

DATE IN 11/13/14	SUSPENSE	ENGINEER Re	LOGGED IN 11/14/2014	TYPE P L	APP NO. PMAM1401456964
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

**[A] Location - Spacing Unit - Simultaneous Dedication**  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

**[B] Commingling - Storage - Measurement**  
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**[D] Other: Specify** \_\_\_\_\_

*P.L.*  
 - DEVON  
 6137 wells  
 - Gaucho Federal  
 30-025-34266  
 - Gaucho Federal 21  
 2 H  
 30-025-40626  
 POOLS  
 - WC-025 G-06  
 S 22342 1L;  
 Bone Spring  
 97922  
 - WC-025 G-05  
 S 22342 1M;  
 Delaware  
 97946

**[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 Assoc  
 Title

01.10.13  
 Date

Erin.Workman@dvn.com  
 E-mail Address

## APPLICATION FOR POOL COMMINGLE

### Proposal for Gaucho 21 Federal 1 and Gaucho 21 Federal 2H:

Devon Energy Production Company, LP is requesting approval for a Pool Commingle for the following wells:

#### Federal Lease NM-43564 (12.5% Royalty Rate)

Well Name	Location	API #	Pool 97922	BOPD	Oil Gravity	MCFPD	BTU
Gaucha 21 Federal 1	Sec. 21- NWSW-T22S-R34E	30-025-34266	WC-025 G-06 S223421L; Bone Spring	3.97	40.9	5.47	1355.3

#### Federal Lease NM-43564 (12.5% Royalty Rate)

Well Name	Location	API #	Pool 94946	BOPD	Oil Gravity	MCFPD	BTU
Gaucha 21 Federal 2H	Sec 21- SWSW T22S-R34E	30-025-40626	WC-025 G-05 S223421M; Delaware	31.80	37.1	99.10	1421.7

Attached is a map shows the federal leases and well locations in Section 21-T22S-R34E.

The BLM's interest in both wells is the same.

#### Oil & Gas metering:

The central tank battery is located at the Gaucho 21 Fed 1 & 2H shared pad. They will share a common Duke Energy CDP #727867-00. The production from both wells will come to a common production header with isolation lines to route each wells production. From this point, one well will be on test and its production routed through the test equipment.

The Gaucho 21 Federal 1H & 2H have three oil tanks at the Gaucho battery that both wells will utilize and they have a common Duke Energy Central Delivery Point #727867-00 which is located on the southwest side of the facility at the Gaucho 21 Fed. 2H location in Sec. 21-T22S-R34E, Lea Co., NM. 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. Well tests for each well will be conducted at least once per month, for a minimum of 24 hours

The production from the well on test, flows to the two phase test separator, the gas flows to the gas test meter, and combined liquids go to the test heater treater (HT), where after separation the gas is routed to the gas test meter #390-49-196, then to the DCP CPD #727867-00. The produced water and oil are separated, the oil is metered with a Micro Motion Coriolis Meter (S/N 14326759) and water is metered using a mag meter. The oil then flows into an oil production line where it is combined with the other wells oil and flows to one of the 500 bbl. The water from the well on test flows to the 500 bbl. produced water tank, along with the water from the well that was not on test.

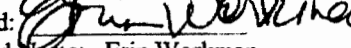
Oil production will be allocated on a daily basis based on the Coriolis Test meter located downstream of the test heater treater. The Coriolis meter will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production will be allocated on a daily basis based on the subtraction method from meters #727867-00 and # 390-49-196. The gas production from the production equipment and the test gas meter will commingle and flow through Duke Energy CDP # 727867-00 sales on the southwest side of the facility. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

#### Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Devon Energy Production Company, LP has submitted and received an approved for ROW # NM-128165.

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

Signed:   
Printed Name: Erin Workman  
Title: Regulatory Compliance Associate  
Date: 11.04.13

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
97922 WC-025 G-06 S223421L; Bone Spring	40.9/1355.3				
97946 WC-025 G-05 S223421M; Delaware	37.1/1254.3				

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☒ Other (Coriolis Test Method)  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code.  
(2) Is all production from same source of supply? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type: ☐ Metering ☐ Other (Coriolis Test 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

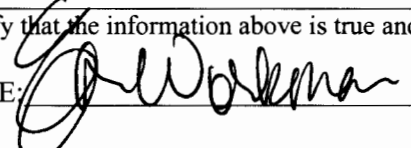
- (1) Is all production from same source of supply? ☐ Yes ☒ No  
(2) Include proof of notice to all interest owners.

**(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:  TITLE: Regulatory Compliance Assoc. DATE: 01.10.13

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

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



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010

405 552-7970 Phone  
Erin.workman@devn.com

RECEIVED OCD

2014 JAN 13 AM 9:31

January 10, 2014

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

**Re: Request for a Surface Pool Commingle**  
**Gaucho 21 Fed 1 & Gaucho 21 Fed 2H**  
**Sec.21-T225-R34E**  
**API # 30-025-34266 & 30-025-40626**  
**Pool: (97922) WC-025 G-06 S223421L; Bone Spring, (97946) WC-025 G-05 S223421M;**  
**Delaware**  
**Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD C-107B and Approved BLM 3160-5 Sundry Notice of Intent for a Surface Pool Commingle

The working interest, royalty interest, and overriding royalty interest owners are not identical; notification has been sent via certified mail (see attached).

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7970.

Sincerely,

  
Erin Workman  
Regulatory Compliance Associate

Enclosures



Gaucha 21 Fed #2H  
Section 21, T22S, R34E  
375FSL&375FWL  
Lea County, N.M  
API#30-025-40626

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.
- (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: Equilizer Line
- Valve #4: Circ./Drain Line
- Valve #5: Sles Line
- Valve #6: BS&W Load Line

Buried Lines: -----

Firewall:

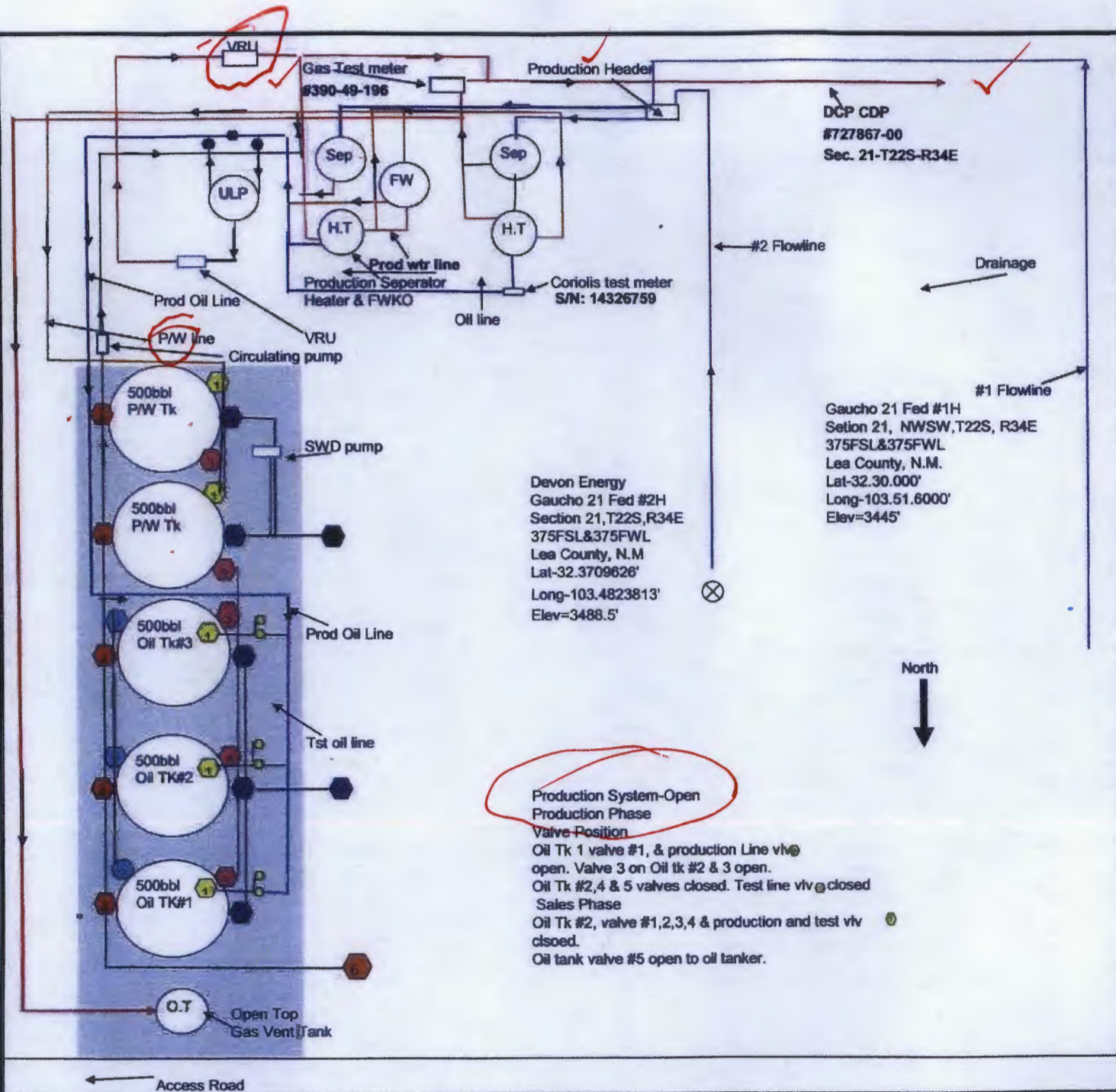
Wellhead:

Stak-pak:

Production line: -----

Water line: -----

Gas Meter



DCP CDP  
#727867-00  
Sec. 21-T22S-R34E

Gaucha 21 Fed #1H  
Setion 21, NWSW, T22S, R34E  
375FSL&375FWL  
Lea County, N.M.  
Lat-32.30.000'  
Long-103.51.6000'  
Elev=3445'

Devon Energy  
Gaucha 21 Fed #2H  
Section 21, T22S, R34E  
375FSL&375FWL  
Lea County, N.M  
Lat-32.3709626'  
Long-103.4823813'  
Elev=3488.5'

Production System-Open  
Production Phase  
Valve Position  
Oil Tk 1 valve #1, & production line vlv @ open. Valve 3 on Oil tk #2 & 3 open.  
Oil Tk #2, 4 & 5 valves closed. Test line vlv @ closed  
Sales Phase  
Oil Tk #2, valve #1, 2, 3, 4 & production and test vlv closed.  
Oil tank valve #5 open to oil tanker.

Well API	WC Name	Month	Year	Prod	Gas
300253426600	GAUCHO 21 FED 1H BS	07	2013	2.03	35
300253426600	GAUCHO 21 FED 1H BS	08	2013	55.08	49
300253426600	GAUCHO 21 FED 1H BS	09	2013	74.06	78
300253426600	GAUCHO 21 FED 1H BS	10	2013	47.74	79
300253426600	GAUCHO 21 FED 1H BS	11	2013	99.55	72
300253426600	GAUCHO 21 FED 1H BS	12	2013	91.71	126
300254062600	GAUCHO 21 FED 2H	07	2013	967.82	2452
300254062600	GAUCHO 21 FED 2H	08	2013	882.66	2759
300254062600	GAUCHO 21 FED 2H	09	2013	775.66	2571
300254062600	GAUCHO 21 FED 2H	10	2013	578.12	1572
300254062600	GAUCHO 21 FED 2H	11	2013	784.84	2352
300254062600	GAUCHO 21 FED 2H	12	2013	738.39	2290

232608

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. NMNM43564
2. Name of Operator DEVON ENERGY PRODUCTION CO., LP Contact: ERIN WORKMAN E-Mail: ERIN.WORKMAN@DVN.COM		6. If Indian, Allottee or Tribe Name
3a. Address 333 WEST SHERIDAN AVENUE OKC, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T22S R34E 375FSL 375FWL		8. Well Name and No. GAUCHO 21 FEDERAL 2H
		9. API Well No. 30-025-40626
		10. Field and Pool, or Exploratory WC-025 G-05 S223421M; DEL
		11. County or Parish, and State LEA 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	Commingling

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, LP respectfully requests to amend the OLM that was approved on 02/02/13, to an approval of a Pool Commingle for the following wells:

Gaucha 21 Fed 1 Lease: NM-43564 Royalty Rate: 12.5%  
Sec. 21- NWSW-T22S-R34E  
API: 30-025-34266  
Pool: WC-025 G-06 S223421L; Bone Spring

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Gaucha 21 Fed 2H Lease: NM-43564 Royalty Rate: 12.5%  
Sec. 21- SWSW-T22S-R34E  
API: 30-025-40626

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #225966 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO., LP, sent to the Hobbs Committed to AFMSS for processing by JOHNNY DICKERSON on 11/07/2013 ()</b>	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE ASSOC.
Signature (Electronic Submission)	Date 11/07/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>J. W. Whitlock</i>	Title <i>EPS</i>	Date <i>12/11/13</i>
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 <i>CFO</i>

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.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

## **Additional data for EC transaction #225966 that would not fit on the form**

### **32. Additional remarks, continued**

Pool: WC-025 G-05 S223421M; Delaware

The central tank battery is located on the Gaucho 21 Fed 1 & 2H shared pad. They will share a common Duke Energy CDP#727867-00. The production from both wells will come to a common production header with isolation lines to route each wells production. From this point, one well will be on test and its production routed through the test equipment. Well test for each well will be conducted at least once per month, for a minimum of 24 hours.

The Gaucho 21 Federal 1H & 2H have three oil tanks at the Gaucho battery that both wells will utilize and they have a common Duke Energy Central Delivery Point #727867-00 which is located on the southwest side of the facility at the Gaucho 21 Fed. 2H location in Sec. 21-T22S-R34E, Lea Co., NM. 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. Well tests for each well will be conducted at least once per month, for a minimum of 24 hours.

ROW has been obtained; RW-32638, NM-128165, and RW-32769.

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

Attachment

Thank You!





**LABORATORY PERMIAN**  
Natural Gas Analysis

www.permianls.com  
575.397.3713 2609 W Marland Hobbs NM 88240

**Total Sulfur in Crude**

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

07/02/13

	Total Sulfur	API Gravity	Specific Gravity
Aquila 22 # 1	0.1134 wt. %	37.4	0.8377
Aquila 22 # 2	0.1211 wt. %	37.9	0.8353
Antares 23 Battery	0.1066 wt. %	38.4	0.8328
Ironhouse 19 Battery	0.1324 wt. %	39.0	0.8299
Gaucha 21 Fed 1H	0.1839 wt. %	40.9	0.8207
Gaucha 21 Fed 2H	0.2609 wt. %	37.1	0.8392
Bellatrix 28 Battery	0.1002 wt. %	40.7	0.8217

4808 N. Michigan, Roswell, NM. 88202-8323 575-622-9874

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

**Sample Information**

Sample Information	
Company Name	DEVON ENERGY
Lease Name	GAUCHO 21-1
Location ID	39033092
Sample Date	9/13/2012
Method Name	BTUC6+.met
Injection Date	2012-09-14 10:48:40
Report Date	2012-09-14 10:53:31

*RECOMPLETE  
COMINGLED  
AT 21-2H  
Bry*

**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.)
NITROGEN	1.4551	0.0	0.0	0.01407	0.161
CARBON DIOXIDE	0.6369	0.0	0.0	0.00968	0.109
METHANE	70.9909	718.7	706.2	0.39322	12.085
ETHANE	13.5977	241.2	237.0	0.14117	3.652
PROPANE	7.9946	201.6	198.1	0.12172	2.212
I-BUTANE	1.1026	35.9	35.3	0.02213	0.362
N-BUTANE	2.4846	81.2	79.8	0.04986	0.787
I-PENTANE	0.5879	23.6	23.2	0.01465	0.216
N-PENTANE	0.5398	21.7	21.3	0.01345	0.196
C6+	0.6099	31.4	30.8	0.01962	0.266
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1355.3	1331.7	0.79956	20.045

**Results Summary**

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	64.0	
Flowing Pressure (psia)	44.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1355.3	1331.7
Gross Heating Value (BTU / Real cu.ft.)	1361.3	1338.2
Relative Density (G), Real	0.8028	0.8000
Compressibility (Z) Factor	0.9956	0.9952
Total GPM	20.045	19.805
Wobbe Index	1519.3	1496.1

# GAUCHO 21 FED 1 & 2H PCJOLM

20

22S-34E

29

ator Auxiliary Sphere

21  
Gauchco 21 Federal 1

LEA  
COUNTRY

Gauchco 21 Federal 2H

DCP CDP #1727867-00 & Tank Battery

28

## Precision Gas Measurement, Inc.

### Natural Gas Report

#### Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	GAUCHO 21 FED 2 H
Location ID	39049196
Sample Date	9/5/2012
Method Name	BTUC6+.met
Injection Date	2012-09-10 08:08:16
Report Date	2012-09-10 08:20:36

#### 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.)
NITROGEN	5.6175	0.0	0.0	0.05433	0.621
CARBON DIOXIDE	0.2639	0.0	0.0	0.00401	0.045
METHANE	62.5107	632.8	621.8	0.34625	10.649
ETHANE	14.1100	250.3	245.9	0.14649	3.792
PROPANE	9.7224	245.2	240.9	0.14802	2.692
I-BUTANE	1.2787	41.7	41.0	0.02566	0.420
N-BUTANE	3.2763	107.1	105.3	0.06575	1.038
I-PENTANE	0.9291	37.3	36.6	0.02314	0.341
N-PENTANE	0.9291	37.3	36.7	0.02314	0.338
C6+	1.3623	70.0	68.8	0.04383	0.594
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1421.7	1397.0	0.88063	20.532

#### Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	116.0	
Flowing Pressure (psia)	39.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1421.7	1397.0
Gross Heating Value (BTU / Real cu.ft.)	1429.1	1404.8
Relative Density (G), Real	0.8848	0.8807
Compressibility (Z) Factor	0.9949	0.9944
Total GPM	20.532	20.283
Wobbe Index	1519.2	1497.0

HOBBS OGD

MAY 03 2013

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer 00, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

RECEIVED

Form C-102  
Revised February 10, 1994  
Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34266	Pool Code 97922	Pool Name BONE SPRING
Property Code 23305	Property Name GAUCHO 21 FEDERAL	Well Number 1
OGRD No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3445

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	21	22 S	34 E		1980	SOUTH	660	WEST	LEA

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320.40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b> I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature DAVID H. COOK Printed Name REGULATORY SPECIALIST Title 5/1/2013 Date
	<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. DECEMBER 29, 1997 Date Surveyed Signature & Seal Professional Surveyor RONALD S. EDISON 12-30-97 P.O. No. 97-123067 Certificate No. RONALD S. EDISON, 3239 CARLOS EDISON, 12841 DONALD, 2183

JUL 15 2013

# HOBBES OGD

## District I

1625 N. French Dr., Hobbs, NM 88240

## District II

1301 W. Grand Avenue, Artesia, NM 88210

## District III

1000 Rio Bravos Rd., Aztec, NM 87410

## District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

DEC 27 2012

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

RECEIVED

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40626		Pool Code 97946		Pool Name DELAWARE					
Property Code 30864		Property Name GAUCHO "21" FEDERAL						Well Number 2H	
OGRID No. 6137		Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.						Elevation 3438.9	
Surface Location									
UL or lot no. M	Section 21	Township 22 S	Range 34 E	Lot Idn	Feet from the 375	North/South line SOUTH	Feet from the 375	East/West line WEST	County LEA
Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 21	Township 22 S	Range 34 E	Lot Idn	Feet from the 374	North/South line NORTH	Feet from the 354	East/West line WEST	County LEA
Dedicated Acres 160		Joint or Infill		Consolidation Code		Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>BOTTOM OF HOLE</p> <p>374'</p> <p>NW CORNER SEC. 21</p> <p>LAT. = 32.3844435°N</p> <p>LONG. = 103.4835441°W</p> <p>NMSP EAST (FT)</p> <p>N = 504634.03</p> <p>E = 803661.09</p> <p>W Q CORNER SEC. 21</p> <p>LAT. = 32.3771852°N</p> <p>LONG. = 103.4835548°W</p> <p>NMSP EAST (FT)</p> <p>N = 501993.36</p> <p>E = 803678.74</p> <p>PP: 375 FSL &amp; 375 FWL</p> <p>SW CORNER SEC. 21</p> <p>LAT. = 32.3659343°N</p> <p>LONG. = 103.4836025°W</p> <p>NMSP EAST (FT)</p> <p>N = 499355.33</p> <p>E = 803684.38</p> <p>SURFACE LOCATION</p> <p>375'</p>		<p>BOTTOM OF HOLE</p> <p>LAT. = 32.3834156°N</p> <p>LONG. = 103.4823311°W</p> <p>NMSP EAST (FT)</p> <p>N = 504263.02</p> <p>E = 804038.51</p>		<p>N Q CORNER SEC. 21</p> <p>LAT. = 32.3844614°N</p> <p>LONG. = 103.4749979°W</p> <p>NMSP EAST (FT)</p> <p>N = 504661.61</p> <p>E = 806299.25</p>	
<p>GAUCHO "21" FEDERAL #2H</p> <p>ELEV. = 3438.9'</p> <p>LAT. = 32.3709626°N (NA083)</p> <p>LONG. = 103.4823813°W</p> <p>NMSP EAST (FT)</p> <p>N = 499732.43</p> <p>E = 804059.05</p>		<p>S Q CORNER SEC. 21</p> <p>LAT. = 32.3659178°N</p> <p>LONG. = 103.4750181°W</p> <p>NMSP EAST (FT)</p> <p>N = 499370.49</p> <p>E = 806335.49</p>			

**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well on this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *D.R.* Date: 12/3/2012

Printed Name: David H. Cook Regulatory Specialist

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 1, 2011

Date of Survey

Signature and Seal of Professional Surveyor: *[Signature]*

Certificate Number: JEROME F. JARAMILLO, PLS 12797

SURVEY NO. 709





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

January 10, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

**Re: Request for a Surface Pool Commingle**  
**Gaucha 21 Fed 1 & Gaucha 21 Fed 2H**  
**Lease: NM 43564**  
**Sec.21-T22S-R34E**  
**API # 30-025-34266 & 30-025-40626**  
**(97922) WC-025 G-06 S223421L; Bone Spring, (97946) WC-025 G-05 S223421M;**  
**Delaware**  
**Lea 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 for a Surface Pool Commingle

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, appearing to read "Erin Workman", written over a circular stamp or seal.

Erin Workman  
Regulatory Compliance Associate

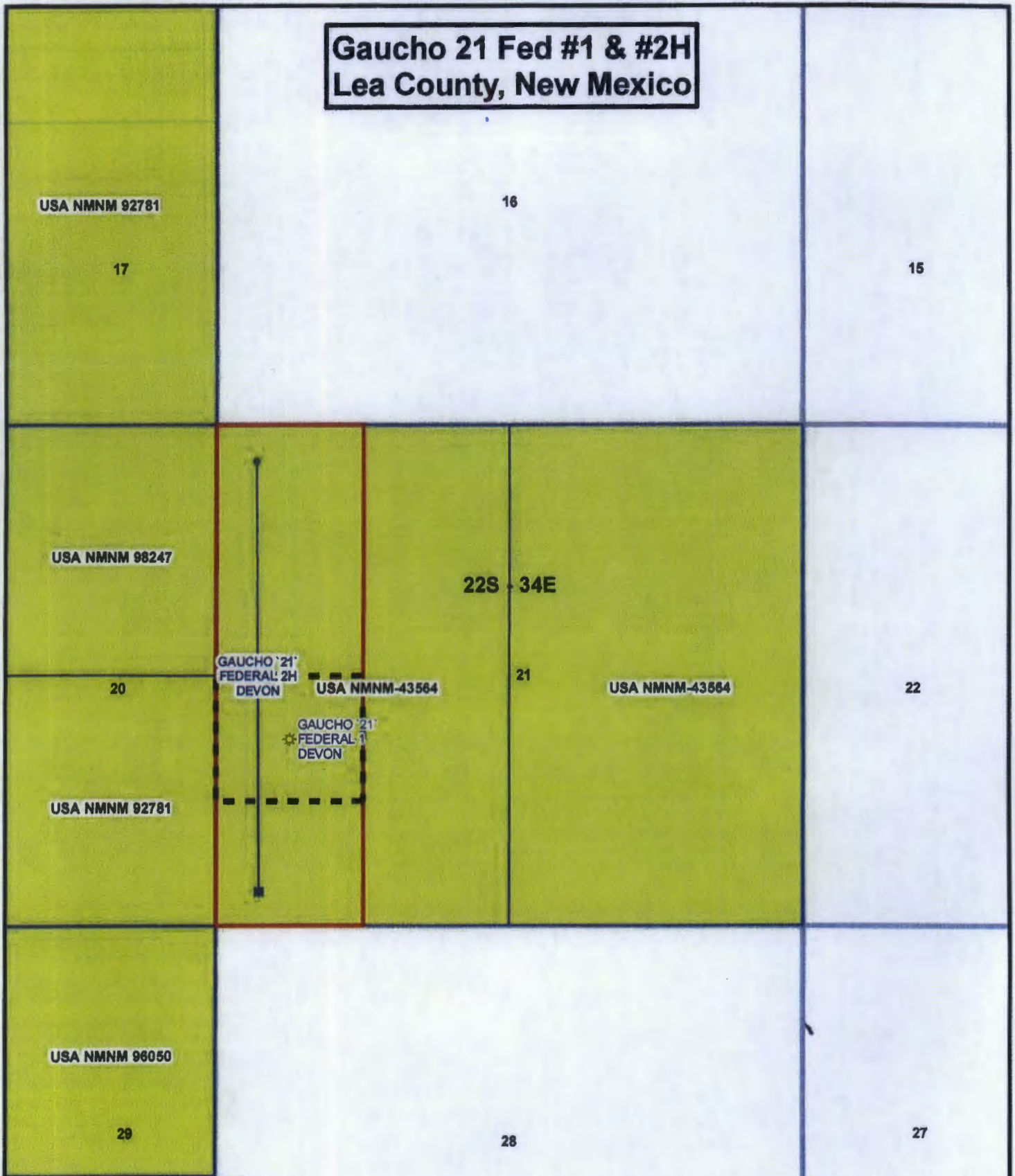
Enclosure

## CERTIFIED MAILING LIST

Well Name: **Gaucho 21 Federal 1 & 2H**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Chris M. Morphew 4912 North Midkiff Rd. Midland, TX 79701	91 7199 9991 7032 9874 2705 91 7199 9991 7032 9874 2705
BTA Oil Producers 104 South Pecos Midland, TX 79701	91 7199 9991 7032 9874 2712 91 7199 9991 7032 9874 2712
Axis Energy Corporation P.O. Box 2107 Roswell, NM 88202-2107	91 7199 9991 7032 9874 2729 91 7199 9991 7032 9874 2729
Michael R. Abbott P.O. Box 3876 Lubbock, TX 77423	91 7199 9991 7032 9874 2736 91 7199 9991 7032 9874 2736
Cinco Oil Company 7822 Orlando Lubbock, TX 77423	91 7199 9991 7032 9874 2743 91 7199 9991 7032 9874 2743
Wildcat Energy, LLC P.O. Box 13323 Odessa, TX 79768	91 7199 9991 7032 9874 2750 91 7199 9991 7032 9874 2750
Joe Jack Reynolds 4010 82nd St., Suite 260 Lubbock, TX 79423-1933	91 7199 9991 7032 9874 2767 91 7199 9991 7032 9874 2767
James G. Morris 1500 Broadway, Suite 1101 Lubbock, TX 79401	91 7199 9991 7032 9874 2774 91 7199 9991 7032 9874 2774
David H. Pace P.O. Box 4546 Midland, TX 79704-4546	91 7199 9991 7032 9874 2781 91 7199 9991 7032 9874 2781
Gerald J. Brockman 15071 Golf Dr. Whitney, TX 76692	91 7199 9991 7032 9874 2798 91 7199 9991 7032 9874 2798
Giles M. Forbes P.O. Box 31 Lubbock, TX 79408	91 7199 9991 7032 9874 2804 91 7199 9991 7032 9874 2804

# Gaucha 21 Fed #1 & #2H Lea County, New Mexico



## Legend

- Gaucha 21 Fed #1 Project Area
- Gaucha 21 Fed #2H Project Area
- Townships
- Sections
- Lease Outline
- Devon Leases

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.

1:10,000

Made by: Daniel Slovacek  
Made for: Jill Lee  
Date: 7-10-2013  
County: Lea County, NM

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Area\_Map\New\_Mexico\Lea\Gaucha\_21\_Fed\_1\_2H\Project\_Areas.mxd

Well API	WC Name	Month	Year	Prod	Gas
300253426600	GAUCHO 21 FED 1H BS	07	2013	2.03	35
300253426600	GAUCHO 21 FED 1H BS	08	2013	55.08	49
300253426600	GAUCHO 21 FED 1H BS	09	2013	74.06	78
300253426600	GAUCHO 21 FED 1H BS	10	2013	47.74	79
300253426600	GAUCHO 21 FED 1H BS	11	2013	99.55	72
300253426600	GAUCHO 21 FED 1H BS	12	2013	91.71	126
300254062600	GAUCHO 21 FED 2H	07	2013	967.82	2452
300254062600	GAUCHO 21 FED 2H	08	2013	882.66	2759
300254062600	GAUCHO 21 FED 2H	09	2013	775.66	2571
300254062600	GAUCHO 21 FED 2H	10	2013	578.12	1572
300254062600	GAUCHO 21 FED 2H	11	2013	784.84	2352
300254062600	GAUCHO 21 FED 2H	12	2013	738.39	2290



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