

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM90534
2. Name of Operator DEVON ENERGY PRODUCTION CO		6. If Indian, Allottee or Tribe Name
Contact: ERIN WORKMAN Email: ERIN.WORKMAN@DVN.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached ✓ 30-0538484
		10. Field and Pool, or Exploratory HACKBERRY
		11. County or Parish, and State EDDY COUNTY, NM

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

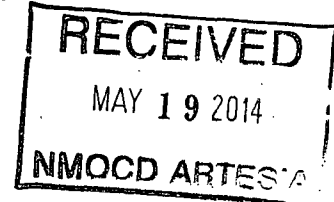
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, LP respectfully requests approval for a Lease Commingle of the following wells:

Beetle Juice 19 Fed 1H
NENE Sec. 19, T19S, R31E
30-015-38484
Hackberry; Bone Spring, NW
NMNM90534

Beetle Juice 19 Fed 2H
NWNE Sec. 19, T19S, R31E
30-015-38989



All wells on same lease, no approval required by BLM. Required by NMOC.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #243551 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad Committed to AFMSS for processing by DUNCAN WHITLOCK on 05/13/2014 (14DW0078SE)	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 04/25/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>EPS</u>	Date <u>05/13/2014</u>
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 Carlsbad

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.

Additional data for EC transaction #243551 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM90534	NMNM90534	BEETLE JUICE 19 FEDERAL 1H	30-015-38484-00-S1	Sec 19 T19S R31E NENE Lot A 250FNL 1670FEL
NMNM90534	NMNM90534	BEETLE JUICE 19 FEDERAL 2H	30-015-38989-00-S1	Sec 19 T19S R31E NWNE 250FNL 1670FEL
NMNM90534	NMNM90534	BETELGEUSE 19 FEDERAL 5H	30-015-41899-00-X1	Sec 19 T19S R31E NENE 430FNL 190FEL
				32.653147 N Lat, 103.900021 W Lon
NMNM90534	NMNM90534	BETELGEUSE 19 FEDERAL 6H	30-015-42031-00-X1	Sec 20 T19S R31E SWNW 1699FNL 0265FWL
				32.645859 N Lat, 103.889999 W Lon

32. Additional remarks, continued

Hackberry; Bone Spring, NW
NMNM90534

Betelgeuse 19 Fed 5H
NENE Sec. 19, T19S, R31E
30-015-41899
Hackberry; Bone Spring, NW
NMNM90534

Betelgeuse 19 Fed 6H
SWNW Sec. 19, T19S, R31E
30-015-42031
Hackberry; Bone Spring, NW
NMNM90534

The central tank battery is located at the Beetle Juice 19 Fed 1H location NENE, Sec.19-T19S-R31E. The production from the Beetle Juice 19 Fed 1H & Beetle Juice 19 Fed 2H will come to a common production header with isolation lines to route each wells production. From this point one well will be on test and its production routed through the test equipment. The Betelgeuse 19 Fed Com 5H & 6H production will flow through their own three phase separator with coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Beetle Juice 19 Fed 1H battery will have three oil tanks that all four wells will utilize and they have a common Duke Energy Central Delivery Point #7296954 which is located on the southwest corner of the facility. Oil, gas, and water volumes from the Beetle Juice 19 Fed 1H & 2H producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Well tests for these wells will be conducted at least once per month, for a minimum of 24 hours to allocate production back to each well. Oil, gas, and water volumes for the Betelgeuse 19 Fed Com 5H & 6H will have their own test separator/heater treater.

Working, royalty, and overriding interest owners are not identical and have been notified via certified mail (see attachment).

APPLICATION FOR A LEASE COMMINGLE

Proposal for a Lease Commingle/Off-Lease Measurement

Devon Energy Production Company, LP is requesting approval for a Lease Commingle due to difference in ownership

Federal Lease: NMNM 90534

Well Name	Surface Location	API #	Pool 97020	BOPD	Oil Gravities	MCFPD	BTU
Beetle Juice 19 Fed 1H	NENE Sec. 19, T19S, R31E	30-015-38484	Hackberry; Bone Spring, NW	34	38	71	1443.7
Beetle Juice 19 Fed 2H	NWNE Sec. 19, T19S, R31E	30-015-38989	Hackberry; Bone Spring, NW	37	37	75	1445.4
Betelgeuse 19 Fed 5H	NENW Sec. 19, T19S, R31E	30-015-41899	Hackberry; Bone Spring, NW	37	37	75	1445.4*
Betelgeuse 19 Fed 6H	SWNW Sec. 20, T19S, R31E	30-015-42031	Hackberry; Bone Spring, NW	37	37	75	1445.4 *

*These numbers are proposed, production volumes will be submitted upon receipt.

Attached is a map displays the federal leases and well locations in Sections 19-T19S-31E & 20-T19S-31E

The BLM's interest in all four wells is the same.

Oil & Gas metering:

The central tank battery is located at the Beetle Juice 19 Fed 1H location NENE, Sec.19-T19S-R31E. The production from the Beetle Juice 19 Fed 1H & Beetle Juice 19 Fed 2H will come to a common production header with isolation lines to route each wells production. From this point one well will be on test and its production routed through the test equipment. The Betelgeuse 19 Fed Com 5H & 6H production will flow through their own three phase separator with coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Beetle Juice 19 Fed 1H battery will have three oil tanks that all four wells will utilize and they have a common Duke Energy Central Delivery Point #7296954 which is located on the southwest corner of the facility. Oil, gas, and water volumes from the Beetle Juice 19 Fed 1H & 2H producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Well tests for these wells will be conducted at least once per month, for a minimum of 24 hours to allocate production back to each well. Oil, gas, and water volumes for the Betelgeuse 19 Fed Com 5H & 6H will have their own test separator/heater treater.

The well which is on test production from the Beetle Juice Fed 1H & 2H flows to the separator, where after separation gas is routed to the gas test meter #677-49-9147, then to the DCP CPD #7296954 on location in Sec. 19-T29S-31E-. Produced water and oil from each well are separated, the oil then flows into an oil production line where it is combined with the other wells oil and flows to one of the 500 bbl. The water is metered using a mag meter and then flows to the 500 bbl. produced water tank, along with the water from the well that was not on test.

The Betelgeuse 19 Fed 5H production flows to a three phase test separator, where after separation gas is routed to the gas test meter (number will be provided upon receipt), then to the DCP CDP #7296954. Produced water and oil are separated, the oil is then metered with a Micro Coriolis meter (number will be provided upon receipt) and water is metered using a mag meter. The oil then flows into an oil production line where it is combined with the other wells oil and flows to one of the 500 bbl. The water from this well flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Betelgeuse 19 Fed 6H production flows to a three phase test separator, where after separation gas is routed to the gas test meter (number will be provided upon receipt), then to the DCP CDP #7296954. Produced water and oil are separated, the oil is then metered with a Micro Coriolis meter (number will be provided upon receipt) and water is metered using a mag meter. The oil then flows into an oil production line where it is combined with the other wells oil and flows to one of the 500 bbl. The water from this well flows to the 500 bbl. produced water tank, along with the water from the other wells.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. ROW NM-127347 & ROW-127345. ROW has been or will be submitted for the Betelgeuse 19 Fed 5H & 6H.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed:

A handwritten signature in black ink, appearing to read "Erin Workman". The signature is written in a cursive, flowing style with a large initial "E".

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 04.25.14

Beetle Juice 19 fed #1
Section 19,T19S,R31E
400FNL&340FEL
Eddy County, N.M
API#

Production System: Open

- 1) Oil sales by tank gauge to tank truck.
- 2) Seal requirements:

A. Production Phase: On all Tanks.

(1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed. ☐

(2) Valve 3 sealed closed. ☐

(3) Valve 4 sealed closed. ☐

(4) Valve 5 sealed closed. ☐

(5) Misc. Valves: Plugged or otherwise unaccessible. ☐

NOTE: Valve 2 is either a test or roll line
 if there is a valve 2 it will be sealed closed. ☐

Ledger for Site Diagram

Valve #1: Production Line ☐

Valve #2: Test or Roll line ☐

Valve #3: Equalizer Line ☐

Valve #4: Circ./Drain Line ☐

Valve #5: Sles Line ☐

Valve #6: BS&W Load Line ☐

Buried Lines: ☐

Firewall: ☐

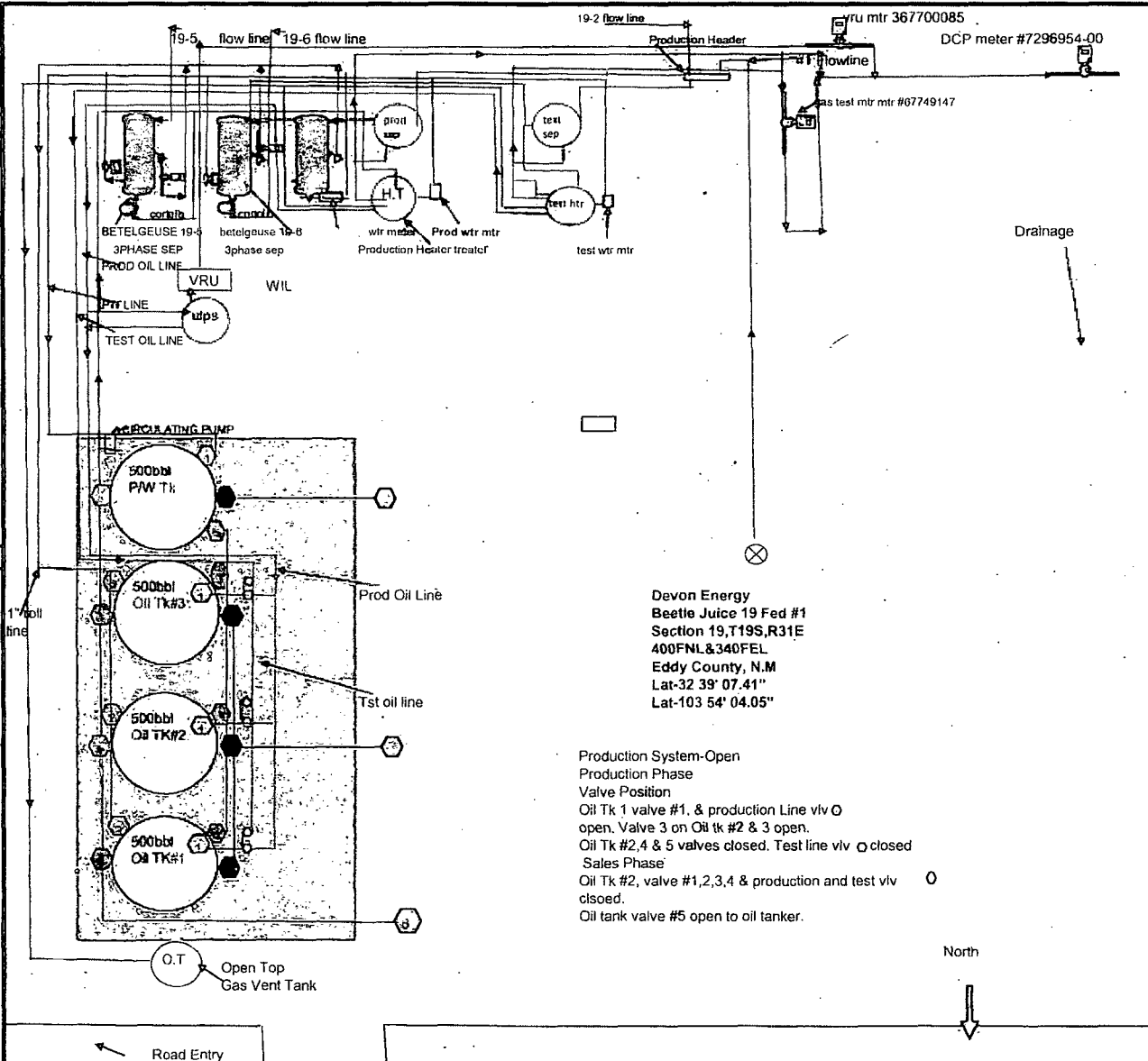
Wellhead: ☐

Stak-pak: ☐

Production line: ☐

Water line: ☐

Gas Meter ☐ ☐ ☐



Devon Energy
 Beetle Juice 19 Fed #1
 Section 19,T19S,R31E
 400FNL&340FEL
 Eddy County, N.M
 Lat-32 39' 07.41"
 Lat-103 54' 04.05"

Production System-Open

Production Phase

Valve Position

Oil Tk 1 valve #1, & production Line vlv ☐

open. Valve 3 on Oil tk #2 & 3 open.

Oil Tk #2,4 & 5 valves closed. Test line vlv ☐ closed

Sales Phase

Oil Tk #2, valve #1,2,3,4 & production and test vlv ☐

closed.

Oil tank valve #5 open to oil tanker.

Economic Justification Report

Beetle Juice 19 Fed 1H

Value (bbl): \$99.09

Value (mcf) \$7.43

Well Name & Number	Type	Fed Lease 1	Royalty Rate	Fed Lease 2 (if applicable)	Royalty Rate	Fed Lease 3 (if applicable)	Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
Beetle Juice 19 Fed 1H	Sweet	NMNM90534	12.50%					34	38	71	1443.7
Beetle Juice 19 Fed 2H	Sweet	NMNM90534	12.50%					37	37	75	1445.4
Betelgeuse 19 Fed 5H	Sweet	NMNM90534	12.50%					37	37	75	1445.4
Betelgeuse 19 Fed 6H	Sweet	NMNM90534	12.50%					37	37	75	1445.4

Signed:

Erin Workman

Date: 4/25/2014

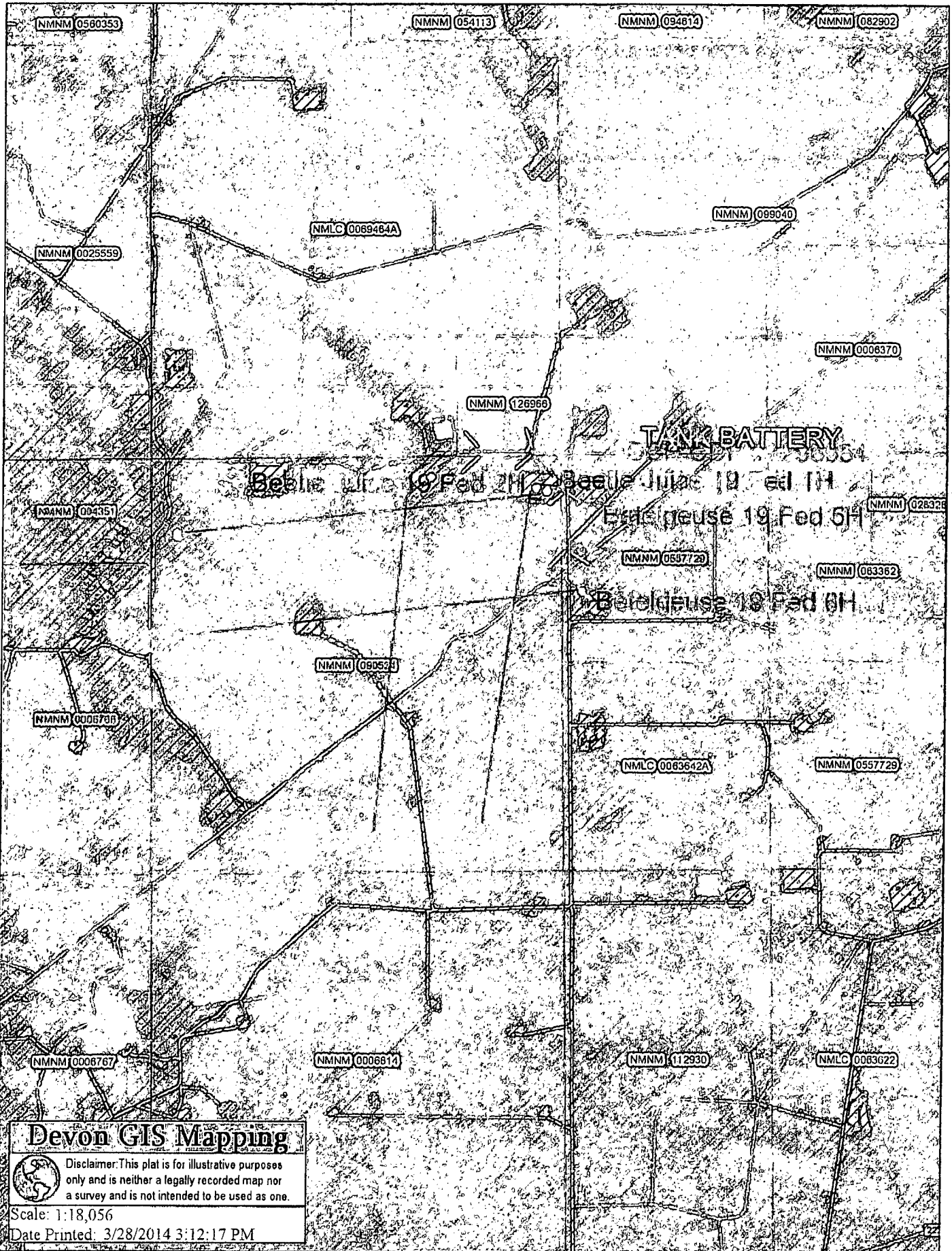
Printed Name: Erin Workman

Title: Regulatory Compliance Associate

Economic Combined Production

BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
145.0	37.2	296.0	1445.0

We have a master sales agreement in place for all the 3rd Bone Spring wells in Parkway and Hackberry units. All new oil production in these areas is sweet. Therefore commingling oil will have no impact on whether the oil is sold as sweet or sour, it is all being sold as sweet. Part of this agreement is that all oil is deemed as 40 API. Therefore, regardless of the API values of the individual wells, the common stream will be sold as if it was 40 API. Since the highest value is at 40API, the commingled stream will have the same value as the two individual streams.



Devon GIS Mapping



Disclaimer: This plot is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one.

Scale: 1:18,056

Date Printed: 3/28/2014 3:12:17 PM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

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Run Date: 04/25/2014

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres 632.680
Serial Number NMNM-- - 090534

Serial Number: NMNM-- - 090534

Name & Address	Int Rel	% Interest
CANNON EXPL CO 3608 S COUNTY ROAD 1184 MIDLAND TX 797066468	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP 333 W SHERIDAN AVE OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
DOMINION OK TX EXPL & PROD INC 14000 QUAIL SPGS PKY #600 OKLAHOMA CITY OK 73134	OPERATING RIGHTS	0.000000000
ELLIOTT ROGER T 4105 BAYBROOK DR MIDLAND TX 79707	OPERATING RIGHTS	0.000000000
HOLLYHOCK CORP 3907 CRESTGATE MIDLAND TX 79707	OPERATING RIGHTS	0.000000000
KHODY LAND & MINERALS CO 210 PARK AVE STE 900 OKLAHOMA CITY OK 731025606	LESSEE	100.000000000
KHODY LAND & MINERALS CO 210 PARK AVE STE 900 OKLAHOMA CITY OK 731025606	OPERATING RIGHTS	39.000000000

Serial Number: NMNM-- - 090534

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0190S	0310E	019	ALIQ	E2,E2W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0190S	0310E	019	LOTS	1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 090534

Act Date	Code	Action	Action Remark	Pending Office
01/19/1993	787	CASE ESTABLISHED	9301162	
01/20/1993	191	SALE HELD		
01/20/1993	267	BID RECEIVED	\$167745.00;	
01/20/1993	392	MONIES RECEIVED	\$1266.00;	
01/28/1993	392	MONIES RECEIVED	\$166479.00;	
02/11/1993	237	LEASE ISSUED		
02/11/1993	974	AUTOMATED RECORD VERIF	LO/MV	
03/01/1993	496	FUND CODE	05;145003	
03/01/1993	530	RLTY RATE - 12 1/2%		
03/01/1993	868	EFFECTIVE DATE		
03/11/1993	111	RENTAL RECEIVED	\$949.50;11/MULTIPLE	
03/24/1993	600	RECORDS NOTED		
04/08/1993	963	CASE MICROFILMED	CNUM 569,714 RGO	
01/10/1994	111	RENTAL RECEIVED	\$949.50;21/42288	
01/09/1995	084	RENTAL RECEIVED BY ONRR	\$949.50;21/0000000448	
01/26/1996	084	RENTAL RECEIVED BY ONRR	\$949.50;21/0000000466	
04/15/1996	140	ASGN FILED	MITCHELL/DREYFUS	
05/21/1996	932	TRF OPER RGTS FILED	L DREYFUS/CANNON ETAL	
07/02/1996	139	ASGN APPROVED	EFF 05/01/96;	
07/02/1996	932	TRF OPER RGTS FILED	L DREYFUS/SANTA FE	
07/02/1996	974	AUTOMATED RECORD VERIF	ANN	
09/03/1996	933	TRF OPER RGTS APPROVED	EFF 06/01/96;	
09/03/1996	974	AUTOMATED RECORD VERIF	LR	
10/17/1996	933	TRF OPER RGTS APPROVED	EFF 08/01/96;	
10/17/1996	974	AUTOMATED RECORD VERIF	MV/MV	
11/06/1996	932	TRF OPER RGTS FILED	CANNON EXPL/SF ENERGY	
12/20/1996	933	TRF OPER RGTS APPROVED	EFF 12/01/96;	
12/20/1996	974	AUTOMATED RECORD VERIF	MV/MV	
01/28/1997	084	RENTAL RECEIVED BY ONRR	\$949.50;21/0000000015	
06/26/1997	932	TRF OPER RGTS FILED	SF ENE/L DREYFUS NG	

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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07/22/1997	933	TRF OPER RGTS APPROVED	EFF 07/01/97;
07/22/1997	974	AUTOMATED RECORD VERIF	MV/MV
10/27/1997	575	APD FILED	
12/18/1997	576	APD APPROVED	1 HACKBERRY "19" FED
01/28/1998	084	RENTAL RECEIVED BY GNRR	\$1266.00;21/000000001
04/14/1998	650	HELD BY PROD - ACTUAL	/1/
09/25/1998	643	PRODUCTION DETERMINATION	/1/
09/25/1998	658	MEMO OF 1ST PROD-ACTUAL	/1/
07/01/1999	940	NAME CHANGE RECOGNIZED	SF ENE RES/SF SNYDER
07/01/1999	974	AUTOMATED RECORD VERIF	JLV
10/11/2000	940	NAME CHANGE RECOGNIZED	SANTA FE/DEVON SFS
10/11/2000	974	AUTOMATED RECORD VERIF	AT
12/12/2001	917	MERGER RECOGNIZED	L DREYFUS/DOMINION
12/12/2002	917	MERGER RECOGNIZED	DEVONSFS/DEVONENEPD
01/04/2007	140	ASGN FILED	DOMINION/LOBOS ENE;1
01/04/2007	932	TRF OPER RGTS FILED	DOMINION/LOBOS ENE;1
05/10/2007	139	ASGN APPROVED	EFF 02/01/07;
05/10/2007	933	TRF OPER RGTS APPROVED	EFF 02/01/07;
05/10/2007	974	AUTOMATED RECORD VERIF	ANN
02/01/2010	817	MERGER RECOGNIZED	LOBOS ENE/KHODY LAND

Serial Number: NMNM-- - 090534

Line Nr	Remarks
0002	04/25/2007 - LOBOS ENERGY PARTNERS LLC NMB000460 S/W



Devon Energy Production Company
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405)-552-7970
Erin.Workman@devn.com

April 25, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Lease Commingle
Beetle Juice 19 Fed 1H & 2H & Betelgeuse 19 Fed 5H & 6H
Sec 19, T19S, R32E & Sec 20, T19S, R31E
NMNM90534
API: #30-015-38484 & 30-015-38989, 30-015-41899, & 30-015-42031
Pool: Hackberry; Bone Spring

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery & Commingle.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-7970 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in black ink, appearing to read "Erin Workman". The signature is fluid and cursive, with the first name "Erin" written in a larger, more prominent script than the last name "Workman".

Erin Workman

Regulatory Compliance Associate

Enclosure

CERTIFIED MAILING LIST

Mailing Reference: **Beetle Juice-Betelgeuse Commingle**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Todd M. Wilson 3608 S. County Road 1184 Midland, TX 79706-6468	91 7199 9991 7032 9949 7291
Durango Production Corporation P.O. Box 4848 Wichita Falls, TX 76308	91 7199 9991 7032 9949 7307
Roger T. & Holly Elliott Family Trust 3910 Tanforan Avenue Midland, TX 79707	91 7199 9991 7032 9949 7314
Khody Land & Minerals Co. 200 Park Avenue, Suite 900 Oklahoma City, OK 73102-5643	91 7199 9991 7032 9949 7321
Cannon Exploration Company 3608 S. County Road 1184 Midland, TX 79706-6468	91 7199 9991 7032 9949 7338
Cimarex Energy Company 600 N. Marienfeld Street, Suite 600 Midland, TX 79701-4405	91 7199 9991 7032 9949 7345
BLM NM State Office Oil & Gas Division 600 E. Greene Street Carlsbad, NM 88220-6292	91 7199 9991 7032 9949 7352

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Erin Workman
Print or Type Name

Signature

Regulatory Compliance Prof.
Title

04.25.14
Date

Erin.Workman@dmv.com
E-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Devon Energy Production Co., LP

OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Please Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☐ Metering ☒ Other (Coriolis Test Method & Well Test Method)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☒ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Erin Workman TITLE: Regulatory Compliance Prof. DATE: 04/25/14

TYPE OR PRINT NAME: Erin Workman TELEPHONE NUMBER: (405) 552-7970

E-MAIL ADDRESS: Erin.workman@dvn.com

NEW MEXICO

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19S - 30E

Beetle Juice 19
Fed 1H & 2H
Betelgeuse 19
Fed 5H & 6H
EDDY, NM

devon

This map is for planning purposes only and is not a legally recorded survey, and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

CGS North American 1927
Datum: North American 1927; Unit: Degree
Created by: dbyad
Map is current as of 30/10/2014



1 inch = 2,083 feet

- Project Areas
- Surface
- Bottom
- Path
- USA NMNM 90534
- USA LC-063642-A
- USA NMNM 0557729
- USA NMNM 28328
- USA NMNM 63362

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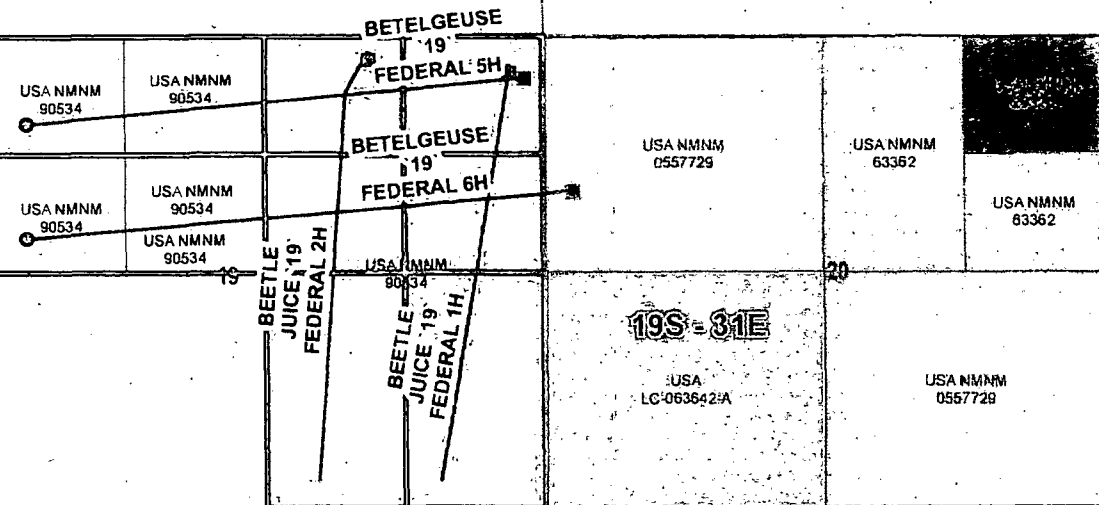
EDDY COUNTY

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3 NMNM 0025559

018

NMLC 0069464A

NMNM 099040

017

NMNM 000

NMNM 126966

NMNM 004351

NMNM 02

NMNM 0557729

NMNM 063

024

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NMNM 0006766

NMLC 0063642A

NMNM 055

5 NMNM 0006767

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NMNM 0006814

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NMNM 112930

NMNM 112930

NMNM 112930

NMLC 0063