

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
OCD-HOBS
DEC 16 2010
HOBSOCD

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.
LC-029489-C & NM-89891

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

2. Name of Operator
Devon Energy Production Co., LP

8. Well Name and No.
See Below

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)-552-4524

9. API Well No.
See Below

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

10. Field and Pool or Exploratory Area
Mescalero Escarpe; Bone Springs

11. Country or Parish, State
Lea 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 CTB, Lease Commingle, Off-Lease Storage & Measurement
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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 Co LLP respectfully requests approval for the Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

- * Cockburn G Federal 1, API: 30-025-30711 / Sec 10-T18S-33E / Lease - LC-029489-C Mescalero Escarpe; Bone Spring (45793)
- * Cockburn Federal 2, API: 30-025-36282 / Sec 10-T18S-33E / Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)
- * Cockburn Federal 4, API: 30-025-39599 / Sec 10-T18S-33E / Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)

A central tank battery is located at the Cockburn Federal 2 location. The production from ~~both~~ ^{All} wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for ~~all~~ ^{All} wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.396 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working, royalty, and overriding interest ~~in both~~ ^{for All} wells are uniform in Lease LC-029489-C & NM-89891; Working, royalty, and overriding interest owners have been notified via certified mail (see attached).

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Name (Printed/Typed)
Melanie Crawford

Title Regulatory Analyst

Signature

Melanie Crawford

Date

Oct. 25, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPET

Date

12/14/10

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.

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLING & OFF-LEASE STORAGE AND MEASUREMENT

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

Lease commingling proposal for Cockburn leases:

Devon Energy Production Company, LP is requesting approval for Central Tank Battery, Lease Commingle, Off-LEASE Storage and Measurement from the Mescalero Escarpe; Bone Spring (45793) from the following wells:

Federal Lease LC-029489-C

Well Name	Location	API #	Pool 45793	BOPD	Oil Gravity	MCFPD	BTU
Cockburn Sec 10-T18S-R33E G Federal 1		30-025-30711	Mescalero Escarpe; Bone Springs	10.6	34.9	24	1334

Federal Lease NM-89891

Well Name	Location	API #	Pool 45793	BOPD	Oil Gravity	MCFPD	BTU
Cockburn Sec 10-T18S-R33E Federal 2		30-025-36282	Mescalero Escarpe; Bone Springs	10.6	34.7	37	1323
Cockburn Sec 10-T18S-R33E Federal 4		30-025-39599	Mescalero Escarpe; Bone Springs	*327	37.9	*183	1471

* The last 10 day production average ending 10/30

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 10-T18S-R33E. Working, royalty, and overriding interest owners have been notified via certified mail (see attached).

Oil & Gas metering:

Oil, gas 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 well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas, and water. The length of time is 24 hrs per well.

A central tank battery is located at the Cockburn Federal 2 location of Sec10 in T18S, R33E on Federal Lease NM-89891 in Lea County, New Mexico. The production from ~~all~~ wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 well site. From this point one well is on test and its production leaves the production header and enters the Test Heater Treater (Labeled HT).

The testing well's gas from the Test Heater Treater (HT) leaves the device and goes through the Cockburn Fed 2 gas test meter which measures the gas from the well on test. The gas from the well on test then routes to the Frontier gas sales meter #6075003 where total gas for the facility is metered and the custody transfer is made. The individual test well's daily Cockburn Fed 2 gas test meter data is recorded for later utilization for gas allocation. It's an EFM and meter rolls over at 7:00 a.m.

The testing well's oil from the Test Heater Treater (HT) enters the Oil test line and can enter either one (pre-selected) of the 300 bbl oil tanks. During testing, the test well's oil will enter one of the 300 bbl oil tanks with the remaining well(s) oil will enter the other 300 bbl oil tank. An individual daily oil test will be recorded for later utilization for oil allocation. We added additional 2-210 stock tanks to the existing tank battery which is located at the Cockburn Federal 2.

The testing well's water from the Test Heater Treater (HT) exits the bottom of the (HT) vessel and (dashed line) enters the 300 bbl produced water (PW) tank. The remaining well(s) on test enter the production header and then move straight through to the Production Separator and then to the 4 x 20 Heater Treater.

The non-testing well(s) produced gas then exits the 4 x 20 Heater Treater and routes directly to the Frontier Gas sales meter #6075003. The non-testing well(s) produced oil exits the 4 x 20 Heater Treater and routes to the 300 bbl oil tank that has not been isolated for the testing well. The non-testing well(s) water exits the bottom of the 4 x 20 Heater Treater and routes in this case (dashed line) enters the 300 produced water (PW) tank. Typically on a two well facility one well could be on test at all times. Consequently the month's total oil, gas, and water are allocated back to the individual wells based on their test for the month of production reported.

The BLM's interest in these wells, are the same and the BTU's are equivalent. Waste is not induced and no correlative rights are impaired. 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:

Please see attached diagram for the "proposed" Cockburn Fed 2 production facility. The flow of produced fluids is shown in detail along with a description of each vessel. From the common production header, one well is on test and its production leaves the production header and enters the Test Heater Treater (labeled HT).

The benefit of surface commingling the Cockburn G Federal 1 with the Cockburn Federal 2^{+4H} is that *All* wells are within a ¼ mile of each other, one facility will handle the production for both wells. Reduced liability with primary exposure to one facility and reduced lease road/location maintenance due to time/wear-n-tear needing spent at each well's location. This will also lessen the surface disturbance due to having all the production at one facility.

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. Additionally, Devon Energy Production Co., LP 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.

Signed: *Melanie Crawford*
Printed Name: Melanie Crawford
Title: Regulatory Analyst
Date: November 1, 2010



Jim Ball
Land Advisor
Jim.Ball@dvn.com

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
(405) 552-3384
(405) 552-8113 FAX

October 19, 2010

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

RE: Lease Commingle
Off Lease Measurement, Storage & Sales
Cockburn G Federal #1, Cockburn Federal #2
And Cockburn Federal #4H
Section 10, T18S, R33E
Lea County, New Mexico

Ladies & Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the referenced wells and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to lease commingle, off lease measurement, storage and sales the following pools/intervals:

Mescalero Escarpe; Bone Spring Pool Code: 45793

Should you have any questions or concerns, please feel free to contact the undersigned at (405) 552-3384.

Very truly yours,
Devon Energy Production Company, L.P.


Jim Ball
Land Advisor

KR:\CockburnCommingle

Section 10, T18S, R33E
Lea County, New Mexico

3

9

NMLC 0029489A
OXY USA WTP LP
HBP

18S 33E

NMLC 0029489C
CONOCOPHILLIPS CO
HBP

10

NMNM 089891
CONOCOPHILLIPS CO
HBP

COCKBURN G FEDERAL #1

NMNM 053380
CHEVRON MIDCONTINENT LP
HBP

COCKBURN FEDERAL #2 COCKBURN Fed #4H

NMNM 030398
EOG RESOURCES INC
HBP

16

LH18401
OXY USA WTP LIMITED PARTNERSHIP
HBP

15

LG66310
CAL-MON OIL COMPANY
HBP



NMNM 021172
CHEVRON MIDCONTINENT LP
HBP



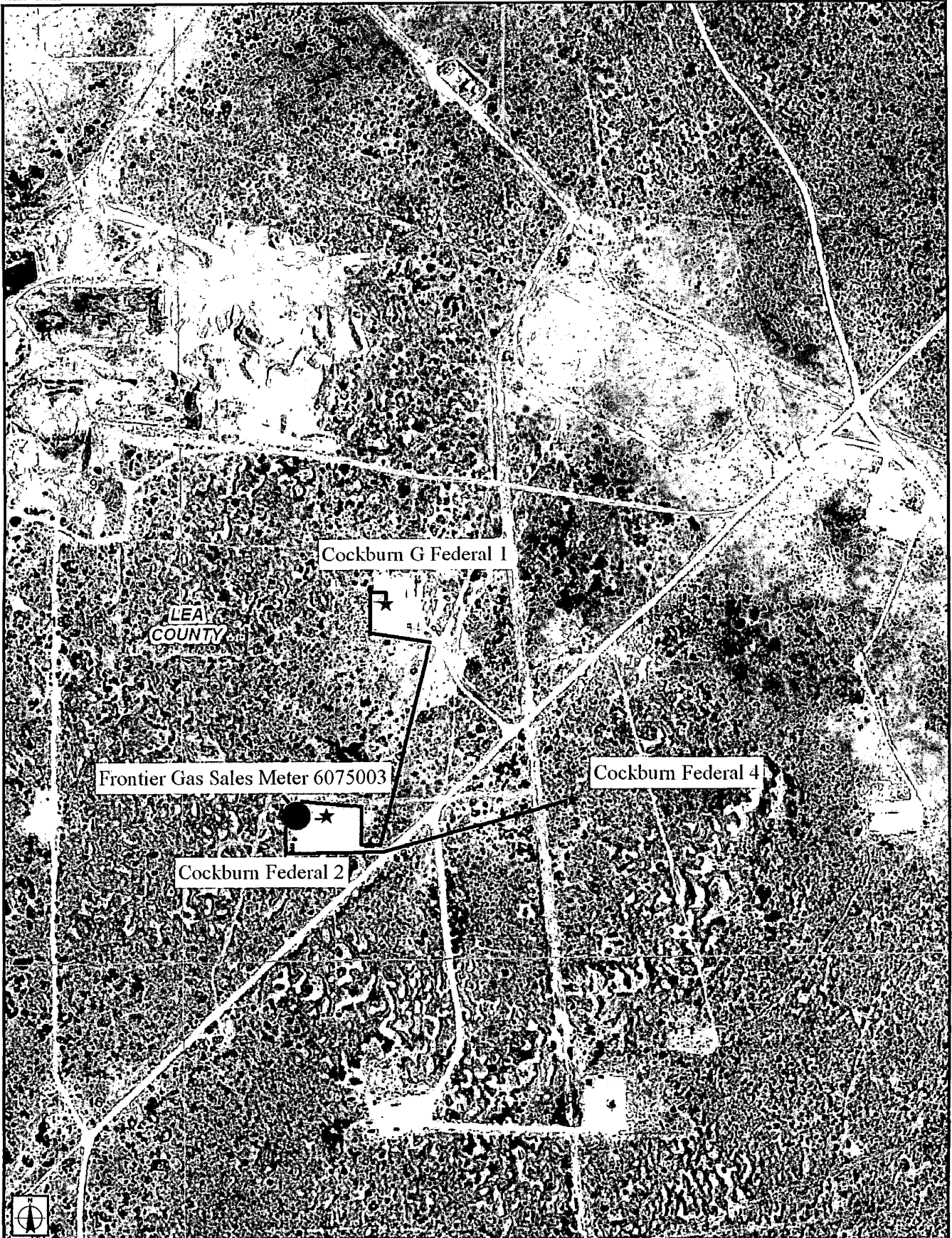
This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

055150
YATES CO
P

Legend

-  Well Unit
-  Devon Leasehold

T.H.M.C.



**Devon Energy
Cockburn Federal #2
Sec-10, T18S, R33E
660FSL&660FWL
API#30-025-36282**

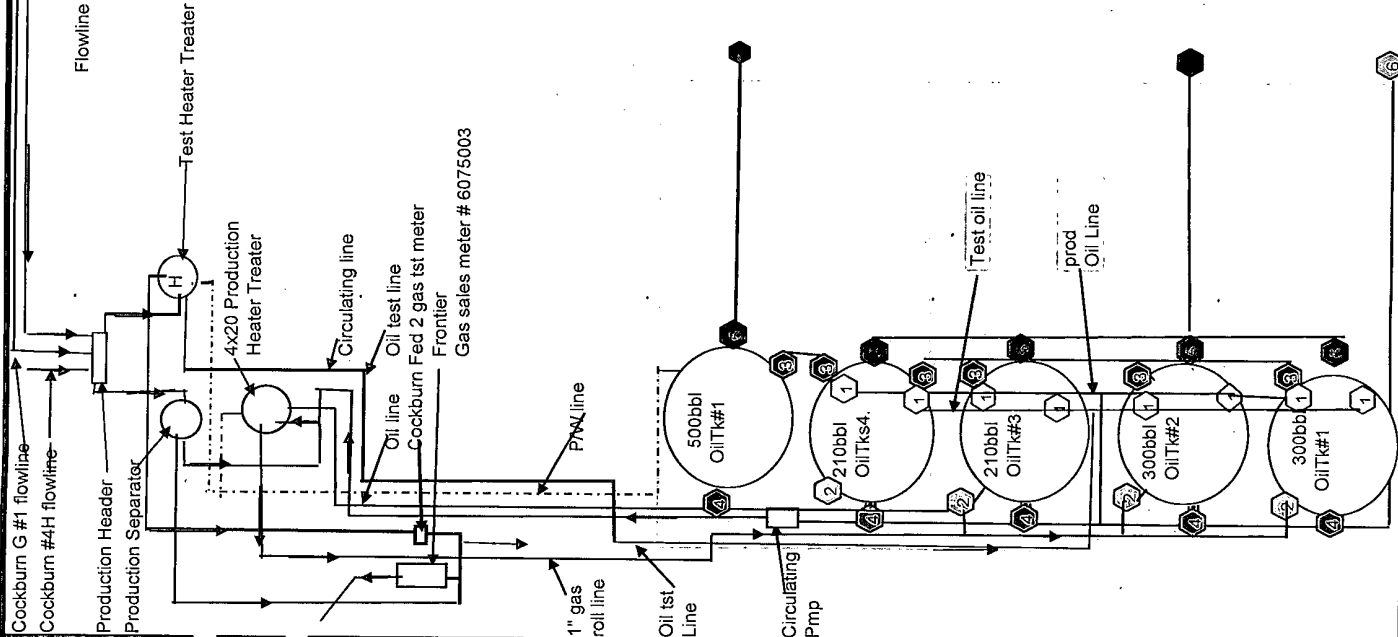
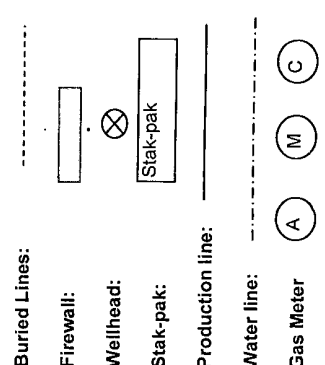
- Production System:** Open
- Oil sales by tank gauge to tank truck.
 - Seal requirements:
 - Production Phase: On all Tanks.
 - All valves 5 sealed closed.
 - Valves 3 open
 - Valves 2 & 4 sealed closed
 - Valves 1 open on tk proudding into.

- Sales Phase: On Tank being hauled.**
- Valve 1 sealed closed. (1)
 - Valve 3 sealed closed. (3)
 - Valve 4 sealed closed. (4)
 - Valve 5 sealed closed. (5)

(5) Misc. Valves: Plugged or otherwise unaccessible. ●
 NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed. (2)

Ledger for Site Diagram

- Valve #1: Production Line (1)
- Valve #2: Test or Roll Line (2)
- Valve #3: Equalizer Line (3)
- Valve #4: Circ./Drain Line (4)
- Valve #5: Sles Line (5)
- Valve #6: BS&W Load Line (6)



Cockburn #2 well
Sec10, T18S, R33E
660FSL&660FWL
SWSW

Cockburn G Fed#1
Sec.10, T18S, R33E
1950FSL&940FWL
NWSW

Devon Energy
Cockburn Federal #2
API-30-025-36282
Lea County, N.M
Elevation-3960

North

Proposed Surface Commingle Battery Layout.

Road Entry



Laboratory Services, Inc.
 2609 West Marland
 Hobbs, New Mexico 88240
 Telephone: (505) 397-3713

FOR: Devon Energy
 Attention: Roger Hernandez
 P. O. Box 250
 Artesia, New Mexico 88211-0250

SAMPLE:
 IDENTIFICATION Cockburn #2
 COMPANY: Devon Energy
 LEASE:
 PLANT:

SAMPLE DATA: DATE SAMPLED:
 ANALYSIS DATE: 9/20/10
 PRESSURE - PSIG
 SAMPLE TEMP. °F
 ATMOS. TEMP. °F

GAS (XX) LIQUID ()
 SAMPLED BY:
 ANALYSIS BY: Vickie Sullivan

REMARKS:

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	4.179	
Carbon Dioxide	(CO2)	0.384	
Methane	(C1)	70.511	
Ethane	(C2)	12.336	
Propane	(C3)	5.622	3.291
I-Butane	(IC4)	0.851	1.820
N-Butane	(NC4)	2.284	0.278
I-Pentane	(IC5)	0.755	0.719
N-Pentane	(NC5)	0.768	0.276
Hexane Plus	(C6+)	1.310	0.277
		<u>100.000</u>	<u>0.569</u>
			7.230

BTU/CU.FT. - DRY 1323
 AT 14.650 DRY 1318
 AT 14.650 WET 1295
 AT 14.73 DRY 1326
 AT 14.73 WET 1303

MOLECULAR WT. 23.4118

SPECIFIC GRAVITY -
 CALCULATED 0.806
 MEASURED



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Devon Energy
Attention: Roger Hernandez
P. O. Box 250
Artesia, New Mexico 88211-0250

SAMPLE:
IDENTIFICATION Cockburn #1
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED:
ANALYSIS DATE: 9/20/10
PRESSURE - PSIG
SAMPLE TEMP. °F
ATMOS. TEMP. °F

GAS (XX) LIQUID ()
SAMPLED BY:
ANALYSIS BY: Vickie Sullivan

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	3.964	
Carbon Dioxide (CO2)	0.248	
Methane (C1)	70.203	
Ethane (C2)	12.776	3.409
Propane (C3)	6.820	1.875
I-Butane (IC4)	0.858	0.280
N-Butane (NC4)	2.245	0.706
I-Pentane (IC5)	0.724	0.264
N-Pentane (NC5)	0.733	0.265
Hexane Plus (C6+)	1.429	0.620
	100.000	7.419
BTU/CU.FT. - DRY	1334	
AT 14.650 DRY	1330	
AT 14.650 WET	1307	
AT 14.73 DRY	1337	
AT 14.73 WET	1314	
SPECIFIC GRAVITY -		
CALCULATED	0.809	
MEASURED		

MOLECULAR WT. 23.5058



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Devon Energy
P. O. Box 250
Artesia, New Mexico 88211-0250

SAMPLE: Sta. #060-75-003
IDENTIFICATION Cockburn #4
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 10/27/10 8:00 am
ANALYSIS DATE: 10/29/10
PRESSURE - PSIG 25
SAMPLE TEMP. °F 55
ATMOS. TEMP. °F 50

GAS (XX) LIQUID ()
SAMPLED BY: Shelby Pennington
ANALYSIS BY: Vickie Sullivan

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	3.222	
Carbon Dioxide (CO2)	0.193	
Methane (C1)	60.243	
Ethane (C2)	17.631	4.704
Propane (C3)	11.542	3.173
I-Butane (IC4)	1.414	0.462
N-Butane (NC4)	3.286	1.034
I-Pentane (IC5)	0.717	0.262
N-Pentane (NC5)	0.620	0.224
Hexane Plus (C6+)	1.132	0.491
	<u>100.000</u>	<u>10.350</u>
BTU/CU.FT. - DRY	1471	
AT 14.650 DRY	1467	
AT 14.650 WET	1441	
AT 14.73 DRY	1475	
AT 14.73 WET	1449	
SPECIFIC GRAVITY -		
CALCULATED	0.888	
MEASURED		

MOLECULAR WT. 25.7139

Exhibit B

Braille Inst of America Inc
Bank of America NA Agent
PO Box 840738
Dallas, TX 75284-0738

Certified Mail Number 7006 2760 0003 6282 6739

Selma E Andrews Trust 5188-01
FBO Peggy Barrett, Bank of America NA Trustee
PO Box 840738
Dallas, TX 75284-0738

Certified Mail Number 7009 3410 0000 3532 4786

Ward Investments, Ltd. Co.
101 South Fourth Street
Artesia, NM 88210

Certified Mail Number 7009 3410 0000 3532 4793

Kirby D Schenck Trusts A-2 & B
c/o Western Commerce Bank, Agt
PO Box 1627
Lovington, NM 88260

Certified Mail Number 7009 3410 0000 3532 4809

James V Linam Estate 11-01540
c/o Norwest Bank New Mexico NA
PO Box 5383
Denver, CO 80217

Certified Mail Number 7009 3410 0000 3532 4816

Shirley C Childress
604 N Deleward No 2
Roswell, NM 88201

Certified Mail Number 7009 3410 0000 3532 4823

Castle Royalties LLC, a wholly owned subsidiary
of Noble Royalties Inc
PO Box 660082
Dallas, TX 75266-0082

Certified Mail Number 7009 3410 0000 3532 4830

Lillian D Worthington
1402 CR 185
Stephenville, TX 76401

Certified Mail Number 7009 3410 0000 3532 4847

Louis H Chipman
PO Box 1789
Stephenville, TX 76401

Certified Mail Number 7009 3410 0000 3532 4854

Luann Corbin Mskhiladze
9404 Candelaria NE Rd Apt D
Albuquerque, NM 87112

Certified Mail Number 7009 3410 0000 3532 4861

Melanie Ruth Wasserman
4536 Dearborn Hills Dr NE
Rio Rancho, NM 87114

Certified Mail Number 7009 3410 0000 3532 4878

Matthew Randell Vann
5673 West A Street
West Linn, OR 97068

Certified Mail Number 7009 3410 0000 3532 4885

Brad & Marideth W Watkins Rev Trust UTA 5/25/74
TB Watkins Trustee
3015 N Washington Ave
Roswell, NM 88201

Certified Mail Number 7009 3410 0000 3532 4892

Linam Family Royalty Trust
George Linam Klein Trustee
PO Box 541382
Grand Prairie, TX 75054-13823015

Certified Mail Number 7008 1830 0003 1986 7012

Patricia S Chipman
5327 Darnell
Houston, TX 75154

Certified Mail Number 7008 1830 0003 1986 7029

Sabine Royalty Trust,
Bank of America NA. Escrow Agent-Sabine Royalty TR
LBX 840887
Dallas, TX 75284-0887

Certified Mail Number 7008 1830 0003 1986 7036

Higgins Trust Inc
c/o William P Edwards
PO Box 6905
Thomasville, GA 31758-6905

Certified Mail Number 7008 1830 0003 1986 7043

Minerals Management Service
Royalty Management Program
PO Box 5810
Denver, CO 80217-5810

Certified Mail Number 7009 3410 0000 3532 4656

Floyd Sherrell Estate
Williams Lockwell Executor
310 Bluebird Street
Carlsbad, NM 88220-2806

Certified Mail Number 7009 3410 0000 3532 4663

John E Cochran
PO Box 1046
Troy, AL 36081-1046

Certified Mail Number 7009 3410 0000 3532 4670

Snead 2000 Rev Trust
Mark S Snead and Ginger R Snead, CO Trustees
6528 E 101 St Ste D-1 # 443
Tulsa, OK 74133-6754

Certified Mail Number 7009 3410 0000 3532 4687

Gary W Chipman
15918 Crooked Lake Way S
Cypress, TX 77433

Certified Mail Number 7009 3410 0000 3532 4694

Robert E Chipman
3828 Private Rd 1253
Stephenville, TX 76401

Certified Mail Number 7009 3410 0000 3532 4717

Jamie L Alonzo
3013 Ester CR
Irving, TX 75062

Certified Mail Number 7009 3410 0000 3532 4700

Jacob Corbin Vann
2003 Broadmoor Dr
Champaign, IL 61821

Certified Mail Number 7009 3410 0000 3532 4731

Riley Anderson Vann
33 Vom Eigen Dr
Morristown, NJ 07960

Certified Mail Number 7009 3410 0000 3532 4724

Roy Vann
508 Church St
Ladonia, TX 75449

Certified Mail Number 7009 3410 0000 3532 4748

Donald P Prehoda Jr
3701 Grays Gable Rd
Laramie, WY 82072

Certified Mail Number 7009 3410 0000 3532 4755

Marion J Craig III & Tamra E Craig
Joint Tenants
PO Box 1436
Roswell, NM 88202

Certified Mail Number 7009 3410 0000 3532 4762

Lena C Sherrell
c/o Monica Cervantes
1819 S Dal Paso
Hobbs, NM 88240
Certified Mail Number 7009 3410 0000 3532 4779
Selma E Andrews Perpetual Charitable Trust 5188-02
Bank of America NA Trustee
PO Box 840738
Dallas, TX 75284-0738
Certified Mail Number 7008 1830 0003 1982 7627

Constance Kerren Truly
177 Tranquil Place
Waxahachie, TX 75167
Certified Mail Number 7008 1830 0003 1982 7634

Energen 1994 Pennzoil c/o Energen Resources Corporation
Attn: Ms. Barbara Roberts
605 Richard Arrington Blvd. N.
Birmingham, AL 35203
Certified Mail Number 7008 1830 0003 1982 7641



Devon Energy Production Company
20 North Broadway – CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dvn.com

October 18, 2010

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

**Re: Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement
Cockburn G Federal 1, Cockburn Federal 2 & Cockburn Federal 4
API # 30-025-30711, 30-025-36282 & 30-025-39599
Sec 10-T18S-R33E
Lease LC-029489-C & Lease NM-89891
Mescalero Escarpe; Bone Spring - Pool Code: 45793
Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B, OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; owners have been notified via certified mail.

The initial application submitted to the NMOCD was approved by the NMOCD (CTB-618) but was not approvable by the BLM and was returned back to Devon to be re-tooled.

A "revised" BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in cursive script that reads "Melanie Crawford".

Melanie Crawford
Regulatory Analyst
Enclosures

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED
 DEC 16 2010
 HOBBSOCD

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 Central Tank Battery
- [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.

Melanie Crawford _____ 10/11/10
 Print or Type Name Signature Title Date

Melanie.Crawford@dvn.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 88201
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico

Form C-107-B
Revised June 10, 2003

RECEIVED

DEC 16 2010

HOBBSOCD

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 Company, L.P.
OPERATOR ADDRESS: 20 North Broadway, Oklahoma City, Oklahoma 73102-8260
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

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 (Specify)
(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: Mescalero Escarpe; Bone Springs (45793)
(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 Notification done on initial and current application, interests are uniformed
(4) Measurement type: Metering Other - Well Test Method

(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: Melanie Crawford TITLE: Regulatory Analyst DATE: October 18, 2010
TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405) 552-4524
E-MAIL ADDRESS: Melanie.Crawford@dvn.com

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
RECEIVED
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
DEC 16 2010
HOBSOCD

Form C-103
 May 27, 2004

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.)		WELL API NO. See Below
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, LP		6. State Oil & Gas Lease No. LC-029489-C & NM-89891
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524		7. Lease Name or Unit Agreement Name See Below
4. Well Location (See Below) Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM Eddy County New Mexico		8. Well Number See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 6137
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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 Production Co LLP respectfully requests approval for the Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

- * Cockburn G Federal 1 API: 30-025-30711 Sec 10-T18S-33E Lease - LC-029489-C Mescalero Escarpe; Bone Spring (45793)
- * Cockburn Federal 2 API: 30-025-36282 Sec 10-T18S-33E Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)
- * Cockburn Federal 4 API: 30-025-39599 Sec 10-T18S-33E Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)

A central tank battery is located at the Cockburn Federal 2 location. The production from both wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for both wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.396 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working, royalty, and overriding interest in both wells are uniform in Lease LC-029489-C & NM-89891; Working, royalty, and overriding interest owners have been notified via certified mail (see attached).

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 NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE October 18, 2010

Type or print name: Melanie Crawford E-mail address: Melanie.Crawford.dvn.com Telephone No. (405) 552-4524
 For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

Cockburn G Federal #1, Cockburn Federal #2 and Cockburn Fedederal. #4H

Devon Energy Production Co., LP

December 14, 2010

**Condition of Approval
Commingle on and off lease**

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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to MMS as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to MMS. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.