

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.

MAR 03 2011

5. Lease Serial No.	NM-98189
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	9. API Well No. See Below
3b. Phone No. (include area code) (405)- 552-4524	10. Field and Pool or Exploratory Area 41450 - Lusk; Bone Spring, North
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) See Below	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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other CTB, Off-Lease Gas Measurement & Sales
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 recompleate 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 recompleation 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 Off-Lease Gas Measurement & Sales for the following wells:

Nana 30 Federal 1H	API: 30-025-39365	Sec 30-T18S-R32E
Nana 30 Federal 2H	API: 30-025-39579	Sec 30-T18S-R32E
Nana 30 Federal 3	API: 30-025-39580	Sec 30-T18S-R32E

A Central Tank Battery will be located at the Nana 30 Federal 3 location. The Well Test Method will be used to allocate production back to the wells (see attached facility diagram). A common DCP Gas Sales Meter # 726113-00 will be used for the wells and is located approximately 1 mile south of the Nana wells in Section 31-T18S-R32E. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes. Waste is not induced and no correlative rights are impaired.

ROW will or has already been obtained.

The working interest, royalty interest and overriding royalty interest owners in the lease are uniformed; no additional notification is required.

**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 <i>Melanie Crawford</i>	Date January 17, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr	Title LPE7	Date 2/27/11
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	MAR 04 2011

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)

PETROLEUM ENGINEER

APPLICATION FOR CTB, OFF-LEASE GAS MEASUREMENT AND SALES APPROVAL

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

CTB, Off-Lease Gas Measurement & Sales proposal for Nana:

Devon Energy Production Company, LP is requesting approval for CTB, Off-Lease Gas Measurement & Sales from the Lusk; Bone Springs, North (41450) from the following wells:

Federal Lease NM-98189

Well Name	Location	API #	Pool 41450	MCFPD	BTU
Nana 30 Federal 1H	Sec 30-T18S-R32E	30-015-39365	Lusk; Bone Spring, North	139.53	1320
Nana 30 Federal 2H	Sec 30-T18S-R32E	30-015-39579	Lusk; Bone Spring, North	682.61	1320
Nana 30 Federal 3	Sec 30-T18S-R32E	30-015-39580	Lusk; Bone Spring, North	85.86	1320

* The BTU's for the Nana wells is an Average Composite Sample

A map is enclosed showing the Federal leases and well locations in Section 30-T18S-R32E. The ownership in the Nana leases is uniformed; no additional notification is required.

Gas metering:

The gas hydrocarbon production from the Nana wells will be the only hydrocarbon being commingled, measured and sold off-lease. A common DCP Gas Sales Meter # 726113-00 is located approximately 1 mile south of the Nana wells in Section 31-T18S-R32E. The Nana wells will have no check meters, but will be allocated by the Well Test Method. There will be a Central Tank Battery that will be utilized and it is located at the Nana 30 Federal 3 location in Section 30-T18S-R32E on Federal Lease NM-98189 in Lea County, New Mexico.

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. Well tests for each well will be conducted at least once per month.

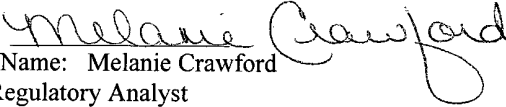
The BLM's interest in all three wells is the same. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

Please see attached diagram for the proposed Nana 30 Federal 3 Central Tank Battery. The flow of produced fluids is shown in detail, along with a description of each vessel.

The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells 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. 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: 
Printed Name: Melanie Crawford
Title: Regulatory Analyst
Date: 1-17-2011



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

Jim Ball, Land Advisor
Jim.Ball@dev.com
405-552-3384
FAX 405-552-8113

December 7, 2010

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

RE: Nana 30 Fed 1H
Nana 30 Fed 2H
Nana 30 Fed 3
Section 30-18S-32E
Lea County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L. P. regarding the ownership of the referenced wells and the associated oil and gas lease and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's application for Off-Lease Gas Measurement & Sales pertaining to the following wells:

Nana 30 Fed 1H, API #30-025-39365, State of New Mexico Lease NM 98189
Nana 30 Fed 2H, API #30-025-39579, State of New Mexico Lease NM 98189
Nana 30 Fed 3, API #30-025-39580, State of New Mexico Lease NM 98189

If there are any questions, or if additional information is required, please contact me.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to be "Jim Ball", enclosed within a large, loopy oval scribble.

Jim Ball
Land Advisor

Nana Wells Lea County, NM

24

19

20

25

30

29

**18S - 31E
EDDY**

18S - 32E

● NANA 30 FED 3

● NANA 30 FED 2H

● NANA 30 FED 1H

LEA

NM-98189

36

31

32

12/7/2010

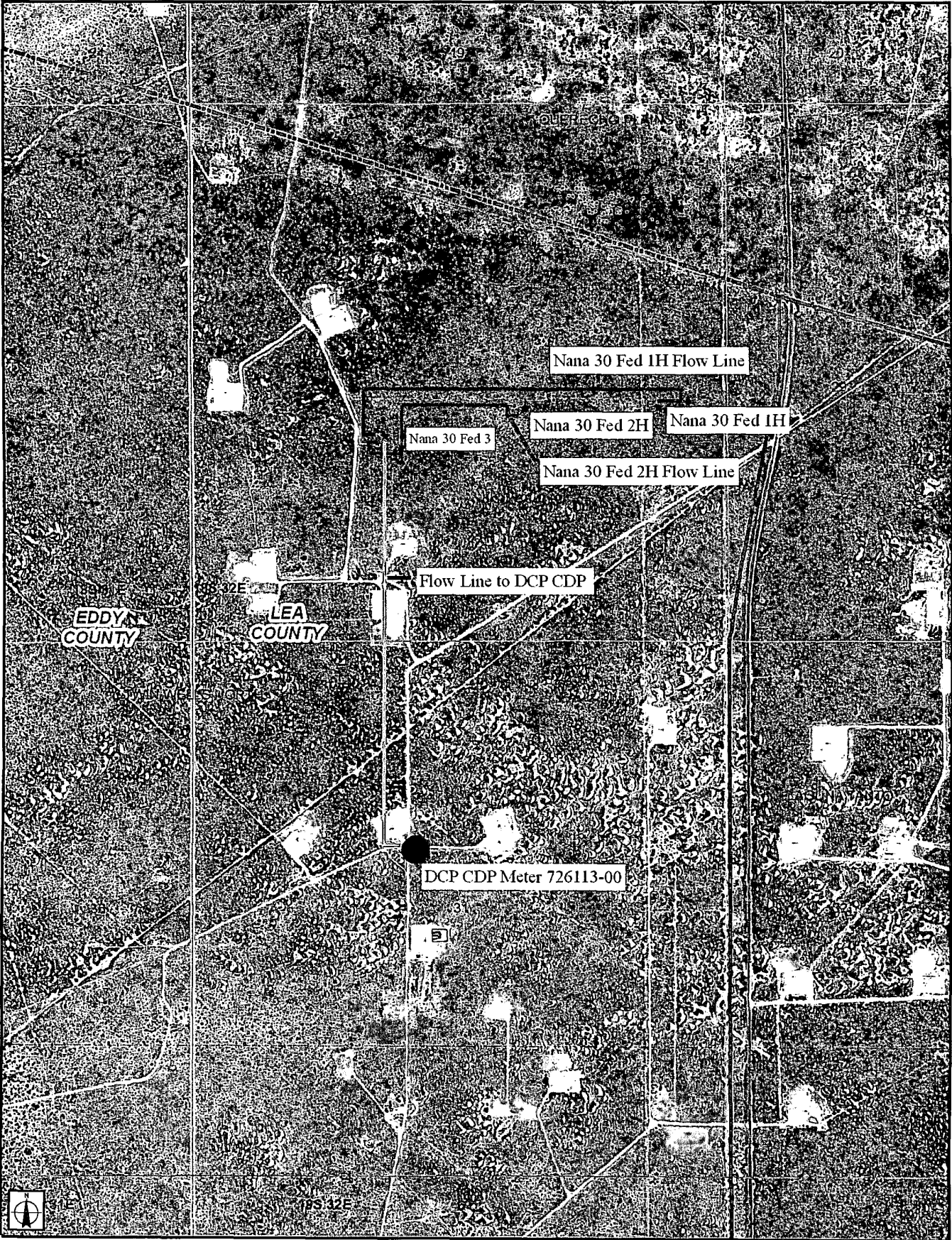
Legend

-  COUNTIES
-  TOWNSHIPS
-  SECTIONS
-  Devon Leases
-  Devon Minerals

19S - 32E

6

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.



Nana 30 federal #3
 Section 30,T18S,R32E
 2040FSL&1980FWL
 Lea County, N.M
 API# N/A

Production System: Open

- 1) Oil sales by tank gauge to tank truck.
- 2) Seal requirements:

A. Production Phase: On all Tanks.

- (1) All Valves 5 sealed closed.

Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed. (1)
- (2) Valve 3 sealed closed. (2)
- (3) Valve 4 sealed closed. (3)
- (4) Valve 5 sealed closed. (4)

(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: Equilizer Line (3)

Valve #4: Circ./Drain Line (4)

Valve #5: Sales Line (5)

Valve #6: BS&W Load Line (6)

Buried Lines: -----

Firewall: []

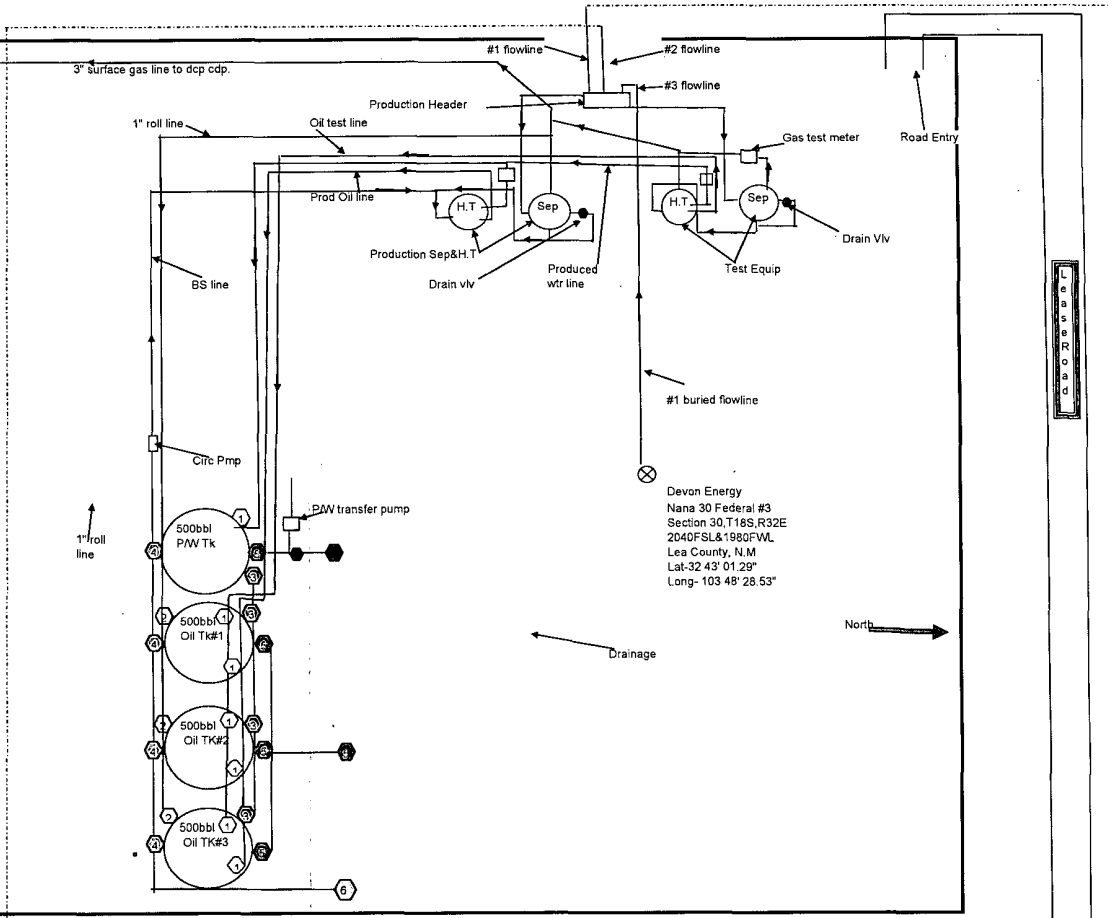
Wellhead: [X]

Stak-pak: [Stak-pak]

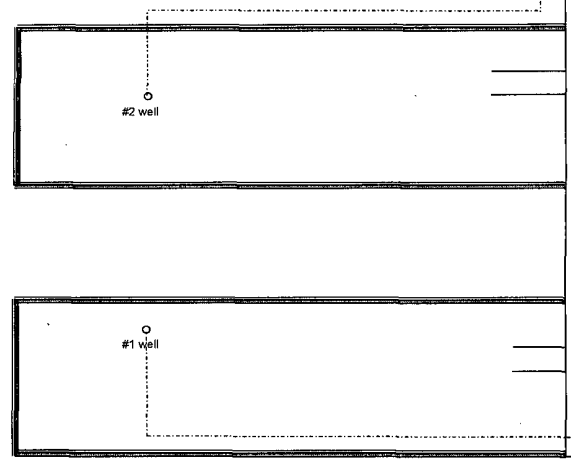
Production line: -----

Water line: -----

Gas Meter (A) (M) (C)



Devon Energy
 Nana 30 Federal #3
 Section 30,T18S,R32E
 2040FSL&1980FWL
 Lea County, N.M
 Lat-32 43' 01.29"
 Long- 103 48' 28.53"



Monthly Meter Analysis

DCP Midstream LLC

December, 2010

726113-00 Nana 30 Fed #3

Component	Mole %	GPMs	Mass %	Property	Total Sample	C6 Plus Fraction
Carbon Dioxide, CO2	0.8780		1.7004	Pressure Base	14.730	
Nitrogen, N2	2.0760		2.5592	Temperature Base	60.00	
Methane, C1	74.6027		52.6658	HCDP @ Sample Pressure		
Ethane, C2	10.8381	2.9097	14.3408	Cricondentherm		
Propane, C3	5.9621	1.6489	11.5689	HV, Dry @ Base P, T	1320.62	
iso-Butane, iC4	0.7890	0.2592	2.0180	HV, Sat @ Base P, T	1297.51	
n-Butane, nC4	2.2310	0.7061	5.7062	HV, Sat @ Sample P, T		
iso-Pentane, iC5	0.6460	0.2372	2.0510	Relative Density	0.7875	
n-Pentane, nC5	0.7610	0.2769	2.4161	Fws Factor		
Hexanes Plus, C6+	1.2110	0.5305	4.9661	Free Water GPM		
Water, H2O	0.0000		0.0000	Stock Tank Condensate Brls/mm		
Hydrogen Sulfide, H2S	0.0050		0.0075	26 # RVP Gasoline	1.591	
Oxygen, O2	0.0000		0.0000	Testcar Permian	1.212	
Carbon Monoxide, CO	0.0000		0.0000	Testcar Panhandle	1.046	
Hydrogen, H2	0.0000		0.0000	Testcar Midcon	0.876	
Helium, He	0.0000		0.0000			
Argon, Ar	0.0000		0.0000			
Totals	99.9999	6.5685	100.0000			

Sample

Date: 11/15/2010

Pressure:

Type: Spot

Temperature:

*** End of Report ***

OFF LEASE PRODUCTION - LEA COUNTY

	08/01/10	09/01/10	10/01/10	11/01/10	12/01/10	01/01/11
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Nana 30 Federal 1H	3,289.19	6,345.98	6,578.95	6,100.45	4,445.17	1,268.59
Nana 30 Federal 2H	0.	0.	0.	0.	10,280.17	6,212.74
Nana 30 Federal 3	3,105.82	3,238.29	2,979.6	2,488.6	2,469.86	780.66



Devon Energy Production Company
20 North Broadway – CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dev.com

January 17, 2011

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

**Re: CTB, Off Lease Gas Measurement and Sales Approval
Nana 30 Federal 1H, Nana 30 Federal 2H, Nana 30 Federal 3
API # 30-015-39365, 30-015-39579 & 30-015-39580
Sec 30-T18S-R32E
Lease NMNM-98189
Lusk; Bone Spring, North - Pool Code: 41450
Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for Off-Lease Gas Measurement & Sales. The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; no further notification is required.

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". The signature is written in dark ink and is positioned above the printed name and title.

Melanie Crawford
Regulatory Analyst

Enclosures