Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

AUG 14 2008

OCD-ARTESIA

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.
NM95109 and NM89052

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
See Attached

2. Name of Operator
Devon Energy Production Company, L.P.

9. API Well No.
See Attached 30 015 32797

3a. Address
20 North Broadway, Oklahoma City, OK 73102

3b. Phone No. *(include area code)*
405-228-8699

10. Field and Pool or Exploratory Area

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SEC 25 T22S R30E

11. Country or Parish, State
Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Surface Commingle
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	REVISED
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 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, L. P. respectfully requests approval for surface commingle for measurement of hydrocarbon production the following wells:

Apache 25 Federal 2 Unit P Sec 25 T22S R30E: API# 30-015-27478 660 FSL 1310 FEL Pool: Los Medanos; Bone Spring (40295)
Apache 25 Federal 5 Unit I Sec 25 T22S R30E: API# 30-015-32720 1980 FSL 330 FEL DHC-3178 Los Medanos; Bone Spring (40295); S. Los Medanos; Wolfcamp (96336)
Apache 25 Federal 6 Unit P Sec 25 T22S R30E: API# 30-015-29894 330 FSL 330 FEL Quahada Ridge SE; Delaware (50443)
Apache 25 Federal 9 Unit J Sec 25 T22S R30E: API# 30-015-32797 1980 FSL 1650 FEL Los Medanos; Bone Spring (40295); Los Medanos Wolfcamp (96336)
Apache 25 Federal 10H Unit P Sec 25 T22S R30E: API# 30-015-35597 810 FSL 910 FEL Quahada Ridge SE; Delaware (50443)

Surface commingle will be at the Apache 25 Federal 6. The ownership is uniform in both leases and all of the wells.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ACCEPTED FOR RECORD
NO ORDER ON FILE

AUG 14 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

APPROVED

AUG 13 2008

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
Judy A. Barnett

Title Regulatory Analyst

Signature Judy A. Barnett

Date 06/16/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

APPLICATION FOR SURFACE COMMINGLING: REVISED

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

Devon Energy Production Company, L. P. requests approval for surface commingling and measurement of hydrocarbon production from the following wells on Federal **Lease:**

Lease Name & No.NMNM-91509				**Formation**
Apache 25 Federal 5	SEC 25	T22S	R30E	Los Medanos - Bone Spring &

S. Los Medanos; Wolfcamp

Apache 25 Federal 9	SEC 25	T 22S	R30E	Los Medanos - Bone Spring **&**

Los Medanos Wolfcamp-(CA-NMNM90990) Apache 25 Fed.9 Bone Spring and Wolfcamp already approved to surface commingle, allocated 60% to Wolfcamp and 40% to Bone Springs formations.

Lease Name & No. NMNM-89052				**Formation**
Apache 25 Federal 2	SEC 25	T22S	R30E	Los Medanos;Bone Spring
Apache 25 Federal 6	SEC 25	T22S	R30E	Quahada Ridge SE; Delaware
Apache 25 Federal 10H	SEC 25	T22S	R30E	Quahada Ridge SE; Delaware

Communitization Agreement NMNM-90990 includes 240.00 acres of land in Federal lease NMNM89052 and 80.00 acres of land in Federal lease NMNM91509. It communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Morrow, Atoka, and Wolfcamp formations in the S/2 of Section 25, T. 22 S., R. 30 E., and is effective 9/22/93. CA amended to include the Strawn formation 10/9/07.

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 Apache 25 Federal #2, #5, #6, #9 and #10H.
Devon proposes to surface commingle the producing wells; the Apache 25 Federal 2, Apache 25 Federal 5, Apache 25 Federal 6, Apache 25 Federal 9 and the Apache 25 Federal 10H to the Apache 25 Federal 6 battery facility. This commingling will in effect lesson the disturbance and impact on the environment.

Oil metering:
Oil and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility so that one of the wells is always producing through the testing equipment. Daily production will be allocated on a daily basis based on the most recent individual well tests of oil, gas and water. Well tests for each well will be conducted at least once per month..

Process and Flow Description: A common gas sales meter associated with a DCP central delivery point (CDP) is currently located and will continue to be used at the Apache 25 Federal 6 location (#6 battery), SEC 25 T22S R30E Federal Lease NM89052. This sales meter currently accepts gas from the Apache 25 Federal 3 battery, the currently existing Apache 25 Federal 2 battery (which will be dismantled upon approval of this surface commingling permit), as well as the gas production from the #6 battery. Upon dismantling of the #2 battery, the entire 3-phase flow streams from the #2, #5, #9 and #10H wells will be directed to the #6 battery, rather than being processed at the #2 battery, and oil gas and water volumes will be allocated to each well using the test separator/heater treater located at the #6 battery. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The attached facility diagrams show the proposed metering arrangement. The BLM will be notified if there is any future change in facility location. Please see attached diagram for the "current" facilities set up and "proposed" Apache 25 Federal 6 production facility.

APPLICATION FOR SURFACE COMMINGLING REVISED
Bureau of Land Management
1110 S. St. Francis Drive
Santa Fe, New Mexico 87505

Devon Energy Production Company, L. P. is the record title owner of the leases to be commingled and the owner of 100% WI interest in the commingle wells. The ownership of all interests is uniform in both of the leases and all of the wells. Therefore, no additional notification should be necessary.

The proposed commingling of production is to reduce operating expense among the referenced wells as well as to reduce the surface footprint and overall emissions associated with producing these wells. This will result in increasing the economic life of the wells.

Signed: Judy A Barnett
Name: Judy A. Barnett
Title: Regulatory Analyst
Date: June 16, 2008

Approval to Commingle production for the Apache 25 Fed. 2,5,6,9 & 10H

Production will be commingled at the Apache 25 Fed 6 facility SESE Sec. 25 T22S R30E.

Condition of Approval

1. Submit Plans for removal of old flow lines and Removal of old tank battery.

2. Submit Plans for interim reclamation of existing facilities

3. This approval is subject to like approval by the New Mexico Oil Conservation Division.

4. This agency shall be notified of any spill or discharge as required by NTL-3A.

5. 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.

6. 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.

7. 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.

8. Submit updated facility diagram as per Onshore Order #3, identify all leases and Communitization Agreements going to this facility.

9. Install facility sign identifying all leases and Communitization Agreements which are stored and sold at this facility.

Revised Commingling Approved 8/13/08 JDW

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