

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Ave, Artesia NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO 30-015- 37053 30753
5 Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6 State Oil & Gas Lease No
7 Lease Name or Unit Agreement Name NM-97872
8 Well Number
9 OGRID Number 6137
10 Pool name or Wildcat See Below

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1 Type of Well Oil Well ☐ Gas Well ☒ Other ☐

2 Name of Operator
Devon Energy Production Company, LP

3 Address of Operator
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-7802

4 Well Location (See Below)
Unit Letter N 660' FSL feet from the south line and 1650' feet from the west line
Section 8 Township 16S Range 28E NMPM Eddy County New Mexico

11 Elevation (Show whether DR, RKB, RT, GR, etc)
3668'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness mil Below-Grade Tank Volume bbls Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER OFF-LEASE GAS MEASUREMENT & SALES
- GAS HYDROCARBONS ☒

SUBSEQUENT REPORT OF

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER ☐

13 Describe proposed or completed operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103 For Multiple Completions Attach wellbore diagram of proposed completion or recompletion

Devon Energy respectfully requests permission for off lease measurement and sales of gas hydrocarbon production from the Blackbird 8 Federal 1 Produced gas flows through a check meter on location before metering at a DCP custody transfer sales meter (Meter # 711555-00) located approximately 1 1/2 due north in the SENW of section 5-T16S-R28E (Lease NM-33277), Eddy County, New Mexico No other wells are connected to the gas line and reported gas volumes are the DCP sales meter volumes These volumes are compared against the check meter volumes

OLM-24

The Blackbird Federal 1 has an existing tank battery

ROW will or has already been obtained

No notification is required

Reviewed by RT
Recommend Approval
6/30/10

I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Stephanie A Ysasaga TITLE Sr. Staff Engineering Technician DATE 05/19/2010

Type or print name Stephanie A Ysasaga E-mail address Stephanie.Ysasaga@dmv.com Telephone No (405) 552-7802
For State Use Only

* APPROVED BY [Signature] TITLE Acting Div. Director DATE 7/1/10
Conditions of Approval (if any):

DATE <u>6-23-10</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>6-23-10</u>	TYPE <u>OLM</u>	PTG-W APP NO <u>1017451447</u>
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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



Devon

Blackbird 8 Fed #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-30753

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

Stephanie A. Ysasaga
 Print or Type Name

[Signature]
 Signature

Sr. Staff Engineering Technician
 Title

05/19/2010
 Date

Stephanie.Ysasaga@dmv.com
 e-mail Address



RECEIVED OCD

2010 JUN 23 A 11:23

2010 JUN 23 A 11:23

Devon Energy Production Company
Operations Engineering
20 North Broadway - CT 3 056
Oklahoma City, Oklahoma 73102-8260
Phone (405)-552-7802
Fax (405)-552-8113
Stephanie.Ysasaga@dev.com

May 19th, 2010

Mr. Richard Ezeanyim
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Off Lease Measurement and Sales Approval
Blackbird 8 Federal 1
API # 30-015-30753
Sec 8-T16S-28E Lease NM-97872
660' FSL & 1650' FWL
Diamond Mound, Morrow (Gas) - Pool Code: 76079
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notices of Intent for Off Lease Measurement and Sales Approval on the aforementioned well. No notification is required.

BLM approval is attached for your ease of reference.

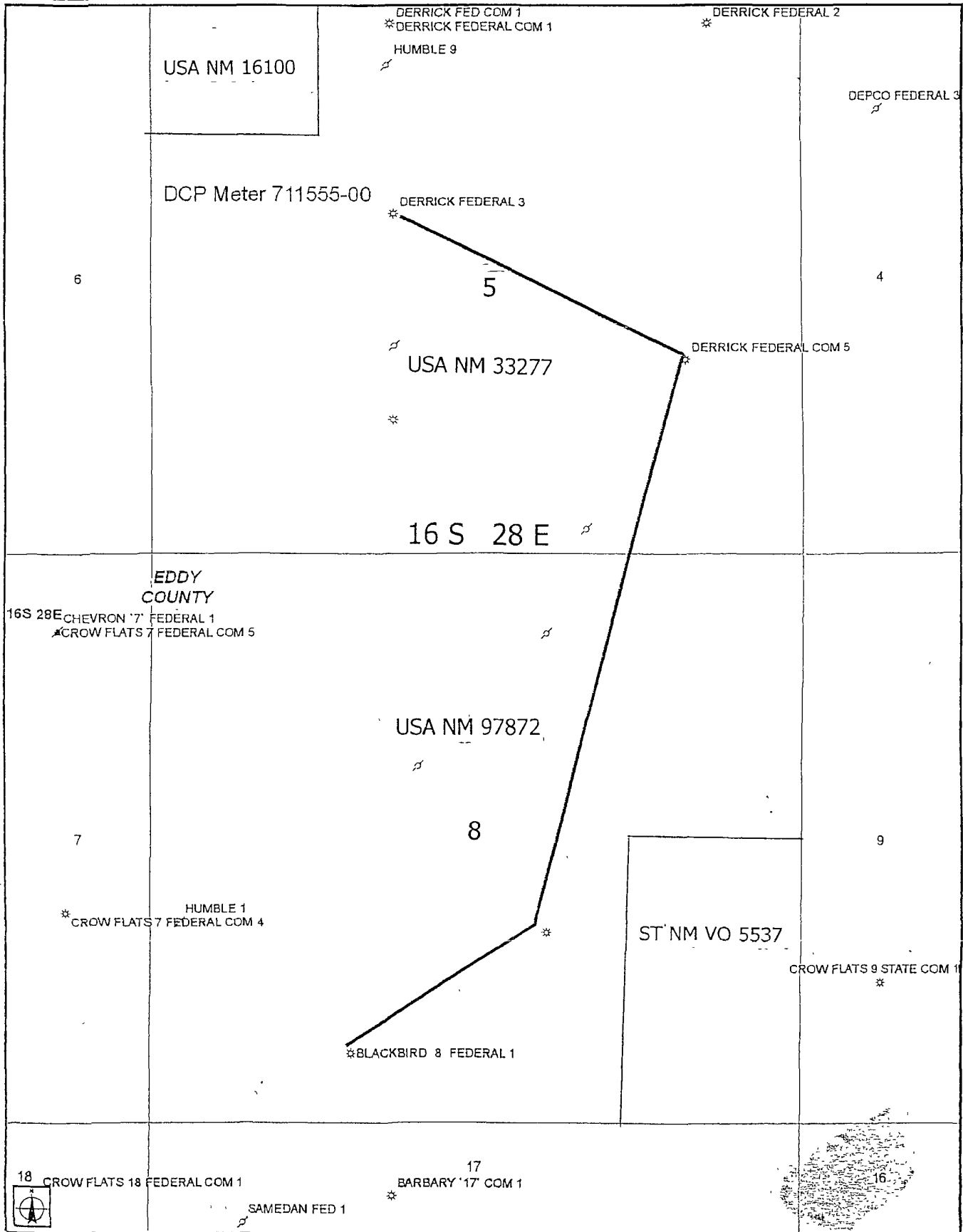
Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7802.

Very truly yours,

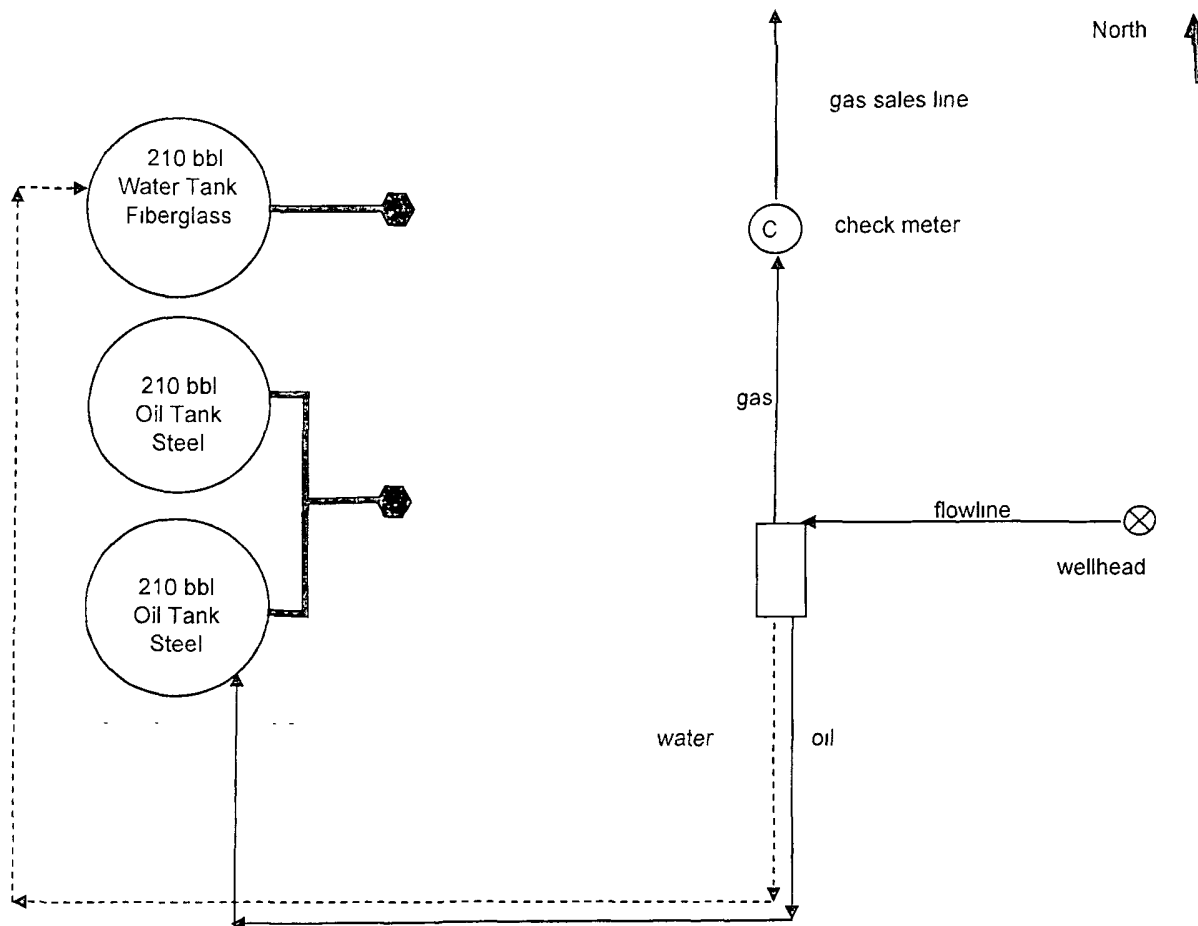
DEVON ENERGY PRODUCTION COMPANY, L.P.

Stephanie A. Ysasaga
Sr. Staff Engineering Technician ☺

Enclosures



Devon Energy Production Co.
Existing Battery
Blackbird 8 Fed 1
Section 8 T16S R28 E
Eddy County, New Mexico



OPERATOR'S COPY
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.

SUBMIT IN TRIPLICATE – Other instructions on page 2

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NM-97872
2 Name of Operator Devon Energy Production Co., LP		6 If Indian Allottee or Tribe Name
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
4 Location of Well (Footage, Sec T, R, M, or Survey Description) Sec 8-T16S-R28E 660 FSL & 1650' FWL		8 Well Name and No Blackbird 8 Federal 1
		9 API Well No 30-015-27053 30753
		10 Field and Pool or Exploratory Area Diamond Mound, Morrow (Gas) 76079
		11 Country or Parish, State Eddy 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 Off-Lease Sales
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	& Measurement of Gas
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Hydrocarbons

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 respectfully requests permission for off lease measurement and sales of gas hydrocarbon production from the Blackbird 8 Federal 1. Produced gas flows through a check meter on location before metering at a DCP custody transfer sales meter (Meter # 711555-00) located approximately 1 1/2 due north in the SENW of section 5-T16S-R28E (Lease NM-33277), Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the DCP sales meter volumes. These volumes are compared against the check meter volumes.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

The Blackbird Federal 1 has an existing tank battery

ROW will or has already been obtained

No notification is required



14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Stephanie A Ysasaga	Title Sr Staff Engineering Technician
Signature <i>[Signature]</i>	Date 05/19/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	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)


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

Off-Lease Measurement

Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
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 off-lease measurement 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. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Commingling Order PLC-253-A

July 1, 2010

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mayte Reyes

Yates Petroleum Corporation is hereby authorized to commingle oil production between the following four groups of wells. Gas production from the wells shall not be commingled.

Section 36, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico

NW/4SE/4

Dee 36SE State Well No. 3 (API No. 30-015-26623)
Canyon-Wolfcamp (Oil 08450) Pool

SE/4

Dee 36SE State Well No. 5 (API No. 30-015-26671)
North Dagger Draw-Upper Penn (Oil 15472) Pool
Dee 36SE State Well No. 6 (API No. 30-015-26980)
N. Seven Rivers; Glorieta-Yeso Pool (97565)

SW/4

Dee 36SW State Well No. 4 (API No. 30-015-27221)
North Dagger Draw-Upper Penn (Oil 15472) Pool

SW/4

Dee 36SW State Well No. 2 (API No. 30-015-26185)
North Dagger Draw-Upper Penn (Oil 15472) Pool.

The amendment to Order No. PLC-253 constitutes recompleting Dee 36 SE State Well No. 6 above from North Dagger Draw-Upper Penn to N. Seven Rivers; Glorieta-Yeso Pool.

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>




It is our understanding that each of these four groups of wells have identical ownership. Prior to commingling oil production between these groups of wells, oil production from each group shall be separately and continuously metered. Oil production shall be allocated back to each well within each of these groups of wells based on periodic well tests.

The sales point for oil production shall be near the well site of the Dee 36SW State Com Well No. 2 in Unit M of Section 36.

NOTE: The Operator/producer shall notify the transporter of this commingling authority. The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

This Order supersedes Order No. PLC-253.

Done at Santa Fe, New Mexico on this 1st day of July 2010.



MARK E. FESMIRE, P.E.,
Division Director

MEF/re

cc: Oil Conservation Division – Artesia
State Land Office – Minerals Management