of the elections are known and title is confirmed, a revised Exhibit "A" will be provided that reflects updated information as to working interest owners.

If you have any questions concerning this matter or the documents, please contact the undersigned at your earliest convenience.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Jim Ball", written over a circular stamp or seal.

Jim Ball
Land Advisor

Loving7#1Hsamedan.doc
Enclosure

Oil Conservation Division

Case No. 7

Exhibit No. 7



Jim Ball
Land Advisor
Jim.Ball@devn.com

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

August 2, 2010

VIA E-MAIL AND
CERTIFIED MAIL

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067
Attention: Mr. Charlie Hill
Land Manager of Mineral Management Department

Re: Loving 7 Fee 1H well and
4 other LE Ranch well Proposals
Chaves County, NM

Dear Mr. Hill:

The Devon Energy Production Company, L.P. ("Devon") proposal letter dated July 14, 2010 did not mention that Devon planned a pilot test into the top of the Devonian formation along with the objective of the horizontal test of the Mississippian Limestone formation. To clarify, Devon's objective is the horizontal Mississippian Limestone formation in all five wells in which APD's are requested and/or proposed. However, while drilling for the Mississippian Limestone, the Devonian formation is only a few hundred feet deeper and Devon plans to drill a pilot hole into the top of the Devonian formation before the horizontal leg is drilled into the Mississippi Limestone. If there is no apparent success in the Mississippian Limestone after drilling and completing a well as a horizontal Mississippian Limestone, and if there are indications that there might be a need to complete the Devonian based on the pilot hole, then it is possible that Devon could elect to make a Devonian completion or within any other up hole zone or formations that Devon desires to complete.

In the event the Mississippian Limestone is drilled and completed and it appears to be successful and even if the Devonian formation looks promising too, the well will be drilled and completed

as a horizontal Mississippian Limestone well as planned. The five AFE's reflect the cost of this procedure in all five proposals.

The Devon Joint Operating Agreement which is now prepared and ready for distribution does reflect the pilot hole for the top of the Devonian. Be advised that Devon plans on drilling these five locations back to back.

In addition to the above clarification, Devon will drill the Loving 7 Fee 1H as a deviated hole to a point directionally whereby the bottom hole location will be approximately 120 feet to the East at the top of the Devonian. Therefore, as proposed and amended, the Loving 7 Fee 1H well bore location is shown immediately below:

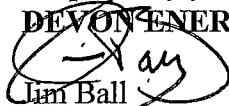
- Surface Location: 2500' FNL and 1400' FEL of Section 7, T10S-R29E, Chaves County, NM
- Bottom Hole Location for horizontal Mississippian Limestone: 2500' FNL and 1980' FWL of Section 8, T10S-R29E, Chaves County, NM
- Bottom Hole Location for Pilot Hole (At the top of the Devonian): 2500' FNL and 1280' FEL of Section 7, T10S-R29E, Chaves County, NM (Was previously proposed at 1,400' FEL)
- Pilot Hole Total Depth: Approximate top of Devonian 8,550'
- Landing Depth: Approximately 8,065'
- Total measured Depth: Approximately 11,565'
- Note: The Loving 7 Fee 1H is a legal location if drilled as a horizontal Mississippian Limestone whereas this well is a non-standard vertical location in the Devonian.

On all five locations, Devon has filed the force pooling applications as well as non standard location applications (where applicable) for a September 2, 2010 hearing date. The Loving 7 Fee #1H hearing date for the force pooling and the NSL has been moved back to the same September 2, 2010 hearing date.

I hope this letter clarifies and updates you fully on the proposals. However, if you have any questions please do not hesitate to contact the undersigned.

Respectfully yours,

DEVON ENERGY PRODUCTION COMPANY LP


Jim Ball
Land Advisor

Robertson, Kelly

From: Ball, Jim
Sent: Thursday, July 29, 2010 2:17 PM
To: ORamsey@nobleenergyinc.com
Cc: Robertson, Kelly
Subject: Loving 7 Fee #1H, LE Ranch JOA

Obedia,

I just finished another review of the JOA that is being typed up for distribution. Unfortunately, I have to leave out of state in a few minutes and will not be able to give the JOA final approval until Monday. On Monday, I will image and send out the JOA as well as send via US Mail the original JOA if you still think there is a chance that Samedan will participate.

I would also like to clarify something I noticed in the July 14th, 2010 proposal letter for the captioned well. In the first paragraph of the letter, I had an omission in the well's legal location description which did not make things clear. So to clarify, the surface location is 2500' FNL & 1400' FEL of Section 7, T10S-R29E and the bottom hole location is 2500' FNL & 1980' FWL of Section 8, T10S-R29E. Recall that the well unit covers portions of two sections. All other references including in the AFE and the C-102 plat that accompanied the proposal were clear. Please make note of the situation.

I will call you on Monday. Thanks.

Jim Ball
Land Advisor
Western Division Land

Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260
405 552 3384 Direct
405 552 1440 Fax



Jim Ball
Land Advisor

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

July 14, 2010

VIA FACSIMILE
AND CERTIFIED MAIL

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067
Attn: Mr. Charlie Hill
Land Manager of Mineral Management Department

RE: Horizontal Mississippian Limestone Well Proposal
Loving 7 Fee 1H
Well Unit: S/2 NE/4 & N/2 SE/4 of Section 7 and
S/2 NW/4 & N/2 SW/4 of Section 8
Township 10 South, Range 29 East
Chaves County, New Mexico

Dear Mr. Hill:

Devon Energy Production Company, L.P. ("Devon") hereby proposes the drilling of the Loving 7 Fee 1H to a measured depth of 11,300' to test the Mississippian Limestone formation and any other potentially productive zones. The surface location is located at 2,500' FNL & 1,400' FEL with a bottom hole location of 2,500' FNL & 1,980' FWL of Section 7, T10S, R29E. The well unit will encompass the S/2 NE/4 & N/2 SE/4 of Section 7 and S/2 NW/4 & N/2 SW/4 of Section 8. Enclosed for your review are two (2) copies of Devon's Authority for Expenditure ("AFE") reflecting a cost estimate of \$3,098,000.00 for a completed well and a copy of the approved Application for Permit to Drill ("APD").

Should you desire to participate in the drilling of the Loving 7 Fee 1H well, please return one fully executed AFE, as well as one fully executed copy of this letter to the undersigned at your earliest possible convenience. Also, it is imperative that you provide your e-mail address and fax number below in order to receive well information in a timely manner. Devon will mail you the Joint Operating Agreement covering the well unit provided you elect to participate in the well.

Participants in the well should expect a long delay in the gas pipeline infrastructure construction, even as long as a year or more in the event the completion is successful.

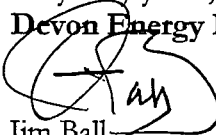
In the event you do not wish to participate, Devon offers the following option:

Lease your mineral interest on an approximate 15 month Oil and Gas Lease with primary Term ending October 1, 2011, to Devon in a 12 section block which would include the proposed well unit. The 12 section block shall not necessarily be contiguous but will be identified and negotiated between Devon and the mineral owner prior to the execution of the lease. The lease would deliver to Devon a 78% net revenue interest proportionately reduced. Devon will pay a lease bonus of \$100.00 per net mineral acre within the 12 sections well units. The lease would provide a 180 day continuous development with a banked time provision. After expiration of the primary term Devon shall retain rights held within the producing well or wells well units, or wells capable of producing in paying quantities oil and/or gas as to all rights from the surface to 100 feet below the stratigraphic equivalent of the base of the formation found at the deepest depth from which the well was drilled under the lease.

Your prompt consideration of the above terms is greatly appreciated. Devon Plans to spud this well on August 15, 2010.

Should you have any technical questions please contact Steven Jones at (405) 552-7994 or non-technical questions please contact the undersigned at (405) 552-3384.

Very truly yours,
Devon Energy Production Company, L.P.


Jim Ball
Land Advisor

____ I/We hereby elect to participate in the drilling of the Loving 7 Fee 1H well.

____ I/We hereby elect NOT to participate in the drilling of the Loving 7 Fee 1H well.

Company: _____

By: _____ Fax: _____

Date: _____ E-mail: _____

cc: Obedia Ramsey fax (281) 874-6753

*** TX REPORT ***

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Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102

Jim Ball
Land Advisor
Phone (405) 552-3384
Fax (405) 442-8113

Subject Loving 7 Fee 1H

Pages

10 Total
5 PAGES

To Sandon Roy Corp Attn. Obedia Ramsey for Charlie Hill

Fax % 281-874-6753

From Jim Ball

Date July 14, 2010



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102

Jim Ball
Land Advisor
Phone (405) 552-3384
Fax (405) 442-8113

Subject Loving 7 Fee 1H

Pages

10 Total
5 Pages

To Samedan Roy Corp. Attn. Obedia Ramsey for Charlie Hill

Fax c/o 281-874-6753

From Jim Ball

Date July 14, 2010

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

GAS _____
OIL _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102
AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

DRILLING _____
COMPLETION _____

AFE NO.:	155567	AFE Date:	06/21/2010	County/Parish:	Chaves
Lease Name - Well #:	Loving 7 Fee 1H	State:	New Mexico	Prepared By:	Jones, Steven
Legal Description:	SHL: SW NE Sec. 7-T10S-R29E; BHL: SE NW Sec. 8-T10S-R29E				

AUTHORITY REQUESTED TO:

Loving 7 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	5,000	0	0	5,000
012	DRILL-SURF DMGS/RIGHT OF WAY	20,000	0	0	20,000
013	DRILL-LOCATION,ROADS, PITS, FNCS	70,000	0	0	70,000
019	DRILL-OTHER SITE PREPARATION	5,000	0	0	5,000
019	OTHER SITE PREPARATION	0	4,000	0	4,000
043	DAYWORK	464,000	45,000	0	509,000
044	DRILL-MOB/DEMOBILIZATION	100,000	0	0	100,000
045	DIRECTIONAL DRILLING	150,000	0	0	150,000
101	COMPL-DRILL BITS	0	2,500	0	2,500
101	DRILL BITS	55,000	0	0	55,000
102	DRILL-DRILLING FLUIDS	60,000	0	0	60,000
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	65,000	0	0	65,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air w	0	30,000	0	30,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
105	CLOSED LOOP SYSTEM COSTS	150,000	0	0	150,000
109	DRILL-OTHER MATRLS & SUPPLIES	10,000	0	0	10,000
201	DRILL-WELD, ROUTABOUT & OTHER	15,000	0	0	15,000
201	WELDING, ROUSTABOUTS & OTHER SERV	0	20,000	0	20,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	5,000	0	5,000
203	DRILL-TRUCKING & HOTSHOT	3,000	0	0	3,000
203	TRUCKING & HOTSHOT	0	10,000	0	10,000
251	CEMENT & CEMENTING SERVICES	45,000	0	0	45,000
254	FLOWBACK EQUIP-TESTING SERVICES	0	150,000	0	150,000
255	DRILL-LOGGING	100,000	0	0	100,000
255	LOGGING	0	6,000	0	6,000
257	DRILL-OPEN HOLE EVALUATION	14,000	0	0	14,000
259	CASING & TUBULAR SERVICES	15,000	10,000	0	25,000
261	COMPL-MISC.PUMPING SERVICES	0	2,500	0	2,500
263	DRILL-FLUID DISPOSAL	10,000	0	0	10,000
263	FLUID DISPOSAL	0	15,000	0	15,000
265	STIMULATION & GRAVEL PACK	0	450,000	0	450,000
269	COMPL - CONSULTANTS	0	11,000	0	11,000
269	CONSULTANTS	84,000	0	0	84,000
302	DRILL-WATER	10,000	0	0	10,000
302	WATER	0	4,000	0	4,000

Please include/attach well requirement data with ballot.

GAS _____
OIL _____



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

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

DRILLING _____
COMPLETION _____

AFE NO.: 155567

AFE Date: 06/21/2010

County/Parish: Chaves

Lease Name - Well #: Loving 7 Fee 1H

State: New Mexico

Prepared By: Jones, Steven

Legal Description: SHL: SW NE Sec. 7-T10S-R29E; BHL: SE NW Sec. 8-T10S-R29E

AUTHORITY REQUESTED TO:

Loving 7 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
307	DRILL - DYED DIESEL	90,000	0	0	90,000
501	PULLING & SWABBING UNITS	0	18,000	0	18,000
552	SAFETY EQUIPMENT & TRAINING	0	2,000	0	2,000
895	DRILL-TAXES -OTHER IDC	80,000	0	0	80,000
Total Intangibles		1,645,000	785,000	0	2,430,000

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
901	SURFACE CASING	18,000	0	0	18,000
902	INTERMEDIATE CASING	282,000	0	0	282,000
904	CONDUCTOR CASING/DRIVE PIPE	6,000	0	0	6,000
911	LINER	0	80,000	0	80,000
915	TUBING	0	40,000	0	40,000
925	SUBSURFACE EQUIP	0	220,000	0	220,000
931	WELLHEAD VALVES & EQUIPMENT	12,000	10,000	0	22,000
Total Tangibles		318,000	350,000	0	668,000

TOTAL ESTIMATED COSTS		1,963,000	1,135,000	0	3,098,000
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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: _____

Please include/attach well requirement data with ballot.

MODEL FORM OPERATING AGREEMENT

Exhibit "A"

**Attached to and made a part of that certain Joint Operating Agreement dated August 1, 2010
by and between DEVON ENERGY PRODUCTION COMPANY, L.P.
and D.K. Boyd, et al.**

1. Identification of lands subject to this agreement:

Township 10 South, Range 29 East, Chaves County, New Mexico
Section 7: S/2 NE/4, N/2 SE/4
Section 8: S/2 NW/4, N/2 SW/4

2. Restrictions, if any, as to depths, formation, or substances:

None.

3. Percentages or fractional interests of parties to this agreement and their addresses for notice purposes:

<u>PARTNER</u>	<u>INTEREST</u>
Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, Oklahoma 73102-8260	90.000000%
D.K. Boyd P.O. Box 11351 Midland, TX 79702	10.000000%
Total:	100.000000%

Note: The working interest owners percentages are approximated without the benefit of a Drilling Title Opinion. Once a Drilling Title Opinion is completed and potential working interest owners have made their elections, the owners and interest will be confirmed or amended and a revised Exhibit "A" may be submitted to the participants.

4. Oil and gas leases and/or oil and gas interests subject to this agreement (including any amendments, if any):

- | | | |
|----|-------------------|--|
| 1. | Lessor: | L.E. Minerals, Ltd. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 10 South, Range 29 East
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4 |
| 2. | Lessor: | Plains Radio Petroleum, in its individual capacity and exercising rights
For 34T Holding, L.L.C. and Spool Holding, L.L.C. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 10 South, Range 29 East
Section 7: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4 |
| 3. | Lessor: | J.E. and L.E. Mabee Foundation, Inc. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 10 South, Range 29 East
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4 |
| 4. | Lessor: | White Ranch Minerals, Ltd., a Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 10 South, Range 29 East
Section 7: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4 |
| 5. | Lessor: | Elizabeth M. Winston Family Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 10 South, Range 29 East
Section 7: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4 |

6. Lessor: Frederick Winston and James C. Wyman Trustees of the
Francisca S. Winston Testamentary Trust
Lessee: Devon Energy Production Company, L.P.
Lease Date: November 5, 2008
Land Description: Township 10 South, Range 29 East
Section 7: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4
7. Lessor: Selma Andrews Trust, for the benefit of Peggy Barrett
Bank of America, Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 10 South, Range 29 East
Section 7: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4
8. Lessor: Selma E. Andrews Perpetual Charitable Trust,
Bank of America, N.A., Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 10 South, Range 29 East
Section 7: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Section 8: insofar and only insofar as said lease covers the
S/2 NW/4 & N/2 SW/4

END OF EXHIBIT



Jim Ball
Land Advisor

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

July 22, 2010

VIA FACSIMILE
AND CERTIFIED MAIL

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067

Attn: Mr. Charlie Hill
Land Manager of Mineral Management Department

RE: Horizontal Mississippian Limestone Well Proposal
Goodnight 1 Fee 1H
Well Unit: S/2 NE/4 & N/2 SE/4 of Section 1,
T12S-R28E and S/2 NW/4 & N/2 SW/4 of
Section 6, T12S-R29E
Chaves County, New Mexico

Dear Mr. Hill:

Devon Energy Production Company, L.P. ("Devon") hereby proposes the drilling of the Goodnight 1 Fee 1H to a measured depth of 12,588' to test the Mississippian Limestone formation and any other potentially productive zones. The surface location is located at 2,585' FNL & 1,980' FEL of Section 1, T12S-R28E, with a bottom hole location of 1,980' FSL & 1,980' FWL of Section 6, T12S-R29E. The well unit will encompass the S/2 NE/4 & N/2 SE/4 of Section 1, T12S-R28E and the S/2 NW/4 & N/2 SW/4 of Section 6, T12S-R29E. Enclosed for your review are two (2) copies of Devon's Authority for Expenditure ("AFE") reflecting a cost estimate of \$3,145,000.00 for a completed well and a copy of Form C-102.

Should you desire to participate in the drilling of the Goodnight 1 Fee 1H well, please return one fully executed AFE, as well as one fully executed copy of this letter to the undersigned at your earliest possible convenience. Also, it is imperative that you provide your e-mail address and fax number below in order to receive well information in a timely manner. Devon will mail you the Joint Operating Agreement covering the well unit provided you elect to participate in the well.


Participants in the well should expect a long delay in the gas pipeline infrastructure construction, even as long as a year or more in the event the completion is successful.

In the event you do not wish to participate, Devon offers the following option:

Lease your mineral interest on an approximate 15 month Oil and Gas Lease with primary Term ending October 1, 2011, to Devon in a 12 section block which would include the proposed well unit. The 12 section block shall not necessarily be contiguous but will be identified and negotiated between Devon and the mineral owner prior to the execution of the lease. The lease would deliver to Devon a 78% net revenue interest proportionately reduced. Devon will pay a lease bonus of \$100.00 per net mineral acre within the 12 sections well units. The lease would provide a 180 day continuous development with a banked time provision. After expiration of the primary term Devon shall retain rights held within the producing well or wells well units, or wells capable of producing in paying quantities oil and/or gas as to all rights from the surface to 100 feet below the stratigraphic equivalent of the base of the formation found at the deepest depth from which the well was drilled under the lease.

Should you have any technical questions please contact Steven Jones at (405) 552-7994 or non-technical questions please contact the undersigned at (405) 552-3384.

Very truly yours,
Devon Energy Production Company, L.P.


Jim Ball
Land Advisor

____ I/We hereby elect to participate in the drilling of the Goodnight 1 Fee 1H well.

____ I/We hereby elect NOT to participate in the drilling of the Goodnight 1 Fee 1H well.

Company: _____

By: _____ Fax: _____

Date: _____ E-mail: _____

cc: Obedia Ramsey fax (281) 874-6753

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GOODNIGHT "1" FEE	⁶ Well Number 1H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3674.7

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	1	12 S	28 E		2585	NORTH	1980	EAST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	6	12 S	29 E		1980	SOUTH	1980	WEST	CHAVES

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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.

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

Printed Name

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

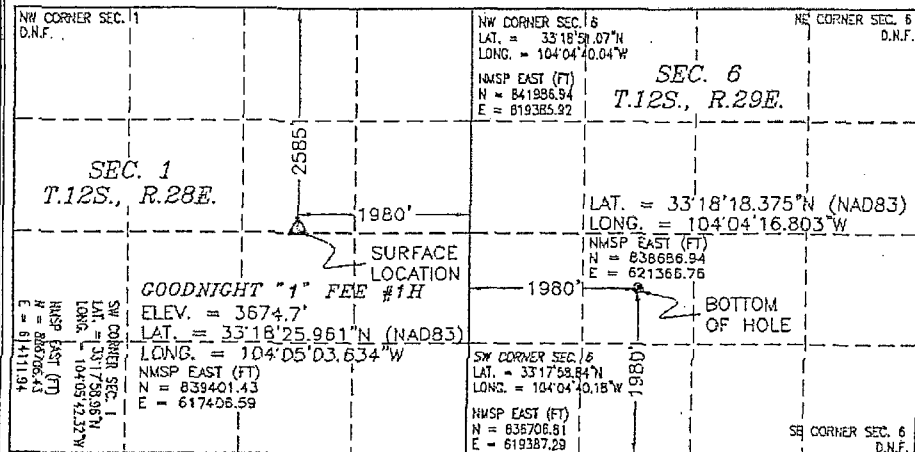
JUNE 30, 2010

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number: EDMOND J. BARAMILLO, PLS 12797

SURVLY NO 134



*** TX REPORT ***

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Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102
Kelly Robertson
Land Associate
Phone (405) 228-8765
Fax (405) 552-8113

Subject	Horizontal Mississippian Limestone Well Proposals	Pages
To	Samedan Royalty Corporation	
Fax	(281) 874-6753	
From	Kelly Robertson	
Date	July 22, 2010	

There are four (4) well proposals attached.



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102

Kelly Robertson
Land Associate
Phone (405) 228-8765
Fax (405) 552-8113

Subject Horizontal Mississippian Limestone Well Proposals Pages
To Samedan Royalty Corporation
Fax (281) 874-6753

From Kelly Robertson
Date July 22, 2010

There are four (4) well proposals attached.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

GAS _____
OIL _____



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

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

DRILLING _____
COMPLETION _____

AFE NO.:	155569	AFE Date:	06/21/2010	County/Parish:	Chaves
Lease Name - Well #:	Goodnight 1 Fee 1H	State:	New Mexico	Prepared By:	Jones, Steven
Legal Description:	SHL: SW NE Sec. 1-T12S-R28E; BHL: NE SW Sec. 6-T12S-R29E				

AUTHORITY REQUESTED TO:

Goodnight 1 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	5,000	0	0	5,000
012	DRILL-SURF DMGS/RIGHT OF WAY	25,000	0	0	25,000
013	DRILL-LOCATION,ROADS, PITS, FNCS	70,000	0	0	70,000
019	OTHER SITE PREPARATION	0	4,000	0	4,000
043	DAYWORK	464,000	45,000	0	509,000
044	DRILL-MOB/DEMOBILIZATION	100,000	0	0	100,000
045	DIRECTIONAL DRILLING	150,000	0	0	150,000
101	COMPL-DRILL BITS	0	3,000	0	3,000
101	DRILL BITS	55,000	0	0	55,000
102	DRILL-DRILLING FLUIDS	60,000	0	0	60,000
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	65,000	0	0	65,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air w	0	30,000	0	30,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	0	10,000	0	10,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
105	CLOSED LOOP SYSTEM COSTS	150,000	0	0	150,000
109	DRILL-OTHER MATRLS & SUPPLIES	10,000	0	0	10,000
201	DRILL-WELD, ROUTABOUT & OTHER	15,000	0	0	15,000
201	WELDING, ROUSTABOUTS & OTHER SERV	0	20,000	0	20,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	5,000	0	5,000
203	DRILL-TRUCKING & HOTSHOT	3,000	0	0	3,000
203	TRUCKING & HOTSHOT	0	10,000	0	10,000
251	CEMENT & CEMENTING SERVICES	45,000	0	0	45,000
254	FLOWBACK EQUIP-TESTING SERVICES	0	150,000	0	150,000
255	DRILL-LOGGING	135,000	0	0	135,000
255	LOGGING	0	6,000	0	6,000
257	DRILL-OPEN HOLE EVALUATION	55,000	0	0	55,000
259	CASING & TUBULAR SERVICES	15,000	10,000	0	25,000
261	COMPL-MISC.PUMPING SERVICES	0	3,000	0	3,000
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269	COMPL - CONSULTANTS	0	11,000	0	11,000
269	CONSULTANTS	84,000	0	0	84,000
302	DRILL-WATER	10,000	0	0	10,000
302	WATER	0	4,000	0	4,000

Please include/attach well requirement data with ballot.

GAS _____
OIL _____



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DRILLING/COMPLETION COST ESTIMATE

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AFE NO.: 155569

AFE Date: 06/21/2010

County/Parish: Chaves

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State: New Mexico

Prepared By: Jones, Steven

Legal Description: SHL: SW NE Sec. 1-T12S-R28E; BHL: NE SW Sec. 6-T12S-R29E

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Goodnight 1 Fee 1H -- Drill and complete a horizontal MSSP gas test.

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	Description	Costs	Costs	Costs	Costs
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501	PULLING & SWABBING UNITS	0	18,000	0	18,000
552	SAFETY EQUIPMENT & TRAINING	0	2,000	0	2,000
895	DRILL-TAXES -OTHER IDC	80,000	0	0	80,000
Total Intangibles		1,721,000	796,000	0	2,517,000

Code	Tangible	Drilling	Completion	Dry Hole	Total
	Description	Costs	Costs	Costs	Costs
901	SURFACE CASING	18,000	0	0	18,000
902	INTERMEDIATE CASING	282,000	0	0	282,000
903	PRODUCTION CASING	0	60,000	0	60,000
904	CONDUCTOR CASING/DRIVE PIPE	6,000	0	0	6,000
915	TUBING	0	40,000	0	40,000
925	SUBSURFACE EQUIP	0	200,000	0	200,000
931	WELLHEAD VALVES & EQUIPMENT	12,000	10,000	0	22,000
Total Tangibles		318,000	310,000	0	628,000

TOTAL ESTIMATED COSTS		2,039,000	1,106,000	0	3,145,000
-----------------------	--	-----------	-----------	---	-----------

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: _____

Please include/attach well requirement data with ballot.

A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

| August 1 , 2010 ,
| year

| OPERATOR Devon Energy Production Company, L.P.

| CONTRACT AREA S/2 NE/4, N/2 SE/4 of Section 1, T12S, R28E

| And S/2 NW/4 & N/2 SW/4 of Section 6, T12S, R29E

| Goodnight 1 Fee 1H

| COUNTY OR PARISH OF Chaves , STATE OF New Mexico

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AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. NO. 610 - 1989

Exhibit "A"

**Attached to and made a part of that certain Joint Operating Agreement dated August 1, 2010
by and between DEVON ENERGY PRODUCTION COMPANY, L.P.
and D.K. Boyd, et al.**

1. Identification of lands subject to this agreement:

Township 12 South, Range 28 East, Chaves County, New Mexico
Section 1: S/2 NE/4 & N/2 SE/4
Township 12 South, Range 29 East, Chaves County, New Mexico
Section 6: S/2 NW/4 & N/2 SW/4

2. Restrictions, if any, as to depths, formation, or substances:

None.

3. Percentages or fractional interests of parties to this agreement and their addresses for notice purposes:

<u>PARTNER</u>	<u>INTEREST</u>
Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, Oklahoma 73102-8260	90.000000%
D.K. Boyd P.O. Box 11351 Midland, TX 79702	10.000000%
Total:	100.000000%

Note: The working interest owners percentages are approximated without the benefit of a Drilling Title Opinion. Once a Drilling Title Opinion is completed and potential working interest owners have made their elections, the owners and interest will be confirmed or amended and a revised Exhibit "A" may be submitted to the participants.

4. Oil and gas leases and/or oil and gas interests subject to this agreement (including any amendments, if any):

- | | | |
|----|-------------------|--|
| 1. | Lessor: | L.E. Minerals, Ltd. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4 |
| 2. | Lessor: | Plains Radio Petroleum, in its individual capacity and exercising rights
For 34T Holding, L.L.C. and Spool Holding, L.L.C. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Township 12 South, Range 29 East
Section 6: insofar and only insofar as said lease covers the
Lots 5 & 6, SE/4 NW/4 & NE/4 SW/4 |
| 3. | Lessor: | J.E. and L.E. Mabee Foundation, Inc. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4 |
| 4. | Lessor: | White Ranch Minerals, Ltd., a Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Section 6: insofar and only insofar as said lease covers the
Lots 5 & 6, SE/4 NW/4 & NE/4 SW/4 |
| 5. | Lessor: | Elizabeth M. Winston Family Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Township 12 South, Range 29 East
Section 6: insofar and only insofar as said lease covers the
Lots 5 & 6, SE/4 NW/4 & NE/4 SW/4 |

6. Lessor: Frederick Winston and James C. Wyman Trustees of the
Francisca S. Winston Testamentary Trust
Lessee: Devon Energy Production Company, L.P.
Lease Date: November 5, 2008
Land Description: Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Township 12 South, Range 29 East
Section 6: insofar and only insofar as said lease covers the
Lots 5 & 6, SE/4 NW/4 & NE/4 SW/4
7. Lessor: Selma Andrews Trust, for the benefit of Peggy Barrett
Bank of America, Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Township 12 South, Range 29 East
Section 6: insofar and only insofar as said lease covers the
Lots 5 & 6, SE/4 NW/4 & NE/4 SW/4
8. Lessor: Selma E. Andrews Perpetual Charitable Trust,
Bank of America, N.A., Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 12 South, Range 28 East
Section 1: insofar and only insofar as said lease covers the
S/2 NE/4 & N/2 SE/4
Township 12 South, Range 29 East
Section 6: insofar and only insofar as said lease covers the
Lots 5 & 6, SE/4 NW/4 & NE/4 SW/4

END OF EXHIBIT



Jim Ball
Land Advisor

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

July 22, 2010

VIA FACSIMILE
AND CERTIFIED MAIL

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067
Attn: Mr. Charlie Hill
Land Manager of Mineral Management Department

RE: Horizontal Mississippian Limestone Well Proposal
Longhorn 28 Fee 1H
Well Unit: N/2 of Section 28
Township 10 South, Range 29 East
Chaves County, New Mexico

Dear Mr. Hill:

Devon Energy Production Company, L.P. ("Devon") hereby proposes the drilling of the Longhorn 28 Fee 1H to a measured depth of 12,650' to test the Mississippian Limestone formation and any other potentially productive zones. The surface location is located at 670' FNL & 1,770' FWL with a bottom hole location of 670' FNL & 670' FEL of Section 28, T10S, R29E. The well unit will encompass the N/2 of Section 28. Enclosed for your review are two (2) copies of Devon's Authority for Expenditure ("AFE") reflecting a cost estimate of \$3,145,000.00 for a completed well and a copy of Form C-102.

Should you desire to participate in the drilling of the Longhorn 28 Fee 1H well, please return one fully executed AFE, as well as one fully executed copy of this letter to the undersigned at your earliest possible convenience. Also, it is imperative that you provide your e-mail address and fax number below in order to receive well information in a timely manner. Devon will mail you the Joint Operating Agreement covering the well unit provided you elect to participate in the well.

Participants in the well should expect a long delay in the gas pipeline infrastructure construction, even as long as a year or more in the event the completion is successful.


In the event you do not wish to participate, Devon offers the following option:

Lease your mineral interest on an approximate 15 month Oil and Gas Lease with primary Term ending October 1, 2011, to Devon in a 12 section block which would include the proposed well unit. The 12 section block shall not necessarily be contiguous but will be identified and negotiated between Devon and the mineral owner prior to the execution of the lease. The lease would deliver to Devon a 78% net revenue interest proportionately reduced. Devon will pay a lease bonus of \$100.00 per net mineral acre within the 12 sections well units. The lease would provide a 180 day continuous development with a banked time provision. After expiration of the primary term Devon shall retain rights held within the producing well or wells well units, or wells capable of producing in paying quantities oil and/or gas as to all rights from the surface to 100 feet below the stratigraphic equivalent of the base of the formation found at the deepest depth from which the well was drilled under the lease.

Should you have any technical questions please contact Steven Jones at (405) 552-7994 or non-technical questions please contact the undersigned at (405) 552-3384.

Very truly yours,

Devon Energy Production Company, L.P.


Jim Ball
Land Advisor

____ I/We hereby elect to participate in the drilling of the Longhorn 28 Fee 1H well.

____ I/We hereby elect NOT to participate in the drilling of the Longhorn 28 Fee 1H well.

Company: _____

By: _____ Fax: _____

Date: _____ E-mail: _____

cc: Obedia Ramsey fax (281) 874-6753

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate
District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name LONGHORN "28" FEE	⁶ Well Number 1H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3901.2

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	10 S	29 E		670	NORTH	1770	WEST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	10 S	29 E		670	NORTH	670	EAST	CHAVES

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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.

		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
<p>LONGHORN "28" FEE #1H ELEV. = 3901.2' LAT. = 33°25'22.151"N (NAD83) LONG. = 103°59'36.615"W NMSP EAST (FT) N = 881543.90 E = 645021.58</p> <p>BOTTOM OF HOLE LAT. = 33°25'21.516"N (NAD83) LONG. = 103°59'02.756"W NMSP EAST (FT) N = 881489.18 E = 647891.46</p> <p>SW CORNER SEC 28 LAT. = 33°24'35.38"N LONG. = 103°59'57.60"W NMSP EAST (FT) N = 876862.84 E = 643247.16</p> <p>SE CORNER SEC 28 LAT. = 33°24'35.42"N LONG. = 103°58'54.94"W NMSP EAST (FT) N = 876884.90 E = 648560.44</p>		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 8, 2010</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p> <p>SURVEY NO. 133-R2</p>

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 0390
RECIPIENT ADDRESS 912818746753
DESTINATION ID
ST. TIME 07/22 16:24
TIME USE 05'00
PAGES SENT 20
RESULT OK



Devon Energy Corporation Kelly Robertson
20 North Broadway Land Associate
Oklahoma City, OK 73102 Phone (405) 228-8765
Fax (405) 552-8113

Subject Horizontal Mississippian Limestone Well Proposals

Pages

To Samedan Royalty Corporation

Fax (281) 874-6753

From Kelly Robertson

Date July 22, 2010

There are four (4) well proposals attached.



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102

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Fax	(281) 874-6753	
From	Kelly Robertson	
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AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 155568

AFE Date: 06/21/2010

County/Parish: Chaves

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State: New Mexico

Prepared By: Jones, Steven

Legal Description: SHL: NE NW Sec. 28-T10S-R29E; BHL: NE NE Sec. 28-T10S-R29E

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WORKING INTEREST OWNER APPROVAL

Company name:

Signature: _____ Print Name: _____

Title: _____

Date: _____

Email: _____

A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

| August 1 , 2010 ,
| year

| OPERATOR Devon Energy Production Company, L.P.

| CONTRACT AREA N/2 of Section 28, T10S, R29E

|

| Longhorn 28 Fee 1H

|

| COUNTY OR PARISH OF Chaves , STATE OF New Mexico

COPYRIGHT 1989 – ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

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and D.K. Boyd, et al.

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Section 28: N/2

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3. Percentages or fractional interests of parties to this agreement and their addresses for notice purposes:

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- | | |
|-------------------|--|
| Lessor: | L.E. Minerals, Ltd. |
| Lessee: | Devon Energy Production Company, L.P. |
| Lease Date: | October 1, 2008 |
| Land Description: | Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the NE/4 |
- | | |
|-------------------|--|
| Lessor: | Plains Radio Petroleum, in its individual capacity and exercising rights For 34T Holding, L.L.C. and Spool Holding, L.L.C. |
| Lessee: | Devon Energy Production Company, L.P. |
| Lease Date: | October 1, 2008 |
| Land Description: | Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the NW/4 |
- | | |
|-------------------|--|
| Lessor: | J.E. and L.E. Mabee Foundation, Inc. |
| Lessee: | Devon Energy Production Company, L.P. |
| Lease Date: | October 1, 2008 |
| Land Description: | Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the NE/4 |
- | | |
|-------------------|---|
| Lessor: | White Ranch Minerals, Ltd., a Limited Partnership |
| Lessee: | Devon Energy Production Company, L.P. |
| Lease Date: | November 5, 2008 |
| Land Description: | Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the N/2 |
- | | |
|-------------------|---|
| Lessor: | Elizabeth M. Winston Family Limited Partnership |
| Lessee: | Devon Energy Production Company, L.P. |
| Lease Date: | November 5, 2008 |
| Land Description: | Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the N/2 |

6. Lessor: Frederick Winston and James C. Wyman Trustees of the
Francisca S. Winston Testamentary Trust
Lessee: Devon Energy Production Company, L.P.
Lease Date: November 5, 2008
Land Description: Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the
N/2
7. Lessor: Selma Andrews Trust, for the benefit of Peggy Barrett
Bank of America, Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the
N/2
8. Lessor: Selma E. Andrews Perpetual Charitable Trust,
Bank of America, N.A., Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 10 South, Range 29 East
Section 28: insofar and only insofar as said lease covers the
N/2

END OF EXHIBIT



Jim Ball
Land Advisor

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

July 22, 2010

**VIA FASCIMILE
AND CERTIFIED MAIL**

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067
Attn: Mr. Charlie Hill
Land Manager of Mineral Management Department

RE: Horizontal Mississippian Limestone Well Proposal
Jinglebob 29 Fee 1H
Well Unit: N/2 of Section 29
Township 11 South, Range 29 East
Chaves County, New Mexico

Dear Mr. Hill:

Devon Energy Production Company, L.P. ("Devon") hereby proposes the drilling of the Jinglebob 29 Fee 1H to a measured depth of 11,800' to test the Mississippian Limestone formation and any other potentially productive zones. The surface location is located at 670' FNL & 990' FWL with a bottom hole location of 670' FNL & 670' FEL of Section 29, T11S, R29E. The well unit will encompass the N/2 of Section 29. Enclosed for your review are two (2) copies of Devon's Authority for Expenditure ("AFE") reflecting a cost estimate of \$3,145,000.00 for a completed well and a copy of Form C-102.

Should you desire to participate in the drilling of the Jinglebob 29 Fee 1H well, please return one fully executed AFE, as well as one fully executed copy of this letter to the undersigned at your earliest possible convenience. Also, it is imperative that you provide your e-mail address and fax number below in order to receive well information in a timely manner. Devon will mail you the Joint Operating Agreement covering the well unit provided you elect to participate in the well.

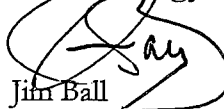
Participants in the well should expect a long delay in the gas pipeline infrastructure construction, even as long as a year or more in the event the completion is successful.

In the event you do not wish to participate, Devon offers the following option:

Lease your mineral interest on an approximate 15 month Oil and Gas Lease with primary Term ending October 1, 2011, to Devon in a 12 section block which would include the proposed well unit. The 12 section block shall not necessarily be contiguous but will be identified and negotiated between Devon and the mineral owner prior to the execution of the lease. The lease would deliver to Devon a 78% net revenue interest proportionately reduced. Devon will pay a lease bonus of \$100.00 per net mineral acre within the 12 sections well units. The lease would provide a 180 day continuous development with a banked time provision. After expiration of the primary term Devon shall retain rights held within the producing well or wells well units, or wells capable of producing in paying quantities oil and/or gas as to all rights from the surface to 100 feet below the stratigraphic equivalent of the base of the formation found at the deepest depth from which the well was drilled under the lease.

Should you have any technical questions please contact Steven Jones at (405) 552-7994 or non-technical questions please contact the undersigned at (405) 552-3384.

Very truly yours,
Devon Energy Production Company, L.P.


Jim Ball
Land Advisor

____ I/We hereby elect to participate in the drilling of the Jinglebob 29 Fee 1H well.

____ I/We hereby elect NOT to participate in the drilling of the Jinglebob 29 Fee 1H well.

Company: _____

By: _____ Fax: _____

Date: _____ E-mail: _____

cc: Obedia Ramsey fax (281) 874-6753

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JINGLEBOB "29" FEE	⁶ Well Number 1H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3752.8

¹⁰ Surface Location

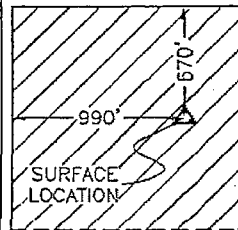
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	11 S	29 E		670	NORTH	990	WEST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	11 S	29 E		670	NORTH	670	EAST	CHAVES

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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.

 <p>JINGLEBOB "29" FEE #1H ELEV. = 3752.8' LAT. = 33°20'29.042"N (NAD83) LONG. = 104°03'29.526"W NMSP EAST (FT) N = 851861.12 E = 625360.18</p>	<p>BOTTOM OF HOLE LAT. = 33°20'28.96"N LONG. = 104°02'46.85"W NMSP EAST (FT) N = 851862.58 E = 625980.68</p>	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>
<p>NW CORNER SEC. 29 LAT. = 33°20'35.24"N LONG. = 104°03'41.00"W NMSP EAST (FT) N = 852530.73 E = 624369.81</p>	<p>NE CORNER SEC. 29 LAT. = 33°20'35.12"N LONG. = 104°02'38.77"W NMSP EAST (FT) N = 852532.84 E = 629649.96</p>	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JUNE 30, 2010 Date of Survey Signature and Seal of Professional Surveyor Certificate Number: FILMON F. JARAMILLO, PLS 12797 SURVEY NO. 135</p>
<p>SEC. 29 T.11S., R.29E.</p>		
<p>SW CORNER SEC. 29 LAT. = 33°19'43.01"N LONG. = 104°03'41.13"W NMSP EAST (FT) N = 847250.51 E = 624372.72</p>	<p>SE CORNER SEC. 29 D.N.F.</p>	

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 0390
RECIPIENT ADDRESS 912818746753
DESTINATION ID
ST. TIME 07/22 16:24
TIME USE 05'00
PAGES SENT 20
RESULT OK



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102
Kelly Robertson
Land Associate
Phone (405) 228-8765
Fax (405) 552-8113

Subject Horizontal Mississippian Limestone Well Proposals Pages
To Samedan Royalty Corporation
Fax (281) 874-6753
From Kelly Robertson
Date July 22, 2010

There are four (4) well proposals attached.



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102

Kelly Robertson
Land Associate
Phone (405) 228-8765
Fax (405) 552-8113

Subject	Horizontal Mississippian Limestone Well Proposals	Pages
To	Samedan Royalty Corporation	
Fax	(281) 874-6753	
From	Kelly Robertson	
Date	July 22, 2010	

There are four (4) well proposals attached.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

GAS _____
OIL _____

DRILLING _____
COMPLETION _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102
AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 155570

AFE Date: 06/21/2010

County/Parish: Chaves

Lease Name - Well #: Jinglebob 29 Fee 1H

State: New Mexico

Legal Description: SHL: NW NW Sec. 29-T11S-R29E; BHL: NE NE Sec. 29-T11S-R29E

Prepared By: Jones, Steven

AUTHORITY REQUESTED TO:
Jinglebob 29 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	5,000	0	0	5,000
012	DRILL-SURF DMGS/RIGHT OF WAY	25,000	0	0	25,000
013	DRILL-LOCATION,ROADS, PITS, FNCS	70,000	0	0	70,000
019	OTHER SITE PREPARATION	0	4,000	0	4,000
043	DAYWORK	464,000	45,000	0	509,000
044	DRILL-MOB/DEMOBILIZATION	100,000	0	0	100,000
045	DIRECTIONAL DRILLING	150,000	0	0	150,000
101	COMPL-DRILL BITS	0	3,000	0	3,000
101	DRILL BITS	55,000	0	0	55,000
102	DRILL-DRILLING FLUIDS	60,000	0	0	60,000
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	65,000	0	0	65,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air u	0	30,000	0	30,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	0	10,000	0	10,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
105	CLOSED LOOP SYSTEM COSTS	150,000	0	0	150,000
109	DRILL-OTHER MATRLS & SUPPLIES	10,000	0	0	10,000
201	DRILL-WELD, ROUTABOUT & OTHER	15,000	0	0	15,000
201	WELDING, ROUSTABOUTS & OTHER SERV	0	20,000	0	20,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	5,000	0	5,000
203	DRILL-TRUCKING & HOTSHOT	3,000	0	0	3,000
203	TRUCKING & HOTSHOT	0	10,000	0	10,000
251	CEMENT & CEMENTING SERVICES	45,000	0	0	45,000
254	FLOWBACK EQUIP-TESTING SERVICES	0	150,000	0	150,000
255	DRILL-LOGGING	135,000	0	0	135,000
255	LOGGING	0	6,000	0	6,000
257	DRILL-OPEN HOLE EVALUATION	55,000	0	0	55,000
259	CASING & TUBULAR SERVICES	15,000	10,000	0	25,000
261	COMPL-MISC.PUMPING SERVICES	0	3,000	0	3,000
263	DRILL-FLUID DISPOSAL	10,000	0	0	10,000
263	FLUID DISPOSAL	0	15,000	0	15,000
265	STIMULATION & GRAVEL PACK	0	450,000	0	450,000
269	COMPL - CONSULTANTS	0	11,000	0	11,000
269	CONSULTANTS	84,000	0	0	84,000
302	DRILL-WATER	10,000	0	0	10,000
302	WATER	0	4,000	0	4,000

GAS _____
OIL _____

DRILLING _____
COMPLETION _____



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

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 155570

AFE Date: 06/21/2010

County/Parish: Chaves

Lease Name - Well #: Jinglebob 29 Fee 1H

State: New Mexico

Legal Description: SHL: NW NW Sec. 29-T11S-R29E; BHL: NE NE Sec. 29-T11S-R29E

Prepared By: Jones, Steven

AUTHORITY REQUESTED TO:

Jinglebob 29 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
307	DRILL - DYED DIESEL	90,000	0	0	90,000
501	PULLING & SWABBING UNITS	0	18,000	0	18,000
552	SAFETY EQUIPMENT & TRAINING	0	2,000	0	2,000
895	DRILL-TAXES -OTHER IDC	80,000	0	0	80,000
Total Intangibles		1,721,000	796,000	0	2,517,000

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
901	SURFACE CASING	18,000	0	0	18,000
902	INTERMEDIATE CASING	282,000	0	0	282,000
903	PRODUCTION CASING	0	60,000	0	60,000
904	CONDUCTOR CASING/DRIVE PIPE	6,000	0	0	6,000
915	TUBING	0	40,000	0	40,000
925	SUBSURFACE EQUIP	0	200,000	0	200,000
931	WELLHEAD VALVES & EQUIPMENT	12,000	10,000	0	22,000
Total Tangibles		318,000	310,000	0	628,000

TOTAL ESTIMATED COSTS		2,039,000	1,106,000	0	3,145,000
-----------------------	--	-----------	-----------	---	-----------

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: _____

Please include/attach well requirement data with ballot.

A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

| August 1 , 2010 ,
| year

| OPERATOR Devon Energy Production Company, L.P.

| CONTRACT AREA N/2 of Section 29, T11S, R29E

|

| Jinglebob 29 Fee 1H

|

| COUNTY OR PARISH OF Chaves , STATE OF New Mexico

COPYRIGHT 1989 - ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

Exhibit "A"

**Attached to and made a part of that certain Joint Operating Agreement dated August 1, 2010
by and between DEVON ENERGY PRODUCTION COMPANY, L.P.
and D.K. Boyd, et al.**

1. Identification of lands subject to this agreement:

Township 11 South, Range 29 East, Chaves County, New Mexico
Section 29: N/2

2. Restrictions, if any, as to depths, formation, or substances:

None.

3. Percentages or fractional interests of parties to this agreement and their addresses for notice purposes:

<u>PARTNER</u>	<u>INTEREST</u>
Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, Oklahoma 73102-8260	90.000000%
D.K. Boyd P.O. Box 11351 Midland, TX 79702	10.000000%
Total:	100.000000%

Note: The working interest owners percentages are approximated without the benefit of a Drilling Title Opinion. Once a Drilling Title Opinion is completed and potential working interest owners have made their elections, the owners and interest will be confirmed or amended and a revised Exhibit "A" may be submitted to the participants.

4. Oil and gas leases and/or oil and gas interests subject to this agreement (including any amendments, if any):

- | | | |
|----|-------------------|--|
| 1. | Lessor: | L.E. Minerals, Ltd. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the NE/4 |
| 2. | Lessor: | Plains Radio Petroleum, in its individual capacity and exercising rights For 34T Holding, L.L.C. and Spool Holding, L.L.C. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the NW/4 |
| 3. | Lessor: | J.E. and L.E. Mabee Foundation, Inc. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the NE/4 |
| 4. | Lessor: | White Ranch Minerals, Ltd., a Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the N/2 |
| 5. | Lessor: | Elizabeth M. Winston Family Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the N/2 |

6. Lessor: Frederick Winston and James C. Wyman Trustees of the
Francisca S. Winston Testamentary Trust
Lessee: Devon Energy Production Company, L.P.
Lease Date: November 5, 2008
Land Description: Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the
N/2
7. Lessor: Selma Andrews Trust, for the benefit of Peggy Barrett
Bank of America, Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the
N/2
8. Lessor: Selma E. Andrews Perpetual Charitable Trust,
Bank of America, N.A., Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 11 South, Range 29 East
Section 29: insofar and only insofar as said lease covers the
N/2

END OF EXHIBIT



Jim Ball
Land Advisor

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

July 22, 2010

VIA FASCIMILE
AND CERTIFIED MAIL

Samedan Royalty Corporation
100 Glenborough Drive, Suite 100
Houston, TX 77067
Attn: Mr. Charlie Hill
Land Manager of Mineral Management Department

RE: Horizontal Mississippian Limestone Well Proposal
Open Range 34 Fee 1H
Well Unit: N/2 of Section 34
Township 11 South, Range 29 East
Chaves County, New Mexico

Dear Mr. Hill:

Devon Energy Production Company, L.P. ("Devon") hereby proposes the drilling of the Open Range 34 Fee 1H to a measured depth of 12,750' to test the Mississippian Limestone formation and any other potentially productive zones. The surface location is located at 670' FNL & 670' FWL with a bottom hole location of 670' FNL & 670' FEL of Section 34, T11S, R29E. The well unit will encompass the N/2 of Section 34. Enclosed for your review are two (2) copies of Devon's Authority for Expenditure ("AFE") reflecting a cost estimate of \$3,145,000.00 for a completed well and a copy of Form C-102.

Should you desire to participate in the drilling of the Open Range 34 Fee 1H well, please return one fully executed AFE, as well as one fully executed copy of this letter to the undersigned at your earliest possible convenience. Also, it is imperative that you provide your e-mail address and fax number below in order to receive well information in a timely manner. Devon will mail you the Joint Operating Agreement covering the well unit provided you elect to participate in the well.

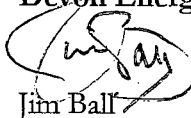
Participants in the well should expect a long delay in the gas pipeline infrastructure construction, even as long as a year or more in the event the completion is successful.

In the event you do not wish to participate, Devon offers the following option:

Lease your mineral interest on an approximate 15 month Oil and Gas Lease with primary Term ending October 1, 2011, to Devon in a 12 section block which would include the proposed well unit. The 12 section block shall not necessarily be contiguous but will be identified and negotiated between Devon and the mineral owner prior to the execution of the lease. The lease would deliver to Devon a 78% net revenue interest proportionately reduced. Devon will pay a lease bonus of \$100.00 per net mineral acre within the 12 sections well units. The lease would provide a 180 day continuous development with a banked time provision. After expiration of the primary term Devon shall retain rights held within the producing well or wells well units, or wells capable of producing in paying quantities oil and/or gas as to all rights from the surface to 100 feet below the stratigraphic equivalent of the base of the formation found at the deepest depth from which the well was drilled under the lease.

Should you have any technical questions please contact Steven Jones at (405) 552-7994 or non-technical questions please contact the undersigned at (405) 552-3384.

Very truly yours,
Devon Energy Production Company, L.P.


Jim Ball
Land Advisor

____ I/We hereby elect to participate in the drilling of the Open Range 34 Fee 1H well.

____ I/We hereby elect NOT to participate in the drilling of the Open Range 34 Fee 1H well.

Company: _____

By: _____ Fax: _____

Date: _____ E-mail: _____

cc: Obedia Ramsey fax (281) 874-6753

kr:\OpenRange34.Samedan

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name OPEN RANGE "34" FEE	⁶ Well Number 1H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3789.5

¹⁰ Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	11 S	29 E		670	NORTH	670	WEST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	11 S	29 E		670	NORTH	670	EAST	CHAVES

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<p>SURFACE LOCATION</p> <p>670'</p> <p>NW CORNER SEC. 34 LAT. = 33°19'42.20"N LONG. = 104°01'38.61"W NMSP EAST (FT) N = 847198.04 E = 634939.81</p>	<p>OPEN RANGE "34" FEE #1H</p> <p>ELEV. = 3789.5'</p> <p>LAT. = 33°19'36.012"N (NAD83) LONG. = 104°01'28.864"W</p> <p>NMSP EAST (FT) N = 846530.09 E = 635611.99</p>	<p>BOTTOM OF HOLE</p> <p>670'</p> <p>NE CORNER SEC. 34 LAT. = 33°19'42.20"N LONG. = 104°00'34.38"W NMSP EAST (FT) N = 847214.18 E = 640221.53</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with the owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
<p>SEC. 34</p> <p>T.11S., R.29E.</p>			<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>JUNE 30, 2010</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number: FILIPONE JARAMILLO, PLS 12797</p> <p>SURVEY NO. 176R</p>
<p>SW CORNER SEC. 34 LAT. = 33°18'49.96"N LONG. = 104°01'36.59"W NMSP EAST (FT) N = 841917.61 E = 634957.01</p>		<p>SE CORNER SEC. 34 D.N.F.</p>	



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102

Kelly Robertson
Land Associate
Phone (405) 228-8765
Fax (405) 552-8113

Subject	Horizontal Mississippian Limestone Well Proposals	Pages
To	Samedan Royalty Corporation	
Fax	(281) 874-6753	
From	Kelly Robertson	
Date	July 22, 2010	

There are four (4) well proposals attached.

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*** TX REPORT ***

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Devon Energy Corporation Kelly Robertson
20 North Broadway Land Associate
Oklahoma City, OK 73102 Phone (405) 228-8765
Fax (405) 552-8113

Subject Horizontal Mississippian Limestone Well Proposals Pages
To Samedan Royalty Corporation
Fax (281) 874-6753
From Kelly Robertson
Date July 22, 2010

There are four (4) well proposals attached.

GAS _____
OIL _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102
AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

DRILLING _____
COMPLETION _____

AFE NO.: 155571

AFE Date: 06/21/2010

County/Parish: Chaves

Lease Name - Well #: Open Range 34 Fee 1H

State: New Mexico

Legal Description: SHL: NW NW Sec. 34-T11S-R29E; BHL: NE NE Sec. 34-T11S-R29E

Prepared By: Jones, Steven

AUTHORITY REQUESTED TO:
Open Range 34 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
011	DRILL-LAND, LEGAL	5,000	0	0	5,000
012	DRILL-SURF DMGS/RIGHT OF WAY	25,000	0	0	25,000
013	DRILL-LOCATION,ROADS, PITS, FNCS	70,000	0	0	70,000
019	OTHER SITE PREPARATION	0	4,000	0	4,000
043	DAYWORK	464,000	45,000	0	509,000
044	DRILL-MOB/DEMOBILIZATION	100,000	0	0	100,000
045	DIRECTIONAL DRILLING	150,000	0	0	150,000
101	COMPL-DRILL BITS	0	3,000	0	3,000
101	DRILL BITS	55,000	0	0	55,000
102	DRILL-DRILLING FLUIDS	60,000	0	0	60,000
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	65,000	0	0	65,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air w	0	30,000	0	30,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	0	10,000	0	10,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
105	CLOSED LOOP SYSTEM COSTS	150,000	0	0	150,000
109	DRILL-OTHER MATRLS & SUPPLIES	10,000	0	0	10,000
201	DRILL-WELD, ROUTABOUT & OTHER	15,000	0	0	15,000
201	WELDING, ROUSTABOUTS & OTHER SERV	0	20,000	0	20,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	5,000	0	5,000
203	DRILL-TRUCKING & HOTSHOT	3,000	0	0	3,000
203	TRUCKING & HOTSHOT	0	10,000	0	10,000
251	CEMENT & CEMENTING SERVICES	45,000	0	0	45,000
254	FLOWBACK EQUIP-TESTING SERVICES	0	150,000	0	150,000
255	DRILL-LOGGING	135,000	0	0	135,000
255	LOGGING	0	6,000	0	6,000
257	DRILL-OPEN HOLE EVALUATION	55,000	0	0	55,000
259	CASING & TUBULAR SERVICES	15,000	10,000	0	25,000
261	COMPL-MISC.PUMPING SERVICES	0	3,000	0	3,000
263	DRILL-FLUID DISPOSAL	10,000	0	0	10,000
263	FLUID DISPOSAL	0	15,000	0	15,000
265	STIMULATION & GRAVEL PACK	0	450,000	0	450,000
269	COMPL - CONSULTANTS	0	11,000	0	11,000
269	CONSULTANTS	84,000	0	0	84,000
302	DRILL-WATER	10,000	0	0	10,000
302	WATER	0	4,000	0	4,000

GAS _____
OIL _____



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

DRILLING _____
COMPLETION _____

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 155571

AFE Date: 06/21/2010

County/Parish: Chaves

Lease Name - Well #: Open Range 34 Fee 1H

State: New Mexico

Legal Description: SHL: NW NW Sec. 34-T11S-R29E; BHL: NE NE Sec. 34-T11S-R29E

Prepared By: Jones, Steven

AUTHORITY REQUESTED TO:

Open Range 34 Fee 1H -- Drill and complete a horizontal MSSP gas test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
307	DRILL - DYED DIESEL	90,000	0	0	90,000
501	PULLING & SWABBING UNITS	0	18,000	0	18,000
552	SAFETY EQUIPMENT & TRAINING	0	2,000	0	2,000
895	DRILL-TAXES -OTHER IDC	80,000	0	0	80,000
Total Intangibles		1,721,000	796,000	0	2,517,000

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
901	SURFACE CASING	18,000	0	0	18,000
902	INTERMEDIATE CASING	282,000	0	0	282,000
903	PRODUCTION CASING	0	60,000	0	60,000
904	CONDUCTOR CASING/DRIVE PIPE	6,000	0	0	6,000
915	TUBING	0	40,000	0	40,000
925	SUBSURFACE EQUIP	0	200,000	0	200,000
931	WELLHEAD VALVES & EQUIPMENT	12,000	10,000	0	22,000
Total Tangibles		318,000	310,000	0	628,000

TOTAL ESTIMATED COSTS		2,039,000	1,106,000	0	3,145,000
-----------------------	--	-----------	-----------	---	-----------

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: _____

A.A.P.L. FORM 610 - 1989

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

| August 1 , 2010 ,
| year

| OPERATOR Devon Energy Production Company, L.P.

| CONTRACT AREA N/2 of Section 34, T11S, R29E

|

| Open Range 34 Fee 1H

|

| COUNTY OR PARISH OF Chaves , STATE OF New Mexico

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AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. NO. 610 – 1989

Exhibit “A”

**Attached to and made a part of that certain Joint Operating Agreement dated August 1, 2010
by and between DEVON ENERGY PRODUCTION COMPANY, L.P.
and D.K. Boyd, et al.**

1. Identification of lands subject to this agreement:

Township 11 South, Range 29 East, Chaves County, New Mexico
Section 34: N/2

2. Restrictions, if any, as to depths, formation, or substances:

None.

3. Percentages or fractional interests of parties to this agreement and their addresses for notice purposes:

<u>PARTNER</u>	<u>INTEREST</u>
Devon Energy Production Company, L.P. 20 North Broadway Oklahoma City, Oklahoma 73102-8260	90.000000%
D.K. Boyd P.O. Box 11351 Midland, TX 79702	10.000000%
Total:	100.000000%

Note: The working interest owners percentages are approximated without the benefit of a Drilling Title Opinion. Once a Drilling Title Opinion is completed and potential working interest owners have made their elections, the owners and interest will be confirmed or amended and a revised Exhibit “A” may be submitted to the participants.

4. Oil and gas leases and/or oil and gas interests subject to this agreement (including any amendments, if any):

- | | | |
|----|-------------------|---|
| 1. | Lessor: | L.E. Minerals, Ltd. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2 |
| 2. | Lessor: | Plains Radio Petroleum, in its individual capacity and exercising rights
For 34T Holding, L.L.C. and Spool Holding, L.L.C. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2 |
| 3. | Lessor: | J.E. and L.E. Mabee Foundation, Inc. |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | October 1, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2 |
| 4. | Lessor: | White Ranch Minerals, Ltd., a Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2 |
| 5. | Lessor: | Elizabeth M. Winston Family Limited Partnership |
| | Lessee: | Devon Energy Production Company, L.P. |
| | Lease Date: | November 5, 2008 |
| | Land Description: | Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2 |

6. Lessor: Frederick Winston and James C. Wyman Trustees of the
Francisca S. Winston Testamentary Trust
Lessee: Devon Energy Production Company, L.P.
Lease Date: November 5, 2008
Land Description: Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2
7. Lessor: Selma Andrews Trust, for the benefit of Peggy Barrett
Bank of America, Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2
8. Lessor: Selma E. Andrews Perpetual Charitable Trust,
Bank of America, N.A., Trustee
Lessee: Devon Energy Production Company, L.P.
Lease Date: December 19, 2008
Land Description: Township 11 South, Range 29 East
Section 34: insofar and only insofar as said lease covers the
N/2

END OF EXHIBIT

DOCKET: EXAMINER HEARING - THURSDAY – SEPTEMBER 2, 2010

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 29-10 and 30-10 are tentatively set for September 2, 2010 and September 16, 2010. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13 requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

Locator Key for Cases

Case 8352 – No. 24
Case 12857 – No. 20
Case 13940 – No. 21
Case 14413 – No. 1
Case 14438 – No. 8
Case 14497 – No. 22
Case 14499 – No. 2
Case 14500 – No. 15
Case 14506 – No. 23
Case 14507 – No. 16
Case 14508 – No. 17
Case 14509 – No. 18
Case 14514 – No. 27
Case 14520 – No. 25
Case 14524 – No. 26
Case 14528 – No. 13
Case 14529 – No. 3
Case 14530 – No. 4
Case 14531 – No. 5
Case 14532 – No. 6
Case 14533 – No. 7
Case 14534 – No. 9
Case 14535 – No. 10
Case 14536 – No. 11
Case 14537 – No. 12
Case 14538 – No. 14
Case 14539 – No. 19

1. **CASE 14413:** (Continued from the August 19, 2010 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against BTA Oil Producers LLC. The application affects the salt water disposal facility associated with the Pardue C 8808 JVP #001, 30- 015-26341, located in Unit "A," Section 11, Township 23 South, Range 28 East in Eddy County, New Mexico. The facility is located less than five miles Northeast of Loving, New Mexico on the Pecos River. The Applicant seeks an order finding the operator in violation of Order No. R-9147-C, 19.15.26.10.B NMAC, 19.15.34 NMAC, 19.15.17 NMAC and 19.15.29 NMAC; requiring the operator to submit a delineation report and complete remediation by dates certain; if operator fails to meet those deadlines ordering the operator to plug and abandon the well and remediate the site by a date certain and authorizing the Division to plug the well, remediate the site and forfeit the applicable financial assurance if the operator fails to meet that deadline; and holding the operator in violation of 19.15.5.9 NMAC or issue an equivalent order, to be kept in place until the operator completes the required corrective action or reimburses the Division for its costs in excess of the forfeited financial assurance to complete the required corrective action.

2. **CASE 14499:** (Continued from the August 27, 2010 Examiner Hearing.)(This case will be continued to the September 16, 2010 Examiner Hearing.)
Application of Cimarex Energy Company of Colorado for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the W/2 W/2 of Section 11, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Bone Spring formation (Turkey Track-Bone Spring Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the W/2 W/2 of said Section 11 to be dedicated to its Parkway "11" State Com No. 1-H well to be drilled horizontally from a surface location 990' from the North line and 660' from the West line to a bottom hole location 330' from the South line and 660' from the West line to a depth sufficient to test the Bone Spring formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Company of Colorado as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 10 miles Southeast of Loco Hills, New Mexico.
3. **CASE 14529:** **Application of Apache Corporation for approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Equis State Exploratory Unit for all formations from the surface to the base of the recambrian formation in an area comprising 2,480.00 acres, more or less, of State of New Mexico lands in Sections 8, 9, 16 and 17 of Township 14 South, Range 35 East, NMPM which is located approximately 11 miles Northwest of Lovington, New Mexico.
4. **CASE 14530:** **Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing unit comprised of the W/2 SW/4 of Section 24 and the W/2 NW/4 of Section 25, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico which will be a 160-acre Project Area for its Wyatt Draw "24/25" LE Well No. 1H to be drilled from a surface location 2310 feet from the South line and 560 feet from the West line (Unit L) of Section 24 and then in a southerly direction in the Bone Spring formation to a terminus 2310 feet from the North line and 560 feet from the West line (Unit E) of said Section 25, and (2) pooling all mineral interests in the Undesignated Yeso formation, in this non-standard spacing and proration unit / project area. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2.5 miles Northwest of Lakewood, New Mexico.
5. **CASE 14531:** **Application of OGX Resources LLC for approval of a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the Unit Agreement for the NLA State Unit Area, comprising 1748.89 acres of state lands covering all or part of Sections 6, 7, and 18, Township 9 South, Range 33 East, NMPM. The proposed unit area is centered approximately 12-1/2 miles North-Northeast of Caprock, New Mexico.
6. **CASE 14532:** **Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2 W/2 of Section 35, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Delaware formation underlying the SW/4 SW/4 of Section 35 to form a standard 40 acre oil spacing and proration unit, and (ii) the Delaware formation underlying the W/2 W/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Willow Lake 35 Com. Well No. 2, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 35. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles South-Southeast of Malaga, New Mexico.
7. **CASE 14533:** **Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 28, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Bradley 28 Fed. Com. Well No. 2, a horizontal well with a surface location 1580 feet from the north line and 65 feet from the west line, and a terminus 1580 feet from the north line and 330 feet from the east line, of Section 28. Applicant further seeks approval of the unorthodox location for the well. Also to be considered will be the cost of drilling and completing the