

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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 (A-PD) for such proposals.**Carlsbad Field Office**
OCD Artesia5. Lease Serial No.
NMNM16348

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool or Exploratory Area
JENNINGS-BONE SPRING, WEST
PURPLE SAGE-WOLFCAMP (GAS)

11. County or Parish, State

EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY

Contact: ERIN WORKMAN

E-mail: Erin.workman@devn.com

3a. Address

6488 SEVEN RIVERS HIGHWAY
ARTESIA, NM 88211

3b. Phone No. (include area code)

Ph: 405-552-7970

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

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"/> Hydraulic Fracturing	<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 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.

Devon Energy Production Company, LP requests approval for a Pool Commingle for the wells listed on the attached document.

Attachment: Deliverables

SC 3-13-18
Accepted for record - NMOCD

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #400246 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/26/2018 (18PP0854SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 01/10/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

TL PET

Date

3/5/18

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

CFO

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #400246 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM16348	NMNM16348	LUSITANO 27-34 FED COM 235H	30-015-44424-00-X1	Sec 27 T25S R31E NENE 435FNL 295FEL 32.107365 N Lat, 103.758301 W Lon
NMNM16348	NMNM16348	LUSITANO 27-34 FED COM 336H	30-015-44425-00-X1	Sec 27 T25S R31E NENE 235FNL 325FEL 32.107914 N Lat, 103.758591 W Lon
NMNM16348	NMNM16348	LUSITANO 27-34 FED COM 528H	30-015-44426-00-X1	Sec 27 T25S R31E NENE 435FNL 355FEL 32.107365 N Lat, 103.758499 W Lon
NMNM16348	NMNM16348	LUSITANO 27-34 FED COM 536H	30-015-44427-00-X1	Sec 27 T25S R31E NENE 435FNL 325FEL 32.107365 N Lat, 103.758400 W Lon
NMNM16348	NMNM16348	LUSITANO 27-34 FED COM 626H	30-015-44428-00-X1	Sec 27 T25S R31E NENE 235FNL 385FEL 32.107914 N Lat, 103.758591 W Lon
NMNM16348	NMNM16348	LUSITANO 27-34 FED COM 718H	30-015-44429-00-X1	Sec 27 T25S R31E NENE 235FNL 355FEL 32.107914 N Lat, 103.758400 W Lon

APPLICATION FOR POOL COMMINGLING

Proposal for Lusitano 27 CTB 6

Devon Energy Production Company, LP is requesting approval for Pool Commingle for the following wells:

Federal Lease: NMNM16348, NMNM125635, & NMNM128360 (12.5%) CA for 3S Submitted to the BLM 10/18/2017 (Pending) *NM 137693*

Well Name	Location	API #	Pool 97860	BOPD	OG	MCFPD	BTU
Lusitano 27-34 Fed Com 235H	NENE, Sec 27, T25S, R31E	30-015-44424	Jennings; BS, W	143	44	678	1266 *
Lusitano 27-34 Fed Com 336H	NENE, Sec 27, T25S, R31E	30-015-44425	Jennings; BS, W	54	44	151	1270 *
Lusitano 27-34 Fed Com 528H	NENE, Sec 27, T25S, R31E	30-015-44426	Jennings; BS, W	14	47	350	1181 * **
Lusitano 27-34 Fed Com 536H	NENE, Sec 27, T25S, R31E	30-015-44427	Jennings; BS, W	25	47	159	1142 *

Federal Lease: NMNM16348, NMNM125635, & NMNM128360 (12.5%) CA for Wolfcamp Submitted to the BLM 10/18/2017 (Pending) *NM 13769*

Well Name	Location	API #	Pool 98220	BOPD	OG	MCFPD	BTU
Lusitano 27-34 Fed Com 626H	NENE, Sec 27, T25S, R31E	30-015-44428	Purple Sage; WC	117	52	609	1284 *
Lusitano 27-34 Fed Com 718H	NENE, Sec 27, T25S, R31E	30-015-44429	Purple Sage; WC	117	52	609	1284 *

*These are proposed numbers from offset wells, actual production will be provided upon receipt.

**We do not currently have offset data for the Leonard B formation. However, based on the similarities between available data for the Leonard A and Leonard C formations, it is reasonable to assume that the Leonard B could be represented by either.

Attached is a map that displays the federal leases and wells located in Section 27 & 34, T25S, R31E

The BLM's interest in all six wells is 12.5%

CA's have been submitted, waiting on approval from the BLM.

Oil & Gas Metering:

The LUSITANO 27 CTB 6 is located in Sec. 27, NENE, T25S, R31E, Eddy County, New Mexico. It is Devon's intent to commingle oil, gas and water production from multiple target formations into a single production facility. This strategy is advantageous to maximizing royalty value when compared to the option of producing these formations in separate production facilities. The anticipated formations are listed below with their expected API gravity and Btu content as well as a representative production from the past six months. This data originates from nearby offset wells. Actual gas and oil qualities as well as the rates of the proposed wells can be made available after commencing production.

The Lusitano 27-34 Fed Com 336H, 718H, 626H, 235H, 536H, and 528H will be measured continuously through three phase separators using a Micro Motion Coriolis to meter the oil, mag meter to meter the water, and an orifice meter to meter the gas. VRU gas is measured with an orifice meter and is allocated back to each well utilizing a percentage of each wells monthly oil production.

The LUSITANO 27 CTB 6 contains two oil tanks. Oil from each well commingles downstream of the 3-phase vessels and then eventually flows into the tanks. They will share a common Federal Measurement Point # **(will be made available upon receipt)** on location at the LUSITANO 27 CTB 6 is located in Sec. 27, T25S, R31E. They will also share a common LACT Smith Meter # **(will be made available upon receipt)**.

The Lusitano 27-34 Fed Com 336H well will have its own dedicated three phase test separator. After gas is separated, it will be routed to the gas test meter # **(will be made available upon receipt)**, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flow to the Federal Measurement Point # **(will be made available upon receipt)**. After separation, the produced oil will be metered with a Micro Motion Coriolis

Coriolis Meter # **(will be made available upon receipt)**, combine with the oil production of the other wells, flow into the production heater/treater, and then flow to one of the 1000 bbl. oil tanks. The water will be metered on a per well basis using a mag meter, combine with the water production from the other wells and water from the heater treaters, and flow to one of the 750 bbl. produced water tanks.

The Lusitano 27-34 Fed Com 718H well will have its own dedicated three phase test separator. After gas is separated, it will be routed to the gas test meter # **(will be made available upon receipt)**, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flow to the **Federal Measurement Point # (will be made available upon receipt)**. After separation, the produced oil will be metered with a **Micro Motion Coriolis Meter # (will be made available upon receipt)**, combine with the oil production of the other wells, flow into the production heater/treater, and then flow to one of the 1000 bbl. oil tanks. The water will be metered on a per well basis using a mag meter, combine with the water production from the other wells and water from the heater treaters, and flow to one of the 750 bbl. produced water tanks.

The Lusitano 27-34 Fed Com 235H well will have its own dedicated three phase test separator. After gas is separated, it will be routed to the gas test meter # **(will be made available upon receipt)**, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flow to the **Federal Measurement Point # (will be made available upon receipt)**. After separation, the produced oil will be metered with a Micro Motion Coriolis Meter # **(will be made available upon receipt)**, combine with the oil production of the other wells, flow into the production heater/treater, and then flow to one of the 1000 bbl. oil tanks. The water will be metered on a per well basis using a mag meter, combine with the water production from the other wells and water from the heater treaters, and flow to one of the 750 bbl. produced water tanks.

The Lusitano 27-34 Fed Com 536H well will have its own dedicated three phase test separator. After gas is separated, it will be routed to the gas test meter # **(will be made available upon receipt)**, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flow to the **Federal Measurement Point # (will be made available upon receipt)**. After separation, the produced oil will be metered with a Micro Motion Coriolis Meter # **(will be made available upon receipt)**, combine with the oil production of the other wells, flow into the production heater/treater, and then flow to one of the 1000 bbl. oil tanks. The water will be metered on a per well basis using a mag meter, combine with the water production from the other wells and water from the heater treaters, and flow to one of the 750 bbl. produced water tanks.

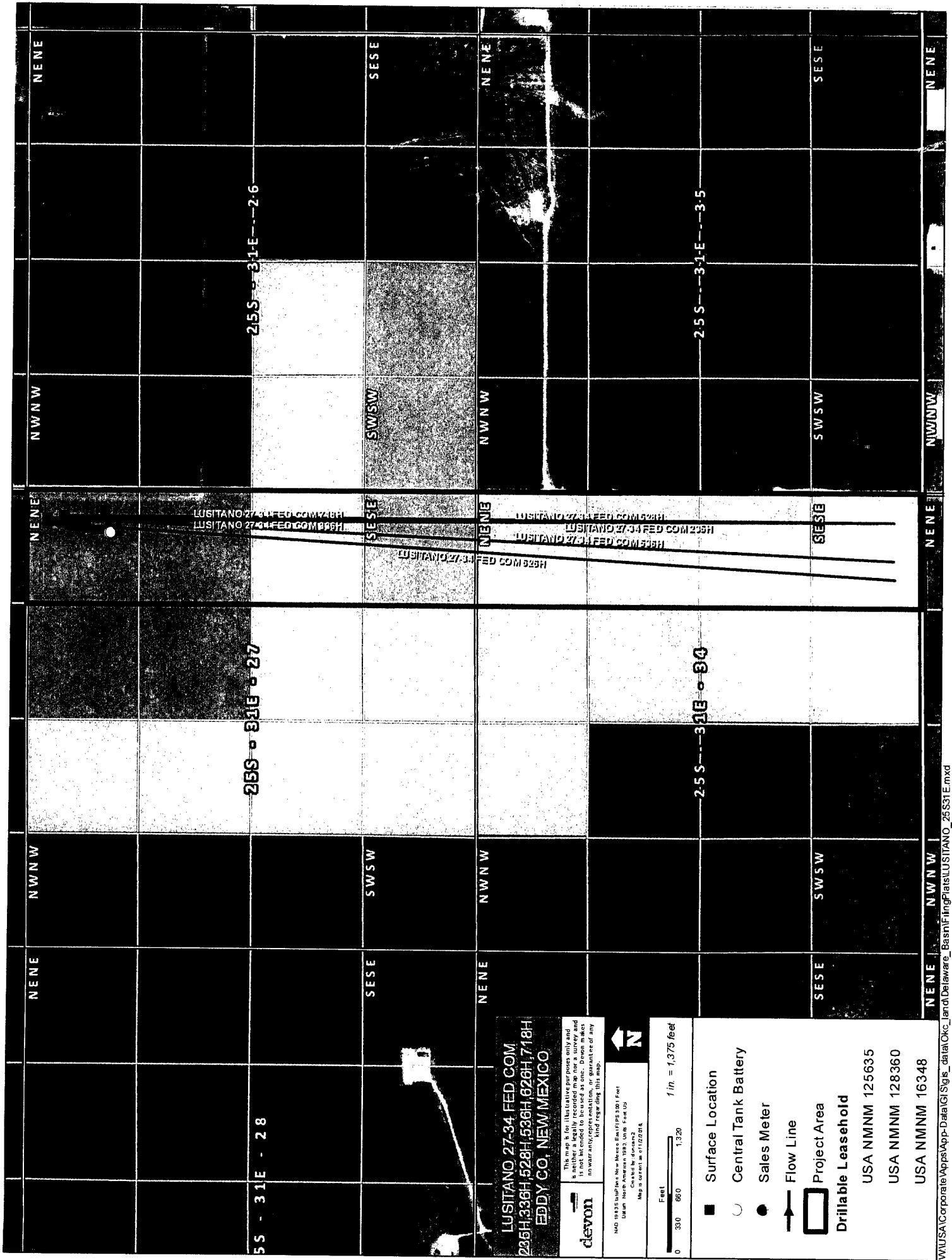
The Lusitano 27-34 Fed Com 528H well will have its own dedicated three phase test separator. After gas is separated, it will be routed to the gas test meter # **(will be made available upon receipt)**, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flow to the **Federal Measurement Point # (will be made available upon receipt)**. After separation, the produced oil will be metered with a Micro Motion Coriolis Meter # **(will be made available upon receipt)**, combine with the oil production of the other wells, flow into the production heater/treater, and then flow to one of the 1000 bbl. oil tanks. The water will be metered on a per well basis using a mag meter, combine with the water production from the other wells and water from the heater treaters, and flow to one of the 750 bbl. produced water tanks.

Production from the Lusitano 27-34 Fed Com 336H, 718H, 626H, 235H, 536H and 528H will be allocated on a daily basis based on the Coriolis Test Meter, Mag Meter & EFM located downstream of the dedicated three phase separator. Devon will operate and maintain the Micro Motion Coriolis meter per the applicable BLM regulations, notwithstanding further guidance from the BLM in regards to proving the Micro Motion Coriolis Meter (**FMP**) to meet applicable BLM guidelines. Gas production from the Lusitano 27-34 Fed Com 336H, 718H, 626H, 235H, 536H and 528H wells will be allocated on a daily basis using the gas allocation meter. The gas production from the production equipment & gas meters from the Lusitano 27-34 Fed Com 336H, 718H, 626H, 235H, 536H and 528H will commingle into a common header, and flow into Federal Measurement Point Meter # **(will be made available upon receipt)**. These meters will be calibrated on a regular basis per API, NMOC and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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.



Economic Justification Report

Lusitano 27 CTB 6

Value (bbl): \$47.27

Value (mcf): \$2.40

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	%CO2	Dry BTU
Lusitano 27-34 Fed Com 235H	Sweet	NMNM16348	12.50%	NMNM125635	12.50%	NMNM128360	12.50%	143	44	678	0.38	1266
Lusitano 27-34 Fed Com 336H	Sweet	NMNM16348	12.50%	NMNM125635	12.50%	NMNM128360	12.50%	54	44	151	0.29	1270
Lusitano 27-34 Fed Com 528H	Sweet	NMNM16348	12.50%	NMNM125635	12.50%	NMNM128360	12.50%	14	47	350	7.86	1181
Lusitano 27-34 Fed Com 536H	Sweet	NMNM16348	12.50%	NMNM125635	12.50%	NMNM128360	12.50%	25	47	159	6.11	1142
Lusitano 27-34 Fed Com 626H	Sweet	NMNM16348	12.50%	NMNM125635	12.50%	NMNM128360	12.50%	117	52	609	0.13	1284
Lusitano 27-34 Fed Com 718H	Sweet	NMNM16348	12.50%	NMNM125635	12.50%	NMNM128360	12.50%	117	52	609	0.13	1284

*Proposed numbers

Signed: 

Date: 11/9/2017

Printed Name: Linda Good

Title: Regulatory Compliance Specialist

Economic Combined Production

BOPD	Oil Gravity @ 60°	MCFPD	%CO2	Dry BTU
470.0	48.2	2556.0	1.6	1255.5

Devon does not anticipate any royalty value diminishment by commingling oil and gas production from the Leonard, Bone Spring and Wolfcamp target zones. Moreover, commingling these zones is actually advantageous to maximizing royalty value. It has been Devon's historical plan to produce the Leonard/Bone Springs vs. the Wolfcamps in two separate facilities. From an oil standpoint, our current oil marketing contracts incur a penalty for any sales oil in excess of 50 API. By commingling oil production, we will be able to blend the oil and ultimately reduce the gravity of the total stream to below 50. We would therefore avoid any penalties caused by our historical plan. From a gas standpoint, there is likely potential for the Leonard formation to yield CO2 in the gas stream. At the production facility level, it is actually advantageous to commingle production in an effort to reduce the CO2 concentration of the total sales stream from an average of above 6% to below 2%. At the current moment, the amount of CO2 in our total Cotton Drawn gas gathering system is not of concern to our customers. If it ever becomes a concern, Devon is fully prepared to provide separate measurement for any wells at the CTB that may incur treating costs. This would, therefore, not diminish the value of any other wells. It is recommended by Devon Oil and Gas Marketing to allow commingling in an effort to maximize royalty value. Gas analysis enclosed.



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Bureau of Land Management
Case Recordation
(MASS) Serial Register Page



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01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres:
840.000

Serial Number:
NMNM 016348

Name & Address						Intl Rel	% Interest
BIG SINKS JOINT VENTURE	10501 N CENTRAL EXPY #303	DALLAS	DALLAS	75231	OPERATING RIGHTS		0.000000000
HAYES LAND CORP	3300 N A ST BLDG 1 #220	MIDLAND	MIDLAND	79705	OPERATING RIGHTS		0.000000000
HAYES PARTNERS I	PO BOX 3700	MIDLAND	MIDLAND	79702	OPERATING RIGHTS		0.000000000
HAYES PROPERTIES INC	PO BOX 3700	MIDLAND	MIDLAND	79702	OPERATING RIGHTS		0.000000000
LONGHORN PARTNERS	BOX 1973	MIDLAND	MIDLAND	79702	OPERATING RIGHTS		0.000000000
M BRAD BENNETT INC	PO BOX 2062	MIDLAND	MIDLAND	79702-2062	OPERATING RIGHTS		0.000000000
OCCIDENTAL PERMIAN LP	5 E GREENWAY PLAZA #110	HOUSTON	HOUSTO	77046-0521	LESSEE		100.000000000
REYNOLDS JOE J	2333 50TH ST #4	LUBBOCK	LUBBOCK	79421	OPERATING RIGHTS		0.000000000
V-F PETROLEUM INC	PO BOX 1889	MIDLAND	MIDLAND	79702	OPERATING RIGHTS		0.000000000

Mer Twp Rng	Sec	SType	SNr	Suff	Subdivision	District / Field Office	County	Mgmt Agency
23 0250S 0310E	023	ALIQ			S2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	026	ALIQ			N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	027	ALIQ			NE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	035	ALIQ			SENE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished / Withdrawn Lands

23 0250S 0310E	710	FF			NWSE,SEGR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	724	FF			S2,SEGR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	727	FF			E2NW,SEGR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remarks	Pending Office
5/21/1972	387	CASE ESTABLISHED	SPAR71;	
5/22/1972	888	DRAWING HELD		
1/10/1973	237	LEASE ISSUED		
2/1/1973	496	FUND CODE	05;145003	
2/1/1973	530	RLTY RATE - 12 1/2%		
2/1/1973	868	EFFECTIVE DATE		
3/26/1973	140	ASGN FILED	EDDY LAND CO/AMOCO	
3/26/1973	140	ASGN FILED	KM JOHNSTON/EDDY LAND	
4/25/1973	139	ASGN APPROVED	(1) EFF 04/01/73;	
4/25/1973	139	ASGN APPROVED	(2) EFF 04/01/73;	
5/1/1981	700	LEASE SEGREGATED	INTO NMNM52715;	
8/26/1981	232	LEASE COMMITTED TO UNIT	;BIG SINKS	
5/3/1982	651	HELD BY PROD - ALLOCATED	RNM 099	
6/9/1982	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
6/9/1982	510	KMA CLASSIFIED		
1/9/1983	336	UNIT AGRMT TERMINATED	;BIG SINKS	
3/21/1983	315	RENTAL RATE DET/ADJ	\$2.00;	
8/29/1983	246	LEASE COMMITTED TO CA	RNM099	
7/30/1987	963	CASE MICROFILMED/SCANNED	CNUM 562,200 RW	
9/7/1988	974	AUTOMATED RECORD VERIF	JAM/VC	
4/19/1990	932	TRF OPER RGTS FILED	AMOCO/BENNETT INC	
4/19/1990	932	TRF OPER RGTS FILED	BENNETT/COLEMAN ET AL	
6/19/1990	933	TRF OPER RGTS APPROVED	(1) EFF 05/01/90;	
6/19/1990	933	TRF OPER RGTS APPROVED	(2) EFF 05/01/90;	
6/19/1990	974	AUTOMATED RECORD VERIF	GLC/ML	
8/6/1990	932	TRF OPER RGTS FILED	T COLEMAN/BIG SINKS	
9/24/1990	933	TRF OPER RGTS APPROVED	EFF 09/01/90;	
9/24/1990	974	AUTOMATED RECORD VERIF	GLC/MIG	
11/30/1990	522	CA TERMINATED	RNM-099	
4/4/1991	932	TRF OPER RGTS FILED	HAYES PTNRS/HAYES	
5/30/1991	246	LEASE COMMITTED TO CA	NMNM85336;	
6/20/1991	933	TRF OPER RGTS APPROVED	EFF 05/01/91;	
6/20/1991	974	AUTOMATED RECORD VERIF	MRR/CG	

*Devon purchased lease
a few months ago.
Landman is presently
working on transfer of
operatorship.*



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Bureau of Land Management
Case Recordation
(MASS) Serial Register Page



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

Total Acres:
720.000

Serial Number:
NMNM 125635

Name & Address

DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OKLAHO MA CITY	73102-5010	Intl Rel LESSEE	% Interest 100.000000000
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Mer Twp Rng	Sec	S Type	SNr	Suff	Subdivision	District / Field Office	County	Mgmt Agency
23 0250S 0310E	026	ALIQ			N2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	027	ALIQ			E2W2,N2SE,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	034	ALIQ			E2,NENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished / Withdrawn Lands

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Act Date	Code	Action	Action Remarks	Pending Office
9/3/2010	387	CASE ESTABLISHED	201010008;	
10/5/2010	299	PROTEST FILED	WILDEARTH GUARD	
10/20/2010	191	SALE HELD		
10/20/2010	267	BID RECEIVED	\$2160000.00;	
12/6/2010	298	PROTEST DISMISSED	WILDEARTH GUARD	
12/16/2010	237	LEASE ISSUED		
12/16/2010	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
1/1/2011	496	FUND CODE	05;145003	
1/1/2011	530	RLTY RATE - 12 1/2%		
1/1/2011	868	EFFECTIVE DATE		
4/18/2011	140	ASGN FILED	NARENTA O/DEVON ENE;1	
6/10/2011	139	ASGN APPROVED	EFF 05/01/11;	
6/10/2011	974	AUTOMATED RECORD VERIF	AR	
9/18/2017	932	TRF OPER RGTS FILED	HAYES LAN/ADVANCE E;1	LLNM921100
12/31/2020	763	EXPIRES		



United States Department of the Interior
Bureau of Land Management
Case Recordation
(MASS) Serial Register Page



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

Total Acres:
120.000

Serial Number:
NMNM 128360

Name & Address	Intl Rel	% Interest
DEVON ENERGY PROD CO LP 333 W SHERIDAN AVE OKLAHOMA CITY OKLAHO 73102-5010 MA CITY	LESSEE	100.000000000

Mer Twp Rng	Sec	S Type	SNr	Suff	Subdivision	District / Field Office	County	Mgmt Agency
23 0250S 0310E	026	ALIQ			S2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0310E	027	ALIQ			SESE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished / Withdrawn Lands

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Act Date	Code	Action	Action Remarks	Pending Office
1/18/2012	387	CASE ESTABLISHED	201204001;	
2/17/2012	299	PROTEST FILED	CENTER BIO DIV;	
4/18/2012	143	BONUS BID PAYMENT RECD	\$240.00;	
4/18/2012	267	BID RECEIVED	\$600000.00;	
4/26/2012	143	BONUS BID PAYMENT RECD	\$599760.00;	
5/2/2012	298	PROTEST DISMISSED	CENTER BIO DIV;	
6/18/2012	237	LEASE ISSUED		
6/18/2012	974	AUTOMATED RECORD VERIF	ANN	
7/1/2012	496	FUND CODE	05;145003	
7/1/2012	530	RLTY RATE - 12 1/2%		
7/1/2012	868	EFFECTIVE DATE		
9/18/2017	932	TRF OPER RGTS FILED	HAYES LAN/ADVANCE E;1	LLNM921100
6/30/2022	763	EXPIRES		

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

BUREAU OF LAND MANAGEMENT
03/05/18
10:06 AM

Run Date/Time: 03/05/18 10:06 AM

Page 1 of 1

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type - 318310: O&G COMMUNITIZATION AGRMT

640.000

NMNM-- - 137693

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 137693

Name & Address			Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
DEVON ENERGY PRODUCTION CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	100.000000000

Serial Number: NMNM-- - 137693

Mer Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0250S	0310E	027	ALIQ		E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0250S	0310E	034	ALIQ		E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 137693

Act Date	Code	Action	Action Remarks	Pending Office
08/01/2017	387	CASE ESTABLISHED		
08/01/2017	516	FORMATION	BONE SPRING;	
08/01/2017	526	ACRES-FED INT 100%	640.00;100%	
08/01/2017	868	EFFECTIVE DATE	/A/	
10/20/2017	580	PROPOSAL RECEIVED	CA REC'D	
01/30/2018	334	AGRMT APPROVED		

Serial Number: NMNM-- - 137693

Line Nr	Remarks
0001	/A/RECAPITULATION EFFECTIVE 08/01/2017
0002	TR# LEASE SERIAL NO AC COMMITTED % INTEREST
0003	1 NMNM16348 160.00 25.00
0004	2 NMNM125635 440.00 68.75
0005	3 NMNM128360 40.00 6.25
0006	TOTAL 640.00 100.00

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 03/05/18 10:08 AM

Page 1 of 1

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

640.000

NMNM-- - 137694

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 137694

Name & Address

Int Rel

%Interest

BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
DEVON ENERGY PRODUCTION CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	100.000000000

Serial Number: NMNM-- - 137694

Mer Twp Rng Sec SType Nr Suff Subdivision

District/Resource Area

County

Mgmt Agency

23	0250S	0310E	027	ALIQ	E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0250S	0310E	034	ALIQ	E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 137694

Act Date

Code

Action

Action Remarks

Pending Office

08/01/2017	387	CASE ESTABLISHED	
08/01/2017	516	FORMATION	WOLFCAMP;
08/01/2017	868	EFFECTIVE DATE	/A/
10/20/2017	580	PROPOSAL RECEIVED	CA REC'D
01/29/2018	334	AGRMT APPROVED	

Line Nr Remarks

Serial Number: NMNM-- - 137694

0001	/A/RECAPITULATION EFFECTIVE 08/01/2017			
0002	TR#	LEASE SERIAL NO	AC COMMITTED	% INTEREST
0003	1	NMNM16348	160.00	25.00
0004	2	NMNM125635	440.00	68.75
0005	3	NMNM128360	40.00	6.25
0006		TOTAL	640.00	100.00



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Tim Prout, Landman
405 552 6113 Phone
www.devonenergy.com

October 30, 2017

New Mexico Oil Conservation Division
Attn: Mike McMillan
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

Re: Lusitano 27-34 Fed Com 235H, 336H, 528H, 536H, 626H and 718H
Sections 27 & 34-T25S-R31E
Eddy County, New Mexico

Dear Mr. McMillan:

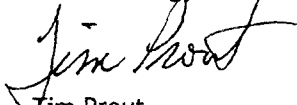
Devon Energy Production Company, L.P. ("Devon") desires to pool commingle the wells listed below in the Jennings; Bone Spring, West (Pool Code: 97860) and the Purple Sage; Wolfcamp (Pool Code: 98220). Upon review of the title information and Devon's records, please be advised that all of the ownership is identical in these wells.

<u>Well Name</u>	<u>Location</u>	<u>API</u>	<u>Pool</u>
Lusitano 27-34 Fed Com 235H	NENE Sec. 27-25S-31E	30-015-44424	97860 Jennings; Bone Spring, West
Lusitano 27-34 Fed Com 336H	NENE Sec. 27-25S-31E	30-015-44425	97860 Jennings; Bone Spring, West
Lusitano 27-34 Fed Com 528H	NENE Sec. 27-25S-31E	30-015-44426	97860 Jennings; Bone Spring, West
Lusitano 27-34 Fed Com 536H	NENE Sec. 27-25S-31E	30-015-44427	97860 Jennings; Bone Spring, West
Lusitano 27-34 Fed com 626H	NENE Sec. 27-25S-31E	30-015-44428	98220 Purple Sage; Wolfcamp
Lusitano 27-34 Fed Com 718H	NENE Sec. 27-25S-31E	30-015-44429	98220 Purple Sage; Wolfcamp

Should you have any questions or wish to discuss further, please contact the undersigned by email at tim.prout@devn.com or by phone at (405) 552-6113.

Sincerely,

Devon Energy Production Company, L.P.


Tim Prout
Landman

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Lusitano 27-34 Fed Com wells (see list below)

**Devon Energy Production Company
March 5, 2018**

**Condition of Approval
Surface Commingling of Lease/CA production**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 or 43 CFR 3175 and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33".
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases/CAs require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Submit updated diagram with meter number upon installation of equipment.

Lusitano 27-34 Fed Com 235H,	3001544424, Bone Springs	Federal CA-NMNM137693
Lusitano 27-34 Fed Com 336H,	3001544425, Bone Springs	
Lusitano 27-34 Fed Com 528H,	3001544426, Bone Springs	
Lusitano 27-34 Fed Com 536H,	3001544427, Bone Springs	

CA – NMNM137693 Includes Fed Lease -	NMNM16348 Royalty Rate 12.5% Allocated production to lease-25%
	NMNM125635 Royalty Rate 12.5% Allocated production to lease-68.75%
	NMNM128360 Royalty Rate 12.5% Allocated production to lease-6.25%

Lusitano 27-34 Fed Com 626H,
Lusitano 27-34 Fed Com 718H,

3001544428, WolfCamp
3001544429, WolfCamp

Federal CA-NMNM137694

CA – NMNM137694 Includes Fed Lease -

NMNM16348 Royalty Rate 12.5% Allocated production to lease-25%
NMNM125635 Royalty Rate 12.5% Allocated production to lease-68.75%
NMNM128360 Royalty Rate 12.5% Allocated production to lease-6.25%