

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NCD-HOBBS HOBBS OCD

NOV 16 2011

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter abandoned well. Use Form 3160-3 (APD) for such proposals.

Lease Serial No. ~~NMNM 071021X~~
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon Energy Production Co., LP

3a Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)-552-7802

4 Location of Well (Footage, Sec, T, R., M., or Survey Description)
T20S-36E
(see page 2)

7. If Unit of CA/Agreement, Name and/or No.

N 71021X

8. Well Name and No
Reed Sanderson Unit (see detailed list on page 2)

9. API Well No
(see page 2)

10 Field and Pool or Exploratory Area
(see page 2)

11. Country or Parish, State
Lea County, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change of Operator: |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Lynx to Devon |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | (Page 1) |

13 Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

As required by 43 CFR 3100.5(a) and 43 CFR 3162.3 we are notifying you of a change of operator on the above referenced wells:

(see page 2 for Reed Sanderson Unit 2, 3, 4, 5, 6, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19 detail)

Devon Energy Production Co., LP as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease portion of lease described.

Devon Energy Production Co., LP meets federal bonding requirements as follows (43 CFR 3104):
Bond Coverage: Individually Bonded
BLM Bond File: CO-1104

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Effective Date: 06/01/2011

These wells were previously operated by Lynx Petroleum Consultants. See attached documentation and approval from the NMOCD.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Stephanie A. Ysasaga

Title Sr. Staff Engineering Technician

Signature

Date 06/01/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPE7

Date

11/16/11

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFU

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No

LC 054687

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2

1 Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

2 Name of Operator
Devon Energy Production Co., LP

3a. Address
20 North Broadway
OKC, OK 73102

3b Phone No (include area code)
(405)-552-7802

7. If Unit of CA/Agreement, Name and/or No

NM 71021X

8. Well Name and No.

Reed Sanderson Unit (see detail below)

9 API Well No

see below

10 Field and Pool or Exploratory Area
see below

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
T20S-R36E
see detail below

11. Country or Parish, State

Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change of Operator: |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Lynx to Devon |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | (Page 2) |

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

As required by 43 CFR 3100.5(a) and 43 CFR 3162.3 we are notifying you of a change of operator on the above referenced well:

Reed Sanderson Unit 2 / 30-025-04172 / Sec 03-T20S-R36E / 660' FNL & 660' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 3 / 30-025-04178 / Sec 03-T20S-R36E / 660' FNL & 1980' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 4 / 30-025-04187 / Sec 03-T20S-R36E / 1002' FNL & 1652' FEL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 5 / 30-025-04179 / Sec 03-T20S-R36E / 1980' FNL & 1980' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 6 / 30-025-04180 / Sec 03-T20S-R36E / 1980' FNL & 660' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 8 / 30-025-04189 / Sec 04-T20S-R36E / 1980' FSL & 660' FEL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 9 / 30-025-04182 / Sec 03-T20S-R36E / 1980' FSL & 660' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 10 / 30-025-04181 / Sec 03-T20S-R36E / 1980' FSL & 1980' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 11 / 30-025-04186 / Sec 03-T20S-R36E / 1980' FSL & 2310' FEL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 13 / 30-025-04183 / Sec 03-T20S-R36E / 660' FSL & 1980' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 14 / 30-025-04184 / Sec 03-T20S-R36E / 660' FSL & 660' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 15 / 30-025-04191 / Sec 04-T20S-R36E / 600' FSL & 660' FEL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 16 / 30-025-04196 / Sec 09-T20S-R36E / 660' FNL & 660' FEL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 17 / 30-025-04202 / Sec 10-T20S-R36E / 660' FNL & 660' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)
Reed Sanderson Unit 18 / 30-025-04207 / Sec 10-T20S-R36E / 660' FNL & 1980' FWL / Eumont; Yates-7Rvrs-Queen (Oil) (22800) (I)
Reed Sanderson Unit 19 / 30-025-04203 / Sec 10-T20S-R36E / 660' FNL & 2310' FEL / Eumont; Yates-7Rvrs-Queen (Oil) (22800)

I - Injection Well

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Stephanie A. Ysasaga

Title Sr. Staff Engineering Technician

Signature

Date 06/01/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPET

Date

11/11/11

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFD

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

From Operator LYNX PETROLEUM CONSULTANTS INC OGRID 13645
 To Operator DEVON ENERGY PRODUCTION COMPANY, LP OGRID 6137
 Wells Selected for Transfer, Permit 132203
 Permit Status: APPROVED

OCD District Hobbs

| Property Well | Lease Type | ULSTR | OCD Unit | API | Well Type | Pool ID | Pool Name |
|-------------------------------------|------------|--------------|----------|--------------|-----------|---------|------------------------------|
| 309482 ARCO STATE #001Y | S | E-35-15S-36E | E | 30-025-29324 | O | 16720 | DEAN;PERMO PENN |
| 309483 CONTINENTAL COM FEDERAL #001 | F | O-6-19S-32E | O | 30-025-20912 | O | 41589 | LUSK;STRAWN |
| 309465 FEDERAL M #001 | F | L-27-18S-33E | L | 30-025-21893 | O | 13160 | CORBIN;BONE SPRING, SOUTH |
| 309488 HAWKEYE 7 FEDERAL #001 | F | 4-7-19S-32E | M | 30-025-00892 | O | 41440 | LUSK;BONE SPRING |
| HAWKEYE 7 FEDERAL #002 | F | J-7-19S-32E | J | 30-025-35661 | O | 41440 | LUSK;BONE SPRING |
| 309487 LYNX FEDERAL #001 | F | O-15-17S-32E | O | 30-025-27861 | O | 43329 | MALJAMAR;GRAYBURG-SAN ANDRES |
| LYNX FEDERAL #002 | F | E-15-17S-32E | E | 30-025-27857 | G | 80960 | MALJAMAR;QUEEN (GAS) |
| LYNX FEDERAL #003 | F | N-15-17S-32E | N | 30-025-27929 | O | 43329 | MALJAMAR;GRAYBURG-SAN ANDRES |
| LYNX FEDERAL #004 | F | K-15-17S-32E | K | 30-025-28372 | O | 43329 | MALJAMAR;GRAYBURG-SAN ANDRES |
| LYNX FEDERAL #005 | F | F-15-17S-32E | F | 30-025-28679 | O | 43329 | MALJAMAR;GRAYBURG-SAN ANDRES |
| LYNX FEDERAL #006 | F | D-15-17S-32E | D | 30-025-29272 | O | 43329 | MALJAMAR;GRAYBURG-SAN ANDRES |
| LYNX FEDERAL #007 | F | L-15-17S-32E | L | 30-025-00559 | O | 43329 | MALJAMAR;GRAYBURG-SAN ANDRES |
| LYNX | F | J-15- | J | 30- | O | 43329 | MALJAMAR;GRAYBURG- |

| | | | |
|---------------------|---------|--------|---------------------------------|
| FEDERAL #008 | 17S- | 025- | SAN ANDRES |
| | 32E | 00561 | |
| 309475 NANCY #001 P | N-24- | 30- | |
| | 21S- N | 025- O | 6660 BLINEBRY OIL AND GAS (OIL) |
| | 37E | 23219 | |
| | N-24- | 30- | |
| NANCY #001 P | 21S- N | 025- O | 60240 TUBB OIL AND GAS (OIL) |
| | 37E | 23219 | |
| | N-24- | 30- | |
| NANCY #001 P | 21S- N | 025- O | 62700 WANTZ;ABO |
| | 37E | 23219 | |
| 309459 REED | 4-3 - | 30- | |
| SANDERSON F | 20S- D | 025- O | 22800 EUMONT;YATES-7 RVR- |
| UNIT #002 | 36E | 04172 | QUEEN (OIL) |
| REED | 3-3 - | 30- | |
| SANDERSON F | 20S- C | 025- I | 22800 EUMONT;YATES-7 RVR- |
| UNIT #003 | 36E | 04178 | QUEEN (OIL) |
| REED | 2-3 - | 30- | |
| SANDERSON F | 20S- B | 025- O | 22800 EUMONT;YATES-7 RVR- |
| UNIT #004 | 36E | 04187 | QUEEN (OIL) |
| REED | F-3 - | 30- | |
| SANDERSON F | 20S- F | 025- O | 22800 EUMONT;YATES-7 RVR- |
| UNIT #005 | 36E | 04179 | QUEEN (OIL) |
| REED | E-3 - | 30- | |
| SANDERSON F | 20S- E | 025- I | 22800 EUMONT;YATES-7 RVR- |
| UNIT #006 | 36E | 04180 | QUEEN (OIL) |
| REED | I-4 - | 30- | |
| SANDERSON P | 20S- I | 025- I | 22800 EUMONT;YATES-7 RVR- |
| UNIT #008 | 36E | 04189 | QUEEN (OIL) |
| REED | L-3 - | 30- | |
| SANDERSON F | 20S- L | 025- O | 22800 EUMONT;YATES-7 RVR- |
| UNIT #009 | 36E | 04182 | QUEEN (OIL) |
| REED | K-3 - | 30- | |
| SANDERSON F | 20S- K | 025- I | 22800 EUMONT;YATES-7 RVR- |
| UNIT #010 | 36E | 04181 | QUEEN (OIL) |
| REED | J-3 - | 30- | |
| SANDERSON F | 20S- J | 025- O | 22800 EUMONT;YATES-7 RVR- |
| UNIT #011 | 36E | 04186 | QUEEN (OIL) |
| REED | N-3 - | 30- | |
| SANDERSON F | 20S- N | 025- O | 22800 EUMONT;YATES-7 RVR- |
| UNIT #013 | 36E | 04183 | QUEEN (OIL) |
| REED | M-3 - | 30- | |
| SANDERSON F | 20S- M | 025- I | 22800 EUMONT;YATES-7 RVR- |
| UNIT #014 | 36E | 04184 | QUEEN (OIL) |
| REED P | P-4 - P | 30- O | 22800 EUMONT;YATES-7 RVR- |

| | | | | | |
|--------|-----------------|-------|--------|-------|----------------------|
| | SANDERSON | 20S- | 025- | | QUEEN (OIL) |
| | UNIT #015 | 36E | 04191 | | |
| | REED | A-9 - | 30- | | |
| | SANDERSON F | 20S- | 025- I | 22800 | EUMONT;YATES-7 RVRS- |
| | UNIT #016 | 36E | 04196 | | QUEEN (OIL) |
| | REED | D-10- | 30- | | |
| | SANDERSON F | 20S- | 025- O | 22800 | EUMONT;YATES-7 RVRS- |
| | UNIT #017 | 36E | 04202 | | QUEEN (OIL) |
| | REED | C-10- | 30- | | |
| | SANDERSON F | 20S- | 025- I | 22800 | EUMONT;YATES-7 RVRS- |
| | UNIT #018 | 36E | 04207 | | QUEEN (OIL) |
| | REED | B-10- | 30- | | |
| | SANDERSON F | 20S- | 025- O | 22800 | EUMONT;YATES-7 RVRS- |
| | UNIT #019 | 36E | 04203 | | QUEEN (OIL) |
| 309480 | ROBIN 28 | A-28- | 30- | | |
| | FEDERAL #001 F | 18S- | 025- G | 13195 | CORBIN;DELAWARE, |
| | | 33E | 35844 | | WEST |
| 309476 | SHINNER Y 1 | I-1 - | 30- | | |
| | FEDERAL #001 F | 18S- | 025- O | 65350 | YOUNG;BONE SPRING, |
| | | 32E | 30627 | | NORTH |
| 309469 | STATE CP #001 S | 4-1 - | 30- | | |
| | | 18S- | 025- O | 13150 | CORBIN;ABO |
| | | 33E | 20013 | | |
| | | E-1 - | 30- | | |
| | STATE CP #002 S | 18S- | 025- O | 19950 | E-K;YATES-SEVEN |
| | | 33E | 20029 | | RIVERS-QUEEN |

OCD District: Artesia

| Property | Well | Lease Type | ULSTR | OCD Unit | API | Well Type | Pool ID | Pool Name |
|----------|------------------------|------------|--------------|----------|-----------|-----------|---------|----------------------------|
| | FASKEN | | 34-5 - | | 30- | | | |
| 309494 | FEDERAL #002 | F | 21S-26E | N | 015-21246 | G | 70880 | AVALON;ATOKA (GAS) |
| 309484 | FEDERAL HJ-27 #001 | F | E-27-19S-31E | E | 015-25780 | O | 96746 | HACKBERRY;BONE SPRING,EAST |
| 309467 | HANNIFIN #002 | F | E-1 -19S-31E | E | 015-22960 | G | 85300 | SHUGART;MORROW (GAS) |
| 309463 | JONES D #001 | F | E-24-19S-31E | E | 015-10278 | O | 41480 | LUSK;BONE SPRING, WEST |
| 309485 | JONES FEDERAL B F #003 | F | P-23-19S-31E | P | 015-10394 | O | 41480 | LUSK;BONE SPRING, WEST |

| | | | | | | | | |
|--------|----------------------------------|---|----------------------|---|----------------------|---|-------|---------------------------------------|
| 309458 | KITTY HAWK FEDERAL #001 | F | J-1 - 19S- 31E | J | 30- 015- 32746 | G | 96211 | HACKBERRY;DELAWARE, NORTHEAST |
| 309486 | NO AGUA 7 FEDERAL #001 | F | 8-7 - 21S- 26E | D | 30- 015- 34956 | G | 70920 | AVALON;MORROW (GAS) |
| | NO AGUA 7 FEDERAL #001 | F | 8-7 - 21S- 26E | D | 30- 015- 34956 | G | 74400 | CATCLAW DRAW;STRAWN, EAST (GAS) |
| 309468 | PACER 28 FEDERAL #001 | F | G-28- 19S- 31E | G | 30- 015- 32178 | G | 80840 | LUSK;MORROW, WEST (GAS) |
| 309462 | PAN AM STATE COM #001 | S | J-11- 23S- 26E | J | 30- 015- 20296 | G | 73800 | CARLSBAD;ATOKA, SOUTH (GAS) |
| 309495 | RADAR 24 FEDERAL #001 | F | C-24- 19S- 31E | C | 30- 015- 31357 | O | 41480 | LUSK;BONE SPRING, WEST |
| | RADAR 24 FEDERAL #001 | F | C-24- 19S- 31E | C | 30- 015- 31357 | O | 41540 | LUSK;DELAWARE, WEST |

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Conditions of Approval
Reed Sanderson Unit NM71021X**

Devon Energy Production Co., LP

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
3. Submit for approval of water disposal method.
4. Submit updated facility diagrams as per Onshore Order #3
5. This agency shall be notified of any spill or discharge as required by NTL-3A.
6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
8. Subject to like approval by NMOCD.