

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
EXPIRES, NOVEMBER 30, 2000

SEP 05 2007

OCD-ARTESIA

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

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other _____

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY, LP

3. Address and Telephone No.

20 North Broadway, Ste 1500, Oklahoma City, OK 73102

405-552-7802

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

SEC 9 T23S R31E

5. Lease Serial No.

NMNM-81953

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Well Name and No.

See Attached

9. API Well No.

See Attached

10. Field and Pool, or Exploratory

12. County or Parish 13. State

Eddy

NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Surface |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Commingle |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Company, L. P. respectfully requests approval for surface commingle for measurement of hydrocarbon production the following wells:

P. G. 4 Federal 1 Unit C Sec 9 T23S R31E 900 FNL & 1980 FWL: API# 30-015-26509 Pool: Wildcat; Bone Springs 96503

North Pure Gold 4 Federal 2 Unit D Sec 9 T23S R31E 1140 FNL & 840 FWL: API# 30-015-34756 Pool: Los Medanos; Delaware 40297

Surface commingle will be at the North Pure Gold Federal 2

NSL included. Interest owners have been notified via certified mail. See attached list.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Signed Judy A. Barnett

Name Judy A. Barnett
Title Regulatory Analyst

Date 8/1/2007

(This space for Federal or State Office use)

Approved by _____ Title _____

Conditions of approval, if any:

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

*See Instruction on Reverse Side



APPLICATION FOR SURFACE COMMINGLING:

Bureau of Land Management
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Devon Energy Production Company, LP requests approval for surface commingling and measurement of hydrocarbon production from the following wells on Federal Lease **No. NM81953**.

<u>Lease Name & No:</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation</u>
P G 4 Federal 1	C	9	23S	31E	Wildcat; Bone Spring
North Pure Gold 4 Fed 2	D	9	23S	31E	Los Medanos; Delaware

Exhibit I is a schematic, which shows the equipment that will be utilized to determine well production from each well that will contribute production to the proposed commingled facility.

Surface Commingling Proposal for P G 4 Federal-1 and North Pure Gold 4 Federal 2:

Devon proposes to surface commingle two producing wells; the P G 4 Federal 1 and North Pure Gold 4 Federal 2, into a common surface facility called the North Pure Gold 4 Federal 2 production facility. This commingling will eliminate the need for two production facilities and will in effect lessen the disturbance and impact on the environment. The BLM will be notified if there is any future change in the facility location.

Gas metering:

Combined gas from both wells will flow to sales through an electronic flow meter (EFM) located at the North Pure Gold 4 Federal 2 facility. A test separator with a separate gas meter will be used to record at least one representative test of daily gas production for each well per month. Daily gas production for each well will be allocated from the total combined gas production based on the latest representative test from each well.

Oil metering:

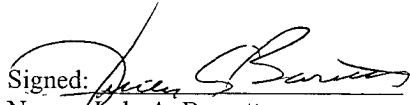
Oil and water volumes produced from both wells will be determined by using a test separator at the proposed facility to record at least one representative well test for each well per month. Daily production for each well will be allocated from the total combined production based on the latest representative test from each well.

Please see attached diagram for the "current" facilities set-up and "proposed" North Pure Gold 4 Federal 2 production facility.

The overriding royalty owners, working interest owners and NMOC D have been notified of this proposal. The overriding royalty owners and working interest owners have been notified by certified mail. See attached list.

The proposed commingling of production is to reduce operating expense between the two referenced wells. This will result in increasing the economic life of the wells.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. We intend to follow the existing ROW for the gas line.

Signed: 
Name: Judy A. Barnett
Title: Regulatory Analyst
Date: August 7, 2007



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 15, 2007

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: Mr. Ken Gray

Re: **P G "4" Federal Well No. 1**
API No. 30-015-26509

Surface Location: 900' FNL & 1980' FWL, Unit C, Section 9

Bottomhole Location (Top of Bone Springs): 235' FNL & 2108' FWL, Unit C, Section 9

Bottomhole Location (3rd Bone Springs Interval): 805' FSL & 2184' FWL, Unit N, Section 4

All in Township 23 South, R-31 East, NMPM,

Eddy County, New Mexico



Administrative Order NSL-5646

Dear Mr. Gray:

Reference is made to the following:

- (a) Devon Energy Production Company, L.P.'s ("Devon" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0714234700*) for the P G "4" Federal Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 21, 2007; and
- (b) the Division's records pertinent to Devon's request.

Devon requests approval of an unorthodox oil well location for its existing P G "4" Federal Well No. 1 which is located at a surface location 900 feet from the North line and 1980 feet from the West line (Unit C) of Section 9, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, and which penetrates the top of the Bone Springs formation at an unorthodox location 235 feet from the North line and 2108 feet from the West line (Unit C) of Section 9, and which penetrates the 3rd Bone Springs interval at a standard location 805 feet from the South line and 2184 feet from the West line (Unit N) of Section 4, Township 23 South, Range 31 East, NMPM. The well is to be completed in the Wildcat-Bone Springs Pool (Oil - N/A) and is to be dedicated to a standard 40-acre spacing and proration unit comprising the SE/4 SW/4 of Section 4.

The Wildcat-Bone Springs Pool is currently governed by Division Rule 19.15.3.104.B.


It is our understanding that the well was originally directionally drilled as an Atoka test, and that the well is now uneconomic to produce in that formation. Devon now proposes to re-complete the well in the 3rd Bone Springs interval at an approximate measured depth of 11,563'-11,566', 11,570'-11,574', 11,584'-11,592', 11,602'-11,605' and 11,608'-11,612'. According to the directional survey for this well, the 3rd Bone Spring interval will be penetrated at a standard oil well location 805 feet from the South line and 2184 feet from the West line (Unit N) of Section 4. However, the directional survey further shows that the top of the Bone Springs formation will be penetrated by the well at an unorthodox location 235 feet from the North line and 2108 feet from the West line (Unit C) of Section 9.

In the event that the well is completed in a Bone Springs interval above a measured depth of 11,563', the applicant shall consult with the Division to determine the proper acreage to be dedicated to the well.

The applicant provided notice of this application to Yates Petroleum Corporation and Camterra Resources, the only affected parties. No party objected to this application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Wildcat-Bone Springs Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division - Artesia

List of Interest Owners

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Camterra Resources PTNRS LTD
ATT: Accounting Dept
2615 E. End Blvd. S.
Marshall, TX 75671

Minerals Management Service
Royalty Management Program
P. O. Box 5810
Denver, CO 80217-5810

SUNDRY NOTICE SPECIAL STIPULATIONS

1. This sundry is accepted for record. Approval requires that the operator provide the following information:
2. After construction the operator will provide as built current facility diagrams showing the locations of all facilities, lines and meters; including identifying the lines coming from the individual wells; **if different from the proposed diagram.**
3. Operator will provide proposed facility diagrams showing the locations of all facilities, lines and meters to be used; including individual well lines, as well as combined stream and individual well measurement points. If gas is to be used for beneficial use, the diagram must clearly show that this fuel is taken upstream of the point of measurement for sales.

4. Operator will provide an explanation of any allocation scenario to be used, if anything other than separate measurements are to be used to determine production volumes. This allocation routine must account for volume as well as BTU adjustments.

5. Operator must provide a description of valve positions for different operating scenarios, as well as a legend for the symbols used.
6. All of this information should be provided in separate sundries for each well, within 90 days.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 8/31/07