

DATE IN 07/23/13	SUSPENSE	ENGINEER DB	LOGGED IN 07/23/13	TYPE STB ^{PLC}	APP NO. PAXIK1320456547
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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] *Multiple API*
- [A] Location - Spacing Unit - Simultaneous Dedication *Paxon Energy*
- ☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C] *Multiple Wells*
- [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

Erin Workman
 Signature

Regulatory Compliance Associate
 Title

07/22/13
 Date

Erin.workman@dmv.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 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
96473 Pierce Crossing; Bone Spring, East HB 10 Federal 2	41.9 / 1261.2				
96473 Pierce Crossing; Bone Spring, East HB 10 Federal 3	41.9 / 1262.4				
11520; Cedar Canyon; Bone Spring -- HB 10-A Federal 8	41.9 / 1261.8				
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 2	41.9 / 1254.9				
(See attached for the rest of the wells information)					

- (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 ☒ Well 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 (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: Erin Workman TITLE: Regulatory Compliance Assoc. DATE: 07/22/13

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

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

HB POOL COMMINGLE

1) Pool Names and Codes	Gravities/ BTU of Non- Commingled Production
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 3	41.9 /1261.
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 4	41.9 /1243.8
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 5	41.9 /1243.2
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 6	41.9 /1269.4
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 7	41.9/1267.8
11540 Cedar Canyon; Delaware HB 11 Federal 11	41.9 /1272.7
11540 Cedar Canyon; Delaware HB 15 Federal 1	41.9 /1257.7

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

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 STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, L.P.		6. State Oil & Gas Lease No. See Below
3. Address of Operator 333 W. Sheridan, Oklahoma City, OK 73102 (405) 552-7970		7. Lease Name or Unit Agreement Name See Below
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section See Below Township Range NMPM Eddy, County		8. Well Number See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3299'GL		9. OGRID Number 6137
		10. Pool name or Wildcat See Below

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"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/> CTB, Pool/Lease commingle, Off Lease Gas Measurement, Sales & Storage		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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Company, LP respectfully requests a Central Tank Battery, Pool/Lease Commingle, Off-Lease Measurement, Sales & Storage for the following wells:

Well	S/T/R	LEASE #	API	POOL
H B 10 Federal 2	Sec 10-T24S-R29E	Lease NM-81616	API # 30-015-33098	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 10 Federal 3	Sec 10-T24S-R29E	Lease NM-81616	API # 30-015-34145	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 10-A Federal 8	Sec 10-T24S-R29E	Lease NM-81616	API # 30-015-29915	Pool: 11520 Cedar Canyon; Bone Spring
H B 11 Federal 2	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29248	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 3	Sec 10-T24S-R29E	Lease NM-85892	API # 30-015-29249	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 4	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29625	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 5	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-32741	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 6	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29585	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 7	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-32606	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 11	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29739	Pool: 11540 Cedar Canyon; Delaware
H B 15 Federal 1	Sec 10-T24S-R29E	Lease NM-88137	API # 30-015-29490	Pool: 11540 Cedar Canyon; Delaware

A Central Tank Battery is located at the HB 11 Federal 2 location in the NW/4 SW/4 of Sec. 11-24S-29E in Eddy Co., NM. 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 East side of the facility. The DCP central delivery point (CDP) #33166167 for all wells is also located at the HB 11 Federal 2 location. These are the only wells utilizing this CDP at this time. Production is allocated based off well test and the test equipment is on the HB 11 Federal 2 location. ROW has or will be obtained.

The working, royalty, and overriding interest owners are not identical; parties 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: Erin Workman TITLE: Regulatory Compliance Associate DATE: 07/22/13

Type or print name: Erin Workman E-mail address: Erin.workman@dvsn.com Telephone No. (405) 552-7970
For State Use Only

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



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 552 7970 Phone
Erin.Workman@devn.com

July 22, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

**Re: Central Tank Battery, Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage
Sec 10-T24S-R29E
NMNM 81616, NMNM 88134, NMNM 85892, & NMNM 88137
API #30-015-33098, #30-015-34145, #30-015-29915, #30-015-29248, #30-015-29249,
#30-015-29625, #30-015-32741, #30-015-29585, #30-015-32606, #30-015-29739,
#30-015-29490
Pool: 96473 Pierce Crossing; Bone Spring East, 11520 Cedar Canyon; Bone Spring,
11540 Cedar Canyon, Delaware
Eddy County, 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") seeking approval to permit a Pool\Lease Commingle, off-lease measurement sales, & storage of production from the aforementioned leases and pools.

A copy of our application submitted to the Division 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 that reads "Erin Workman". The signature is fluid and cursive, with the first and last names being clearly legible.

Erin Workman
Regulatory Compliance Associate

Enclosure

CERTIFIED MAILING LIST

Well Name: **H B 15 FED 1**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Paul Barwis P.O. Box 230 Midland, TX 79702	9171999991703091646422 Transaction #30724
Colonial Management 11413 W. 104th Street Overland Park, KS 66214	9171999991703091646415 Transaction #30726
F-Co Holdings 245 Brattle Street Cambridge, MA 02138	9171999991703091646408 Transaction #30728
George G. Vaught Jr. P.O. Box 13557 Denver, CO 80201-3557	9171999991703091646392 Transaction #30738
Kingdom Investments Limited 1601 Elm Street, Suite 3400 Dallas, TX 75201-7201	9171999991703091646385 Transaction #30732
Lowe Royalty Partners LP P.O. Box 4887, Dept 4 Houston, TX 77210-4887	9171999991703091646378 Transaction #30749
YMC Royalty Company LP P.O. Box 681062 Houston, TX 77268-1062	9171999991703091646361 Transaction #30750
Jareed Partners Ltd P.O. Box 51451 Midland, TX 79710-1451	9171999991703091646354 Transaction #30751
Goldking Energy P.O. Box 671099 Dallas, TX 75367-1099	9171999991703091646347 Transaction #30753
Penwell Employee Royalty Pool 200 N. Loraine Street, Suite 1550 Midland, TX 79701	9171999991703091646330 Transaction #30754
Robro Royalty Partners Ltd P.O. Box 671028 Dallas, TX 75367-1028	9171999991703091646323 Transaction #30755
John Lawrence Thoma P.O. Box 17656 Golden, CO 80402	9171999991703091646316 Transaction #30756
Sandra Mary Thoma 8530 Mill Run Road Athens, TX 75751	9171999991703091646309 Transaction #30757
Energy Royalties LLC A/C 3600 Kirby Drive, Suite T Houston, TX 77098	9171999991703091646293 Transaction #30758
Bitter End Royalties LP P.O. Box 670988 Dallas, TX 75367-0988	9171999991703091646286 Transaction #30759

CERTIFIED MAILING LIST

Well Name: **H B 15 FED 1**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Rave Energy Inc. 777 Walker Street, Suite 2500 Houston, TX 77002	9171999991703091646279 Transaction #30760
Taurus Royalty LLC P.O. Box 1477 Little Elm, TX 75068-1477	9171999991703091646262 Transaction #30761
Vendetta Royalty Partners Ltd P.O. Box 141638 Austin, TX 78714-1638	9171999991703091646255 Transaction #30762
ONRR P.O. Box 25627 Denver, CO 80225-0627	9171999991703091646248 Transaction #30763

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator DEVON ENERGY PRODUCTION CO LP Contact: ERIN WORKMAN Email: ERIN.WORKMAN@DVN.COM		6. If Indian, Allottee or Tribe Name
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		8. Well Name and No. Multiple--See Attached
		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory Multiple--See Attached
		11. County or Parish, and State EDDY COUNTY, NM

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 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 shall 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 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 Company, LP respectfully requests a Central Tank Battery, Pool/Lease Commingle, Off-Lease Measurement, Sales & Storage for the following wells:

HB 10 Federal 2	Sec 10-24S-29E	30-015-33098	96473 Pierce Crossing; Bone Spring, East
HB 10 Federal 3	Sec 10-24S-29E	30-015-34145	96473 Pierce Crossing; Bone Spring, East
HB 10-A Federal 8	Sec 10-24S-29E	30-015-29915	11520 Cedar Canyon; Bone Spring East
HB 11 Federal 2	Sec 11-24S-29E	30-015-29248	96473 Pierce Crossing; Bone Spring, East
HB 11 Federal 4	Sec 11-24S-29E	30-015-29625	96473 Pierce Crossing; Bone Spring, East

RECEIVED

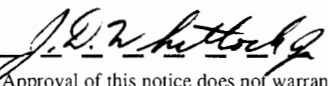
JUL 17 2013

**REGULATORY DEPT.
MID-CONTINENT DIVISION**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #164368 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 12/18/2012 (13KMS4197SE)	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE ASSOC
Signature (Electronic Submission)	Date 12/14/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u> 	Title <u>SUPERVISORY PET</u>	Date <u>06/11/2013</u>
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 <u>Carlsbad</u>

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 ****

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #164368 that would not fit on the form

5. Lease Serial No., continued

NMNM81616
NMNM85892
NMNM88134
NMNM88137

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM88134	NMNM88134	H B 11 FEDERAL 2	30-015-29248-00-S1	Sec 11 T24S R29E NWSW 1650FSL 400FWL
NMNM88134	NMNM88134	H B 11 FEDERAL 4	30-015-29625-00-S1	Sec 11 T24S R29E NWNW 510FNL 560FWL
NMNM81616	NMNM81616	H B 10 FEDERAL 2	30-015-33098-00-S1	Sec 10 T24S R29E NWSE 2240FSL 2240FEL
NMNM81616	NMNM81616	H B 10 FEDERAL 3	30-015-34145-00-S1	Sec 10 T24S R29E NESE 1480FSL 1110FEL
NMNM81616	NMNM81616	H B 10A FEDERAL 8	30-015-29915-00-S1	Sec 10 T24S R29E SESE 660FSL 400FEL
NMNM88134	NMNM88134	H B 11 FEDERAL 11	30-015-29739-00-C1	Sec 11 T24S R29E NWSE 2080FSL 1930FEL
NMNM88134	NMNM88134	H B 11 FEDERAL 11	30-015-29739-00-C2	Sec 11 T24S R29E NWSE 2080FSL 1930FEL
NMNM88134	NMNM88134	H B 11 FEDERAL 5	30-015-32741-00-S1	Sec 11 T24S R29E NENW 330FNL 1750FWL
NMNM88134	NMNM88134	H B 11 FEDERAL 6	30-015-29585-00-S1	Sec 11 T24S R29E SENW 1650FNL 1980FWL
NMNM88134	NMNM88134	H B 11 FEDERAL 7	30-015-32606-00-S1	Sec 11 T24S R29E NESW 2550FSL 1600FWL
NMNM85892	NMNM85892	H B 11 FEDERAL 3	30-015-29249-00-S1	Sec 11 T24S R29E SESW
NMNM88137	NMNM88137	H B 15 FEDERAL 1	30-015-29490-00-S2	Sec 15 T24S R29E NENE 660FNL 860FEL

10. Field and Pool, continued

CEDAR CANYON-BONE SPRING
E PIERCE CROSSING
PIERCE CROSSING
PIERCE CROSSING BONE SPRING

32. Additional remarks, continued

HB 11 Federal 5	Sec 11-24S-29E	30-015-32741	96473 Pierce Crossing; Bone Spring, East
HB 11 Federal 6	Sec 11-24S-29E	30-015-29585	96473 Pierce Crossing; Bone Spring, East
HB 11 Federal 7	Sec 11-24S-29E	30-015-32606	96473 Pierce Crossing; Bone Spring, East
HB 11 Federal 11	Sec 11-24S-29E	30-015-29739	11540 Cedar Canyon; Delaware
H B 11 Federal 3	Sec 11-24S-29E	30-015-29249	96473 Pierce Crossing; Bone Spring, East
H B 15 Federal 1	Sec 15-24S-29E	30-015-29490	11540 Cedar Canyon; Delaware

A Central Tank Battery is located at the HB 11 Federal 2 location in the NW/4 SW/4 of Sec. 11-24S-29E in Eddy Co., NM. 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 East side of the facility. The DCP central delivery point (CDP) #33166167 for all wells is also located at the HB 11 Federal 2 location. These are the only wells utilizing this CDP at this time. Production is allocated based off well test and the test equipment is on the HB 11 Federal 2 location. ROW has or will be obtained

APPLICATION FOR CENTRAL TANK BATTERY, POOL/LEASE COMMINGLING & OFF-LEASE MEASUREMENT, SALES, & STORAGE APPROVAL

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

Pool/Lease commingling proposal for HB 10, HB 11, & HB 15

Devon Energy Production Company, LP is requesting approval for CTB, Pool/Lease Commingle, Off Lease Measurement, Sales, & Storage

Federal Lease: NM 81616

Well Name	Location	API #	Pool	BOPD	Oil Gravity	MCFPD	BTU
NWSE HB 10 Federal 2	Sec 10-24S-29E	30-015-33098	96473 Pierce Crossing; Bone Spring, East	3	See Run Ticket	10.49	1261.2
NESE HB 10 Federal 3	Sec 10-24S-29E	30-015-34145	96473 Pierce Crossing; Bone Spring, East	3	42.7	41.95	1262.4
SESE HB 10-A Federal 8	Sec 10-24S-29E	30-015-29915	11520 Cedar Canyon; Bone Spring	1	as per LAST SALE 3-2013 OGOR	31.46	1261.8

Federal Lease: NM 88134

Well Name	Location	API #	Pool	BOPD	Oil Gravity	MCFPD	BTU
NWSW HB 11 Federal 2	Sec 11-24S-29E	30-015-29248	96473 Pierce Crossing; Bone Spring, East	2	See Run Ticket	51.49	1254.9
NWNW HB 11 Federal 4	Sec 11-24S-29E	30-015-29625	96473 Pierce Crossing; Bone Spring, East	2	"	10.49	1243.8
NENW HB 11 Federal 5	Sec 11-24S-29E	30-015-32741	96473 Pierce Crossing; Bone Spring, East	2	45.6	36.23	1243.2
SESW HB 11 Federal 6	Sec 11-24S-29E	30-015-29585	96473 Pierce Crossing; Bone Spring, East	1	"	14.30	1269.4
NESW HB 11 Federal 7	Sec 11-24S-29E	30-015-32606	96473 Pierce Crossing; Bone Spring, East	1	as per	26.70	1267.8
NWSE HB 11 Federal 11	Sec 11-24S-29E	30-015-29739	11540 Cedar Canyon; Delaware	.10	LAST SALE 3-2013 OGOR	0.95	1272.7

Federal Lease NM 85892

Well Name	Location	API #	Pool	BOPD	Oil Gravity	MCFPD	BTU
SESW HB 11 Federal 3	Sec 11-24S-29E	30-015-29249	96473 Pierce Crossing; Bone Spring, East	11	See Run Ticket	146.84	1261.0

Federal Lease NM 88137

Well Name	Location	API #	Pool	BOPD	Oil Gravity	MCFPD	BTU
NENE HB 15 Federal 1	Sec 15-24S-29E	30-015-29490	11540 Cedar Canyon; Delaware	2	See Run Ticket	14.30	1257.7

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Sections: 10, 11, & 15 of T24S R29E and The ownership in the HB lease is not uniform; working, royalty, and overriding interest owners have been notified of this proposal via certified mail (Exhibit D).

Oil & Gas metering:

A central tank battery will be located at the HB 11 Federal #2 location in the NW/4 SW/4 of Section 11 in T24S, R29E on Federal Lease NM-88134 in Eddy County, New Mexico (Exhibit B). A common gas sales meter associated with a DCP central delivery point (CDP) #33166167 is located in Sec 11-T24S-R29E at the HB 11 Federal 2. The oil and water production from these wells will be commingled, measured and sold off-lease; using the Well Test Method.

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. The HB 11 Federal 4, 5, 6, & 7 will run through a test separator to test these wells, then to the HB 11 Federal 2. 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 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.

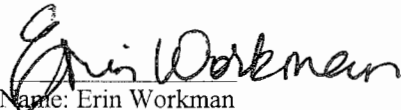
Process and Flow Descriptions:

Please see attached diagram (EXHIBIT B) for the current & proposed HB 11 Federal 2 central tank battery. The flow of produced fluids is shown in detail on Exhibit B 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: Erin Workman

Title: Regulatory Compliance Associate

Date: 11/26/12

Any questions on this please contact Tracy Kidd @ (575) 748-0189

Truck Ticket(H B 11 FED 2 OIL TK 111115-1)

H B 11 FED 2 OIL TK 111115-1

Oil

Date	Ticket #	Oil	Water	
10/25/2012	1006976	179.54	0.00	O
10/20/2012	1001893	181.69	0.00	O
9/3/2012	948268	178.98	0.00	O
8/30/2012	948267	178.24	0.00	O
7/30/2012	912593	178.35	0.00	O
7/23/2012	912592	185.75	0.00	O
5/26/2012	860469	187.64	0.00	O
5/24/2012	860468	173.16	0.00	O
5/4/2012	838819	189.07	0.00	O
4/19/2012	825300	179.00	0.00	O
3/17/2012	792362	191.63	0.00	O
3/16/2012	792363	177.60	0.00	O
1/14/2012	733869	177.67	0.00	O
1/14/2012	733868	178.31	0.00	O
12/15/2011	695243	180.30	0.00	O

Ticket Type

Entry Date

10/25/2012

Ticket #

1006976

Ticket Drawn

Before stock read

Purchaser

SHELL TRADING US COMPANY

Transporter

TAYLOR TRUCKING

Product

10: Oil

Disposition

140: Sales To Truck

Top Gauge Open

7' 11 1/4"

Top Gauge Close

2' 6 2/4"

Gross Volume

(BBL) 180.639

Water Gauge Open

0' 0 0/4"

Water Gauge Close

0' 0 0/4"

Free Water Volume

(BBL) 0.000

BSW Percent

0.1

Open Temp

(F) 70

Close Temp

(F) 70

Obsv Gravity

(sg) 41.9

Observed Temp

70

Corr Gravity

(sg) 41.000

Net Oil Volume

(BBL) 179.538

Calculation Type

System Calculated

Oil Sale or Disposition

Cancel

Add

Delete

Save

Save & Close

Exhibit A

3

2

10

NM-81616

H.B. 11 Fed. 4

H.B. 11 Fed. 5

H.B. 11 Fed. 6

NM-88134

11

H.B. 11 Fed. 7

H.B. 10 Fed. 2

H.B. 11 Fed. 11

H.B. 10 Fed. 3

H.B. 11 Fed. 2

NM-85892

H.B. 11 Fed. 3

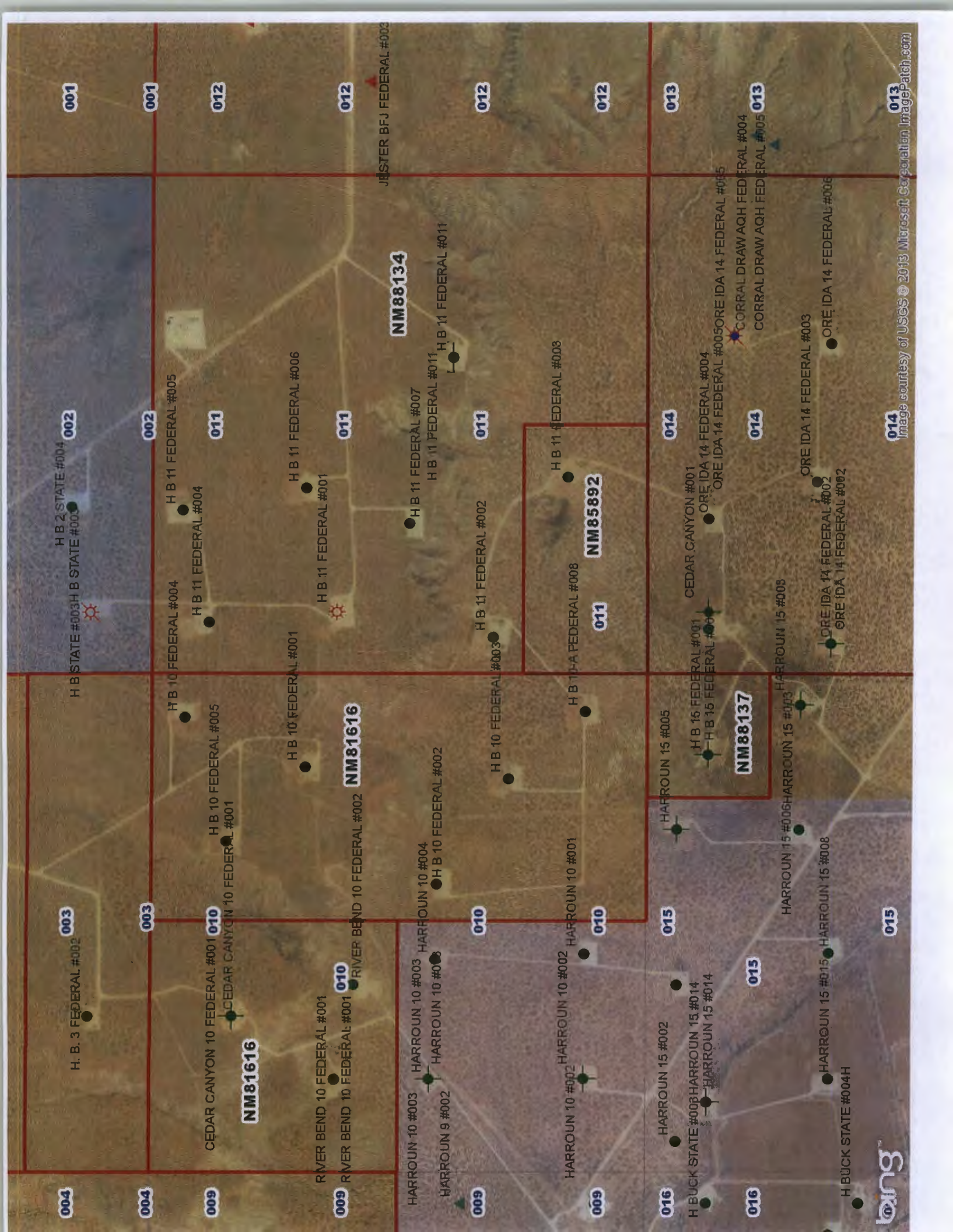
NM-88137

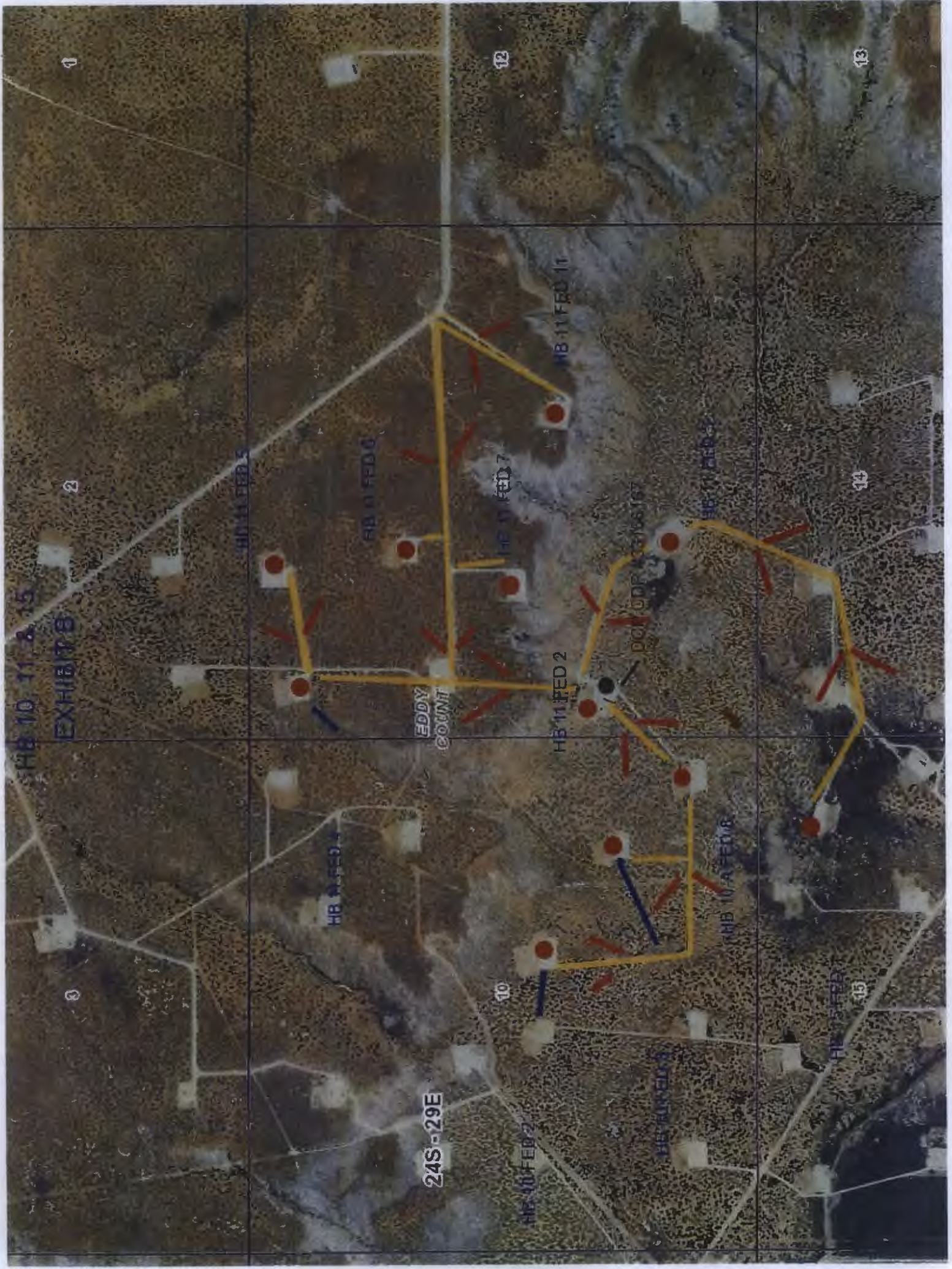
H.B. 15 Fed. 1

24S 29E

14

15





HB 10 11 & 15
EXHIBIT B

24S-29E

EDDY
COUNT

HB 11 FEB 2

HB 11 FEB 11

DCI ODP 33165187

HB 10 FEB 8

HB 11 FEB 2

HB 10 FEB 15

HB 11 FEB 2

1

2

3

12

13

14

10

15



HB 11 FED.2 BATT.
1650 FSL-400 FWL
SEC.11-245-29E NMPM
EDDY CO.N.M.-96222

Production System: Closed

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. 

(2) Valve 3 sealed closed. 


(3) Valve 4 sealed closed. 


(4) Valve 5 sealed closed. 


(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. 


Ledger for Site Diagram


Valve #1: Production Line 

Valve #2: Test or Roll line 

Valve #3: Equalizer Line 


Valve #4: Circ./Drain Line 

Valve #5: Sles Line 

Valve #6: BS&W Load Line 

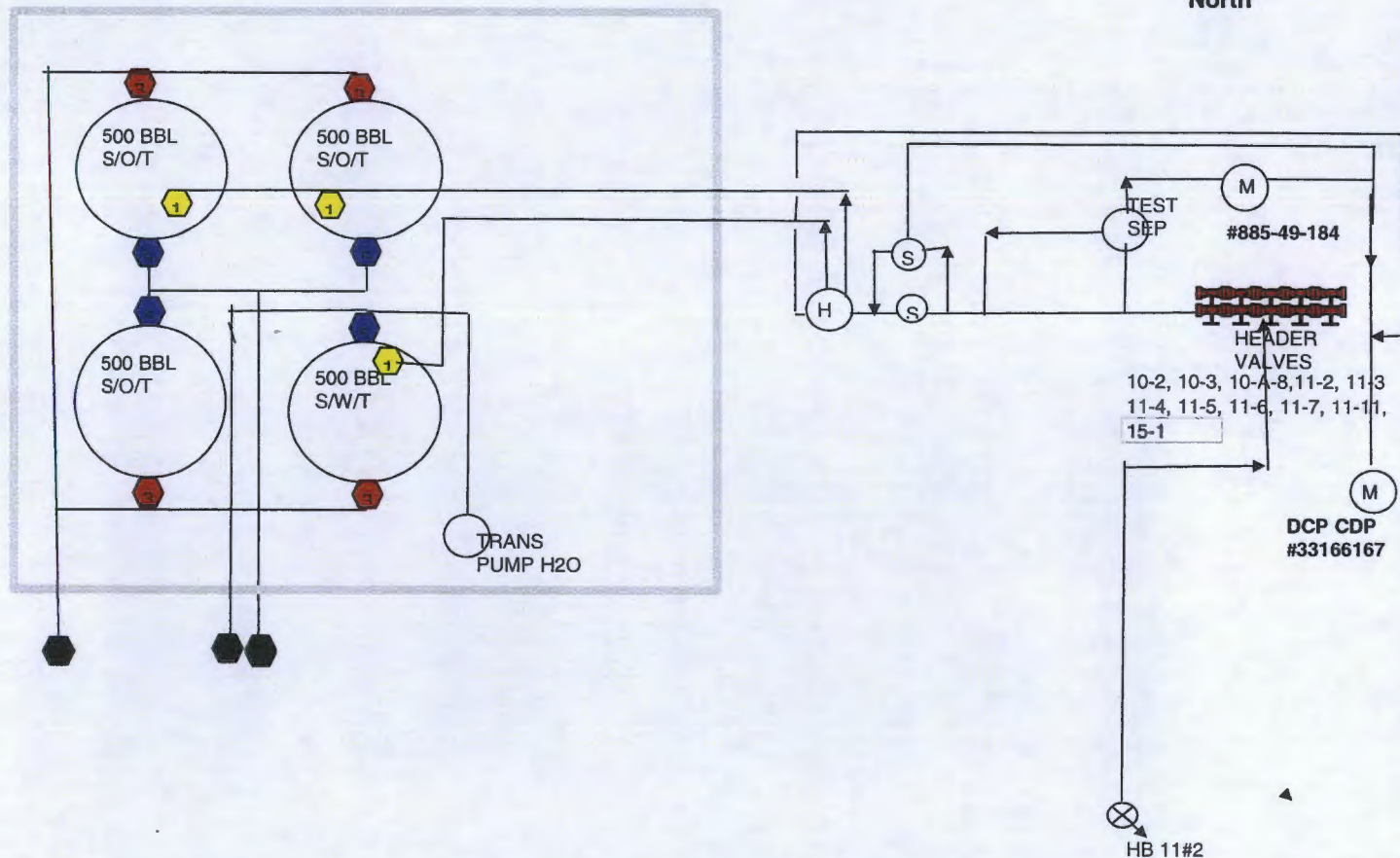
Buried Lines: -----

Firewall: 

Wellhead: 

Stak-pak: 

Gas Meter   





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

November 27, 2012

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

**Re: Central Tank Battery, Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage
Sec 10-T24S-R29E
NMNM 81616, NMNM 88134, NMNM 85892, & NMNM 88137
API: #30-015-33098, #30-015-34145, #30-015-29915, #30-015-29248, #30-015-29249,
#30-015-29625, #30-015-32741, #30-015-29585, #30-015-32606, #30-015-29739,
#30-015-29490
Pool: 96473 Pierce Crossing; Bone Spring East, 11520 Cedar Canyon; Bone Spring,
11540 Cedar Canyon, Delaware
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103, C-107B and BLM Form 3160-5 Sundry Notice of Intent for a Central Tank Battery, Pool\Lease Commingle, Off Lease Measurement, Sales, & Storage for the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners are not uniformed; notification has been sent via certified mail (see attached).

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)-552-7970.

Very truly yours,

Devon Energy Production Company, L.P.

Erin Workman
Regulatory Compliance Associate

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



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		Regulatory Compliance Associate	11-27-12
Print or Type Name	Signature	Title	Date
		Erin.workman@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 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 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
96473 Pierce Crossing; Bone Spring, East HB 10 Federal 2	41.9 /1261.2				
96473 Pierce Crossing; Bone Spring, East HB 10 Federal 3	41.9 /1262.4				
11520; Cedar Canyon; Bone Spring - HB 10-A Federal 8	41.9 /1261.8				
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 2	41.9 /1254.9				
(See attached for the rest of the wells information)					

(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 ☒ Well 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(3) Has all interest owners been notified by certified mail of the proposed commingling? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
(4) Measurement type: <input type="checkbox"/> Metering <input checked="" type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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: Erin Workman TITLE: Regulatory Compliance Assoc. DATE: 11/27/12

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

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

HB POOL COMMINGLE

1) Pool Names and Codes	Gravities/ BTU of Non- Commingled Production
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 3	41.9 /1261.
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 4	41.9 /1243.8
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 5	41.9 /1243.2
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 6	41.9 /1269.4
96473 Pierce Crossing; Bone Spring, East HB 11 Federal 7	41.9 /1267.8
11540 Cedar Canyon; Delaware HB 11 Federal 11	41.9 /1272.7
11540 Cedar Canyon; Delaware HB 15 Federal 1	41.9 /1257.7

OFF LEASE PRODUCTION - EDDY COUNTY

	05/01/12	06/01/12	07/01/12	08/01/12	09/01/12	10/01/12
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
HB 10 Federal 2	796.33	671.15	511.87	467.35	441.2	260.73
HB 10 Federal 3	1157.75	973.57	1,342.35	1,152.64	1,181.08	888.33
HB 10 - A Federal 8	740.86	670.99	1,017.22	801.31	915.21	636.61
HB 11 Federal 2	1455.61	1,315.33	1,896.8	1,453.23	1,553.9	1,071.08
HB 11 Federal 3	4756.32	4,021.1	6,436.44	5,166.06	5,451.56	3,629.78
HB 11 Federal 4	511.86	391.84	511.86	477.96	519.22	306.06
HB 11 Federal 5	1177.98	961.56	1,265.1	1,047.25	1,064.29	776.12
HB 11 Federal 6	478.4	424.56	500.61	418.17	426.48	339.69
HB 11 Federal 7	586.36	625.31	1,454.16	669.54	781.75	507.37
HB 11 Federal 11	41.26	118.61	33.01	26.38	27.8	19.54
HB 15 Federal 1	752.54	577.12	787.28	578.4	585.	375.08

TK

Precision Gas Measurement, Inc. Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 10 FED 2
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:22:27

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.9967	0.0	0.0	0.01931	0.220
CARBON DIOXIDE	2.2768	0.0	0.0	0.03460	0.390
METHANE	74.0488	749.6	736.6	0.41016	12.599
ETHANE	11.7846	209.0	205.4	0.12235	3.163
PROPANE	5.9962	151.2	148.6	0.09129	1.658
I-BUTANE	0.6846	22.3	21.9	0.01374	0.225
N-BUTANE	1.6785	54.9	53.9	0.03368	0.531
I-PENTANE	0.3975	15.9	15.7	0.00990	0.146
N-PENTANE	0.4517	18.1	17.8	0.01125	0.164
C6+	0.6846	35.2	34.6	0.02203	0.298
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1256.4	1234.5	0.76831	19.395

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	72.0	
Flowing Pressure (psia)	75.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1256.4	1234.5
Gross Heating Value (BTU / Real cu.ft.)	1261.2	1239.8
Relative Density (G), Real	0.7710	0.7687
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.395	19.165
Wobbe Index	1436.4	1414.0

TK

Precision Gas Measurement, Inc. **Natural Gas Report**

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 10 FED 3
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:12:43

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	2.0314	0.0	0.0	0.01965	0.224
CARBON DIOXIDE	2.3413	0.0	0.0	0.03558	0.401
METHANE	73.8247	747.4	734.3	0.40892	12.561
ETHANE	11.8570	210.3	206.7	0.12310	3.183
PROPANE	6.0072	151.5	148.9	0.09146	1.661
I-BUTANE	0.6865	22.4	22.0	0.01378	0.225
N-BUTANE	1.6881	55.2	54.2	0.03388	0.534
I-PENTANE	0.4008	16.1	15.8	0.00998	0.147
N-PENTANE	0.4553	18.3	18.0	0.01134	0.166
C6+	0.7077	36.4	35.8	0.02277	0.308
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1257.5	1235.6	0.77045	19.411

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	72.0	
Flowing Pressure (psia)	72.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1257.5	1235.6
Gross Heating Value (BTU / Real cu.ft.)	1262.4	1240.9
Relative Density (G), Real	0.7731	0.7709
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.411	19.180
Wobbe Index	1435.7	1413.4

TK

Precision Gas Measurement, Inc. **Natural Gas Report**

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 10 A FED 8
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:29:19

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	2.0204	0.0	0.0	0.01954	0.223
CARBON DIOXIDE	2.2952	0.0	0.0	0.03488	0.393
METHANE	73.9492	748.6	735.6	0.40960	12.582
ETHANE	11.8071	209.4	205.8	0.12258	3.169
PROPANE	6.0207	151.8	149.2	0.09167	1.665
I-BUTANE	0.6849	22.3	21.9	0.01374	0.225
N-BUTANE	1.6800	54.9	54.0	0.03371	0.532
I-PENTANE	0.3970	15.9	15.6	0.00989	0.146
N-PENTANE	0.4495	18.1	17.7	0.01120	0.164
C6+	0.6960	35.8	35.2	0.02239	0.303
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1256.9	1235.0	0.76921	19.401

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	71.0	
Flowing Pressure (psia)	70.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1256.9	1235.0
Gross Heating Value (BTU / Real cu.ft.)	1261.8	1240.3
Relative Density (G), Real	0.7719	0.7696
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.401	19.171
Wobbe Index	1436.2	1413.9

TK

Precision Gas Measurement, Inc. Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 2
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 16:03:27

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	2.1849	0.0	0.0	0.02113	0.241
CARBON DIOXIDE	2.4863	0.0	0.0	0.03778	0.426
METHANE	73.9294	748.4	735.4	0.40949	12.578
ETHANE	11.5837	205.5	201.9	0.12026	3.109
PROPANE	5.9400	149.8	147.2	0.09044	1.642
I-BUTANE	0.6741	22.0	21.6	0.01353	0.221
N-BUTANE	1.6505	54.0	53.0	0.03312	0.522
I-PENTANE	0.3868	15.5	15.2	0.00964	0.142
N-PENTANE	0.4390	17.6	17.3	0.01094	0.160
C6+	0.7253	37.3	36.6	0.02334	0.316
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1250.1	1228.3	0.76966	19.358

Results Summary

Result	Dry	Sat
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	70.0	
Flowing Pressure (psia)	70.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1250.1	1228.3
Gross Heating Value (BTU / Real cu.ft.)	1254.9	1233.6
Relative Density (G), Real	0.7723	0.7701
Compressibility (Z) Factor	0.9962	0.9957
Total GPM	19.358	19.129
Wobbe Index	1427.9	1405.7

TK

Precision Gas Measurement, Inc. Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 3
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 16:38:26

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	2.0494	0.0	0.0	0.01982	0.226
CARBON DIOXIDE	2.2920	0.0	0.0	0.03483	0.393
METHANE	73.9535	748.7	735.6	0.40963	12.583
ETHANE	11.8153	209.6	205.9	0.12267	3.171
PROPANE	5.9909	151.1	148.5	0.09121	1.656
I-BUTANE	0.6994	22.8	22.4	0.01404	0.230
N-BUTANE	1.6617	54.3	53.4	0.03335	0.526
I-PENTANE	0.3918	15.7	15.4	0.00976	0.144
N-PENTANE	0.4436	17.8	17.5	0.01105	0.161
C6+	0.7024	36.1	35.5	0.02260	0.306
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1256.1	1234.2	0.76895	19.396

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	70.0	
Flowing Pressure (psia)	72.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1256.1	1234.2
Gross Heating Value (BTU / Real cu.ft.)	1261.0	1239.5
Relative Density (G), Real	0.7716	0.7694
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.396	19.166
Wobbe Index	1435.5	1413.2

TK

Precision Gas Measurement, Inc. Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 4
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:56:21

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.8454	0.0	0.0	0.01785	0.204
CARBON DIOXIDE	1.9323	0.0	0.0	0.02936	0.331
METHANE	75.8690	768.0	754.7	0.42024	12.906
ETHANE	11.3554	201.4	197.9	0.11789	3.047
PROPANE	5.5070	138.9	136.5	0.08384	1.522
I-BUTANE	0.6202	20.2	19.9	0.01245	0.204
N-BUTANE	1.5151	49.5	48.7	0.03041	0.479
I-PENTANE	0.3576	14.3	14.1	0.00891	0.131
N-PENTANE	0.4061	16.3	16.0	0.01012	0.148
C6+	0.5919	30.4	29.9	0.01904	0.258
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1239.2	1217.6	0.75010	19.230

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	74.0	
Flowing Pressure (psia)	70.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1239.2	1217.6
Gross Heating Value (BTU / Real cu.ft.)	1243.8	1222.6
Relative Density (G), Real	0.7526	0.7506
Compressibility (Z) Factor	0.9963	0.9959
Total GPM	19.230	19.003
Wobbe Index	1433.8	1411.2

TK

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 5
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 16:24:52

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.8466	0.0	0.0	0.01786	0.204
CARBON DIOXIDE	1.9019	0.0	0.0	0.02890	0.326
METHANE	76.0111	769.5	756.1	0.42103	12.931
ETHANE	11.2727	200.0	196.5	0.11703	3.025
PROPANE	5.4826	138.3	135.9	0.08347	1.516
I-BUTANE	0.6162	20.1	19.7	0.01237	0.202
N-BUTANE	1.5048	49.2	48.3	0.03020	0.476
I-PENTANE	0.3538	14.2	13.9	0.00881	0.130
N-PENTANE	0.4021	16.2	15.9	0.01002	0.146
C6+	0.6082	31.3	30.7	0.01957	0.265
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1238.6	1217.1	0.74925	19.220

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	75.0	
Flowing Pressure (psia)	75.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1238.6	1217.1
Gross Heating Value (BTU / Real cu.ft.)	1243.2	1222.0
Relative Density (G), Real	0.7517	0.7498
Compressibility (Z) Factor	0.9963	0.9959
Total GPM	19.220	18.993
Wobbe Index	1433.9	1411.3

TK

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 6
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:42:42

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.8049	0.0	0.0	0.01746	0.199
CARBON DIOXIDE	1.9553	0.0	0.0	0.02971	0.335
METHANE	74.5094	754.3	741.2	0.41271	12.678
ETHANE	11.7540	208.5	204.9	0.12203	3.155
PROPANE	5.9557	150.2	147.6	0.09068	1.647
I-BUTANE	0.6905	22.5	22.1	0.01386	0.227
N-BUTANE	1.7161	56.1	55.1	0.03444	0.543
I-PENTANE	0.4159	16.7	16.4	0.01036	0.153
N-PENTANE	0.4805	19.3	19.0	0.01197	0.175
C6+	0.7177	36.9	36.3	0.02309	0.313
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1264.5	1242.5	0.76630	19.423

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	76.0	
Flowing Pressure (psia)	70.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1264.5	1242.5
Gross Heating Value (BTU / Real cu.ft.)	1269.4	1247.8
Relative Density (G), Real	0.7690	0.7668
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.423	19.193
Wobbe Index	1447.6	1425.0

TK

Precision Gas Measurement, Inc. Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 7
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:36:48

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.7881	0.0	0.0	0.01729	0.197
CARBON DIOXIDE	1.9683	0.0	0.0	0.02991	0.337
METHANE	74.6528	755.7	742.6	0.41350	12.702
ETHANE	11.6744	207.1	203.5	0.12120	3.133
PROPANE	5.9148	149.2	146.6	0.09005	1.635
I-BUTANE	0.6858	22.4	22.0	0.01376	0.225
N-BUTANE	1.7030	55.7	54.7	0.03418	0.539
I-PENTANE	0.4125	16.5	16.3	0.01028	0.151
N-PENTANE	0.4765	19.1	18.8	0.01187	0.173
C6+	0.7238	37.2	36.6	0.02329	0.315
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1262.9	1240.9	0.76533	19.409

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	75.0	
Flowing Pressure (psia)	70.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1262.9	1240.9
Gross Heating Value (BTU / Real cu.ft.)	1267.8	1246.3
Relative Density (G), Real	0.7680	0.7658
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.409	19.179
Wobbe Index	1446.7	1424.2

TK

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 11 FED 11
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 16:17:35

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.7966	0.0	0.0	0.01738	0.198
CARBON DIOXIDE	1.9699	0.0	0.0	0.02993	0.337
METHANE	74.3966	753.1	740.0	0.41208	12.659
ETHANE	11.7134	207.8	204.2	0.12161	3.144
PROPANE	6.0255	152.0	149.3	0.09174	1.666
I-BUTANE	0.6973	22.7	22.3	0.01399	0.229
N-BUTANE	1.7321	56.6	55.6	0.03476	0.548
I-PENTANE	0.4252	17.1	16.8	0.01059	0.156
N-PENTANE	0.4897	19.7	19.3	0.01220	0.178
C6+	0.7537	38.7	38.1	0.02425	0.328
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1267.7	1245.6	0.76853	19.444

Results Summary

Result	Dry	Sat
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	75.0	
Flowing Pressure (psia)	70.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1267.7	1245.6
Gross Heating Value (BTU / Real cu.ft.)	1272.7	1251.1
Relative Density (G), Real	0.7712	0.7690
Compressibility (Z) Factor	0.9961	0.9957
Total GPM	19.444	19.214
Wobbe Index	1449.2	1426.7

TK

Precision Gas Measurement, Inc. Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	HB 15 FED 1
Location ID	
Sample Date	11-19-12
WATER	
Method Name	BTUH2S.met
Injection Date	2012-11-20 15:49:06

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	1.8384	0.0	0.0	0.01778	0.203
CARBON DIOXIDE	2.0906	0.0	0.0	0.03177	0.358
METHANE	74.7864	757.1	743.9	0.41424	12.724
ETHANE	11.7134	207.8	204.2	0.12161	3.144
PROPANE	5.8360	147.2	144.6	0.08885	1.614
I-BUTANE	0.6548	21.3	21.0	0.01314	0.215
N-BUTANE	1.5972	52.2	51.3	0.03205	0.505
I-PENTANE	0.3733	15.0	14.7	0.00930	0.137
N-PENTANE	0.4228	17.0	16.7	0.01053	0.154
C6+	0.6871	35.3	34.7	0.02211	0.299
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1252.9	1231.1	0.76138	19.353

Results Summary

Result:	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	71.0	
Flowing Pressure (psia)	75.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1252.9	1231.1
Gross Heating Value (BTU / Real cu.ft.)	1257.7	1236.3
Relative Density (G), Real	0.7640	0.7619
Compressibility (Z) Factor	0.9962	0.9958
Total GPM	19.353	19.123
Wobbe Index	1438.9	1416.4

Submit 1 Copy to Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

WELL API NO. See Below
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. See Below
7. Lease Name or Unit Agreement Name See Below
8. Well Number See Below
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator Devon Energy Production Company, L.P.
3. Address of Operator 333 W. Sheridan, Oklahoma City, OK 73102 (405) 552-7970
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section See Below Township Range NMPM Eddy, County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3299'GL

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 ☐
DOWNHOLE COMMINGLE ☐

OTHER:
☒ CTB, Pool/Lease commingle, Off Lease Gas Measurement, Sales & Storage

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Company, LP respectfully requests a Central Tank Battery, Pool/Lease Commingle, Off-Lease Measurement, Sales & Storage for the following wells:

Well	S/T/R	LEASE #	API	POOL
H B 10 Federal 2	Sec 10-T24S-R29E	Lease NM-81616	API # 30-015-33098	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 10 Federal 3	Sec 10-T24S-R29E	Lease NM-81616	API # 30-015-34145	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 10-A Federal 8	Sec 10-T24S-R29E	Lease NM-81616	API # 30-015-29915	Pool: 11520 Cedar Canyon; Bone Spring
H B 11 Federal 2	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29248	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 3	Sec 10-T24S-R29E	Lease NM-85892	API # 30-015-29249	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 4	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29625	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 5	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-32741	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 6	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29585	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 7	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-32606	Pool: 96473 Pierce Crossing; Bone Spring, East
H B 11 Federal 11	Sec 10-T24S-R29E	Lease NM-88134	API # 30-015-29739	Pool: 11540 Cedar Canyon; Delaware
H B 15 Federal 1	Sec 10-T24S-R29E	Lease NM-88137	API # 30-015-29490	Pool: 11540 Cedar Canyon; Delaware

A Central Tank Battery is located at the HB 11 Federal 2 location in the NW/4 SW/4 of Sec. 11-24S-29E in Eddy Co., NM. 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 East side of the facility. The DCP central delivery point (CDP) #33166167 for all wells is also located at the HB 11 Federal 2 location. These are the only wells utilizing this CDP at this time. Production is allocated based off well test and the test equipment is on the HB 11 Federal 2 location. ROW has or will be obtained.

The working, royalty, and overriding interest owners are not identical; parties 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: Erin Workman TITLE: Regulatory Compliance Associate DATE: 11-29-12

Type or print name: Erin Workman E-mail address: Erin.workman@dvn.com Telephone No. (405) 552-7970
For State Use Only

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

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

H B 10, 11 & 15 Federal wells

3001533098, 3001534145, 3001529915, 3001529248, 3001529625, 3001532741, 3001529585, 3001532606,
3001529739, 3001529249 and 3001529490
NM81616, NM88134, NM85892 and NM88137
Devon Energy Production Co.
May 28, 2013

**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 and/or check meters 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 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.
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.

The public's interest in all 4 leases has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.



RECEIVED OGD

2013 JUL 23 A 11: 05

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

July 22, 2013

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

**Re: Central Tank Battery, Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage
Sec 10-T24S-R29E
NMNM 81616, NMNM 88134, NMNM 85892, & NMNM 88137
API: #30-015-33098, #30-015-34145, #30-015-29915, #30-015-29248, #30-015-29249,
#30-015-29625, #30-015-32741, #30-015-29585, #30-015-32606, #30-015-29739,
#30-015-29490
Pool: 96473 Pierce Crossing; Bone Spring East, 11520 Cedar Canyon; Bone Spring,
11540 Cedar Canyon, Delaware
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103, C-107B and BLM Form 3160-5 Sundry Notice of Intent for a Central Tank Battery, Pool\Lease Commingle, Off Lease Measurement, Sales, & Storage for the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners are not uniformed; notification has been sent via certified mail (see attached).

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)-552-7970.

Very truly yours,

Devon Energy Production Company, L.P.

Erin Workman
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Enclosures