

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD

FORM 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.

AUG 03 2015

5. Lease Serial No.
NMNM100568

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side. RECEIVED

8. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool, or Exploratory
JABALINA11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
DEVON ENERGY PRODUCTION CO LP
Contact: ERIN WORKMAN
Email: Erin.workman@dvn.com3a. Address
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 731023b. Phone No. (include area code)
Ph: 405-552-79704. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached

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 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 shall 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 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 Co., LP respectfully requests approval of a Central Tank Battery for the following wells:

Mean Green 23 Fed 1H
30-025-41292
SESE, Sec. 22, T26S, R34E
Jabalina, Delaware, SW
NMNM1000568

Mean Green 26 Fed 1H
30-025-41246
NENE, Sec. 26, T26S, R34E

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #310337 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Hobbs
Committed to AFMSS for processing by DUNCAN WHITLOCK on 07/27/2015 (15DW0029SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 07/27/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK

Title TECHNICAL LPET

Date 07/27/2015

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 Hobbs

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.

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

AUG 12 2015

Additional data for EC transaction #310337 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM100568	NMNM100568	MEAN GREEN 23 FED 1H	30-025-41292-00-S1	Sec 23 T26S R34E SESE 25FSL 330FEL
NMNM100568	NMNM100568	MEAN GREEN 26 FED 1H	30-025-41246-00-S1	Sec 26 T26S R34E NENE 25FNL 330FEL 32.021540 N Lat, 103.433217 W Lon

32. Additional remarks, continued

Jabaline; Delaware, SW
NMNM1000568

The central tank battery is located on the Mean Green 23 Fed 1H location in Sec 22, T26S, R34E. The production from each well will flow through its own three phase separator with a Micro Motion Coriolis Meter 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 Mean Green 23 Fed 1H Battery will have four oil tanks that these two wells will utilize and they have a common Federal Measurement Point (number provided upon receipt) on location on the east side of the battery. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separator. Oil sold through a common Smith Lact Meter SNP655653462. Devon will submit within 30 days, an application for ROW approval to the BLM and NMOCD, if we have not already done so.

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

Thanks!

Attachments sent to Duncan Whitlock via e-mail

APPLICATION FOR CENTRAL TANK BATTERY

Proposal for Mean Green Wells:

Devon Energy Production Company, LP is requesting approval for the Central Tank Battery for the following wells:

Federal Lease NMNM100568 (12.5% Royalty Rate)

Well Name	Location	API #	Pool 97597	BOPD	Oil Gravities	MCFPD	BTU
Mean Green 23 Fed 1H	SESE, Sec. 22, T26S, R34E	30-025-41292	Jabaline; Delaware, SW	225	42.1	300	1414.4
Mean Green 26 Fed 1H	NENE, Sec. 26, T26S, R34E	30-025-41246	Jabaline; Delaware, SW	700	42.7	700	1348.2

Attached is a map which displays the federal leases and well locations in Section 22, T26S, R34E.

The BLM's interest in these wells are identical.

Oil & Gas metering:

The central tank battery is located on the Mean Green 23 Fed 1H location in Sec 22, T26S, R34E. The production from each well will flow through its own three phase separator with a Micro Motion Coriolis Meter 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 Mean Green 23 Fed 1H Battery will have four oil tanks that these two wells will utilize and they have a common Federal Measurement Point which is on location on the east side of the battery. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separators. Oil will be sold through a common Smith Lact Meter **SNP655653462**.

The Mean Green 23 Fed 1H flows to a three phase separator, where after separation gas is routed to the gas allocation meter **#390-49-392**, then combines with the Mean Green 26 Fed 1H and will then flow through the Mean Green 23 Federal Measurement Point (**Number provided upon receipt**). The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter **SN14454792**, then flows into a common oil line with the Mean Green 26 Fed 1H, to a common heater/treater, and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl. water tanks, along with the water from the other well.

The Mean Green 26 Fed 1H flows to a three phase separator, where after separation gas is routed to the gas allocation meter **#390-49-395**, then combines with the Mean Green 23 Fed 1H and will then flow through the Mean Green 23 Federal Measurement Point (**Number provided upon receipt**). The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter **SN144562378**, then flows into a common oil line with the Mean Green 26 Fed 1H, to a common heater/treater, and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl. water tanks, along with the water from the other well.

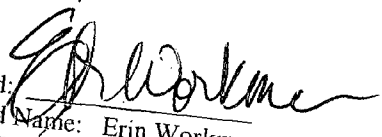
Oil production will be allocated on a daily basis based on the Coriolis Micro Motion Meter located downstream of the metered separator. The Coriolis meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production will be allocated on a daily basis utilizing the gas allocation meter for each well. The gas production from the gas allocation meters will commingle and flow into the Mean Green 23 Federal Measurement Point. These meters will be calibrated on a regular basis per API, NMOCD 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 Mean Green 23 Fed 1H Process Flow Diagram along with a description of each vessel and map which shows the lease boundaries, location of the wells, facility, and gas sales meter. The commingling of this production is the most effective, economic means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

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. Devon will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

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

Signed: 

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 07.22.15

Mean Green 23 Fed 1H
Sec 23 T26S R34E
API # 30-025-41292
Lea County, NM

PROCESS FLOW DIAGRAM

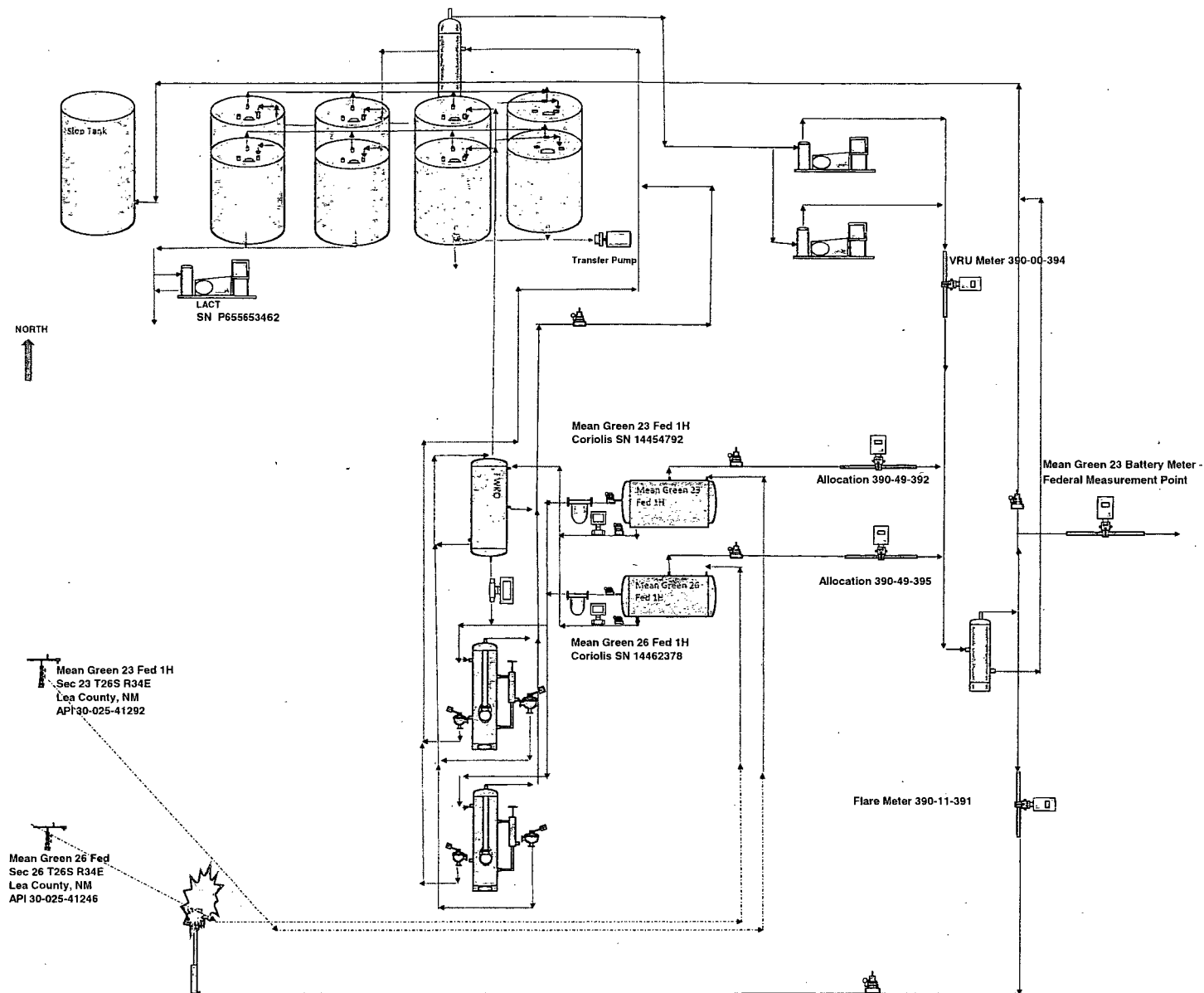
Access Road

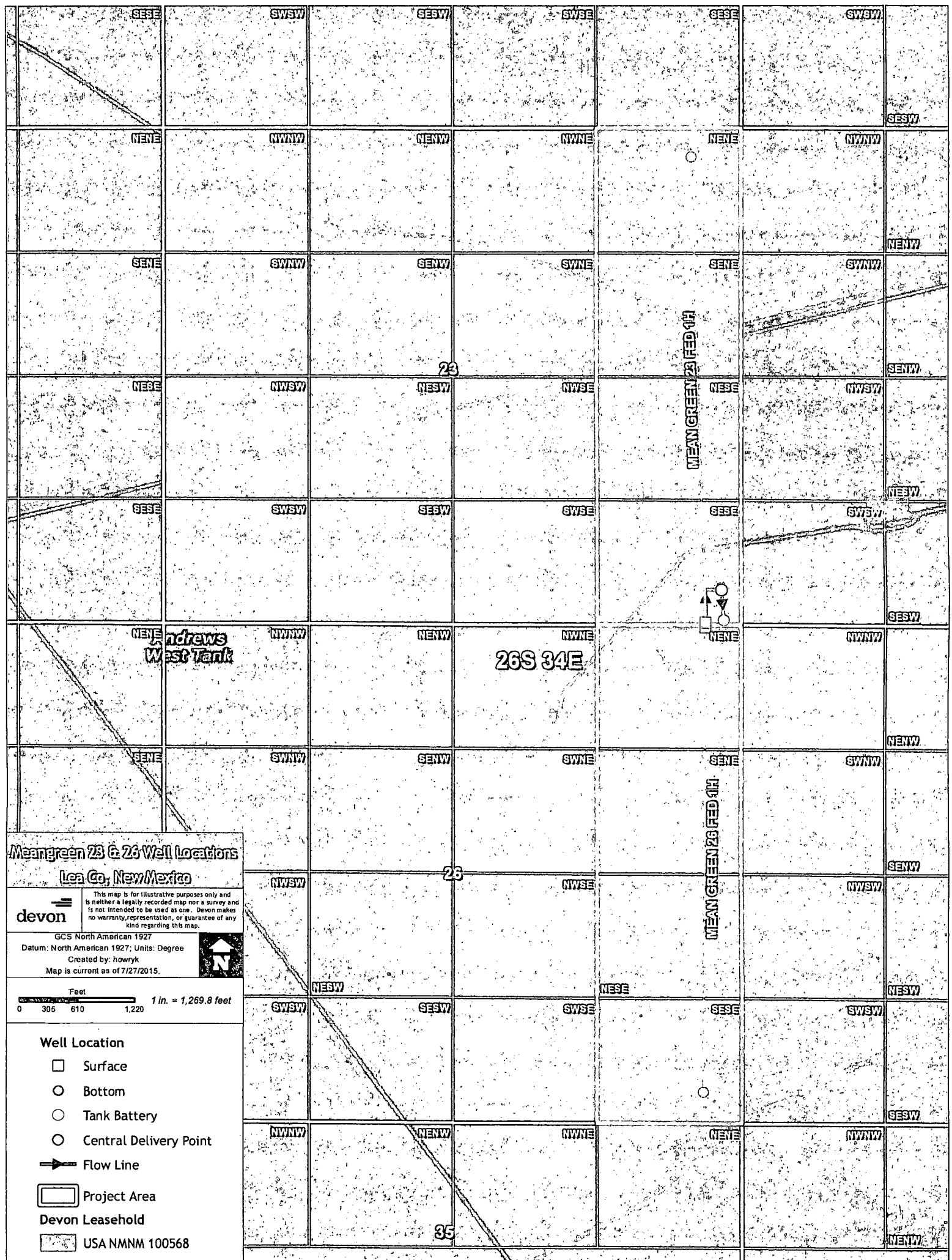
NORTH

Production System: Open

All valves will be sealed 30
minutes prior to sales

Note:
Devon Energy Site Security Plan
located in the Artesia Main Office





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

Run Time: 06:49 AM

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Run Date: 06/03/2015

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

1,920.000

NMNM-- - 100568

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 100568

Name & Address			Int Rel	% Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	0.000000000

Serial Number: NMNM-- - 100568

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0260S 0340E 013	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0340E 023	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 0260S 0340E 026	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 100568

Act Date	Code	Action	Action Remark	Pending Office
01/20/1998	387	CASE ESTABLISHED	9801149	
01/21/1998	191	SALE HELD		
01/21/1998	267	BID RECEIVED	\$364800.00;	
01/21/1998	392	MONIES RECEIVED	\$3840.00;	
02/04/1998	392	MONIES RECEIVED	\$360960.00;	
02/13/1998	237	LEASE ISSUED		
02/13/1998	974	AUTOMATED RECORD VERIF	AT	
03/01/1998	496	FUND CODE	05;145003	
03/01/1998	530	RLTY RATE - <u>12 1/2%</u>		
03/01/1998	868	EFFECTIVE DATE		
03/05/1998	084	RENTAL RECEIVED BY ONRR	\$2880.00;11/MULTIPLE	
03/10/1998	600	RECORDS NOTED		
06/25/1998	963	CASE MICROFILMED/SCANNED		
02/03/1999	084	RENTAL RECEIVED BY ONRR	\$2880.00;21/000000006	
07/01/1999	940	NAME CHANGE RECOGNIZED	SF ENE RES/SF SNYDER	
07/01/1999	974	AUTOMATED RECORD VERIF	JLV	
02/04/2000	084	RENTAL RECEIVED BY ONRR	\$2880;21/71	
10/11/2000	940	NAME CHANGE RECOGNIZED	SANTA FE/DEVON SFS	
10/11/2000	974	AUTOMATED RECORD VERIF	AT	
03/07/2001	084	RENTAL RECEIVED BY ONRR	\$2880;11/84	
04/25/2001	791	TERMINAT'N NOTICE ISSUED	CLASS I;	
04/25/2001	974	AUTOMATED RECORD VERIF	GSB	
05/14/2001	284	REINSTATEMENT FILED	CLASS I;	
05/22/2001	282	REINSTATEMENT APPROVED	CLASS I EFF 03/01/01;	
05/22/2001	974	AUTOMATED RECORD VERIF	LBO	
12/12/2002	817	MERGER RECOGNIZED	DEVONSFS/DEVONENEPD	
11/30/2004	232	LEASE COMMITTED TO UNIT	NM111796X;RATTLESNAKE	
01/08/2006	650	HELD BY PROD - ACTUAL	/1/	
03/14/2006	643	PRODUCTION DETERMINATION	/1/	
03/14/2006	658	MEMO OF 1ST PROD-ACTUAL	/1/#1 RATTLESNAKE;	
11/20/2006	396	TRF OF INTEREST FILED	DEVON/CHESAPEAKE EXP	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
11/27/2012	932	TRF OPER RGTS FILED	CHESAPEAK/CHEVRON U;1	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

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

Run Time: 06:49 AM

Page 2 of 2

Run Date: 06/03/2015

01/01/2013	235	EXTENDED	THRU 01/01/15;
01/01/2013	336	UNIT AGRMT TERMINATED	NM111796X;RATTLESNAKE
01/23/2013	974	AUTOMATED RECORD VERIF	JA;
02/01/2013	246	LEASE COMMITTED TO CA	/2/ CA132796
06/03/2013	139	ASGN APPROVED	EFF 12/01/12;
06/03/2013	933	TRF OPER RGTS APPROVED	EFF 12/01/12;
06/03/2013	974	AUTOMATED RECORD VERIF	LBO
06/30/2014	643	PRODUCTION DETERMINATION	/2/30-025-40912;
06/30/2014	658	MEMO OF 1ST PROD-ACTUAL	/2/NMNM132796;
04/01/2015	393	DEC ISSUED	CORRECTION TO RT
04/01/2015	974	AUTOMATED RECORD VERIF	LBO

Line Nr Remarks Serial Number: NMNM-- - 100568

0002	RECORD TITLE INTEREST OWNERS:
0003	T.26S.,R34E.NMPM LEA CO NM;
0004	SEC. 13: ALL;
0005	SEC. 26: ALL;
0006	DEVON ENERGY PROD CO LP 50%;
0007	CHEVRON USA INC 50%;
0008	SEC. 23: ALL;
0009	DEVON ENERGY PROD CO LP 100%;



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

July 1, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Mean Green 23 Fed 1H & Mean Green 26 Fed 1H
Sec., T, R: Sec 26, T26S, R34E,
Lease: NMNM100568
API: 30-025-41434 & 30-025-41292
Pool: Jabalina; Delaware SW
County: Lea Co., New Mexico

Gentlemen:

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

A copy of our application submitted 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" being more prominent than the last name "Workman".

Erin Workman
Regulatory Compliance Professional

Enclosure

E-CERTIFIED MAILING LIST

Commingle Mailing Reference: **Mean Green 23 Fed 1H Battery**

Repondent Name/Address:

E-Certified Mailing Number:

TWL Investments LLC
P.O. Box 301535
Dallas, TX 75303

9171999991703564143946

Chevron USA Inc.
P.O. Box 730436
Dallas, TX 75373-0436

9171999991703564143960

ONRR
P.O. Box 25627
Denver, CO 80225-0627

9171999991703564143953

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

06.30.15
 Date

Erin.Workman@dmn.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 Commingling)

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 (Coriolis Test Method)
(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)

(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:  TITLE: Regulatory Compliance Prof. DATE: 06.30.15

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

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

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

Mean Green 23 Fed 1H & Mean Green 26 Fed 1H, NM100568

Devon Energy Production Co.

July 27, 2015

Condition of Approval

Commingling of lease production, variance to use Coriolis meter for oil measurement

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 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 NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Variance to Onshore Order #4 oil measurement to use Coriolis meters is approved with this approval.

The approval of this commingling is as per Category I of IM NMPO-2013-02. These wells are on the same lease and have the same royalty rate of 12.5%. This commingling is being done as required by NMOCD due to different ownerships involved in the wells. By combining the production of these wells the royalty value will not be affected due to the production all being Delaware. The BTU value of the production is similar being Delaware gas. Therefore the commingling of these wells will have no royalty rate or royalty value issues do to everything being the similar. This does not mean that the allocation of production to each well will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.