DATE IN 8/14/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 8/14/2014	TYPE CTB	APP NO. pMAM1422655457

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 _____

- CPLC 396A
DEVON
6137
- wells
- Thistle Unit 17H
30-025-39893
- Thistle Unit 32H
30-025-40016
- Thistle Unit 43H
30-025-40898

[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

- Pools
- Brinninstool; Delaware 96193
- Triple X; Bone Spring 59500

[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 Professional	08.13.14
Print or Type Name	Signature	Title	Date

Erin.Workman@dvn.com
E-mail Address

devon

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

August 13, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery, Pool Commingle
Thistle Unit 17H, 32H &43H
Sec 33, T23S, R33E
NMNM 088526X & ST NM V-2797
API: #30-025-39893, 30-025-4001, 30-025-40898
Pool: 96193 Brinninstool, Delaware, 59900 Triple X; Bone Spring

To Whom It May Concern:

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

A copy of our application submitted to the Division & to the BLM

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.

Erin Workman
Regulatory Compliance Professional

Enclosure

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

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

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
Brinninstool, Delaware (17H)	38/1277.4				
Brinninstool, Delaware (32H)	38/1297.7				
Triple X; Bone Spring (43H)	37/1271.3				

(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 & tank gauging 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 (Micro Motion Coriolis 43H & Tank Strapping for the 17H & 32H)

(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 **(Each well has a designated tank, no commingle of oil production)**

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: _____ TITLE: Regulatory Compliance Prof. DATE: 08.13.14

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

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

APPLICATION FOR A CENTRAL TANK BATTERY, POOL COMMINGLE

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

rev

Proposal for an Off Lease Measurement for the Thistle Unit 17H, 32H, & 43H Wells:
Devon Energy Production Company, LP is requesting approval for a Central Tank Battery, Pool Commingle to amend the approved Administrative Order PLC 396 for the following wells:

Federal Lease: NMNM 088526X					**Oil**		
Well Name	**Location**	**API #**	**Pool 96193**	**BOPD**	**Gravities**	**MCFPD**	**BTU**
Thistle Unit #17H	SWSE Sec. 33-T23S-R33E	30-025-39893	Brinninstool, Delaware	79.14	38	103.14	1294.4

Federal Lease: ST NM V 2797					**Oil**		
Well Name	**Location**	**API #**	**Pool 96193**	**BOPD**	**Gravities**	**MCFPD**	**BTU**
Thistle Unit #32H	SESE Sec. 33-T23S-R33E	30-025-40016	Brinninstool, Delaware	21.50	38	13.00	1297.8

Federal Lease: NMNM 088526X					**Oil**		
Well Name	**Location**	**API #**	**Pool 59900**	**BOPD**	**Gravities**	**MCFPD**	**BTU**
Thistle Unit #43H	SWSW Sec. 33-T23S-R33E	30-025-40898	Triple X; Bone Spring	250	37	240	1271.3

Attached is a map which displays the federal leases and well locations in Section 33 –T23S-R31E.

Oil & Gas metering:

The central tank battery is located on the Thistle Unit #17 located in SWSE, Sec. 33-T23S-R33E. The production from the Thistle Unit 17H & 32H will each have its own three phase separator, heater/treater and designated oil tank that will be strapped and measured daily by tank gauge, a flow meter to meter the water, and gas allocation meter to meter the gas. The Thistle Unit 43H production will flow through a three phase separator with coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas and it's production will flow into a tank located at the Thistle Unit 44H battery located in Sec. 33, 23S, 33E in Lea County, NM. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Thistle Unit #17H battery will have four oil tanks, two to be utilized by the Thistle Unit #17 and two designated to the Thistle Unit #32. The oil production from the 43H will utilize a tank located at the Thistle Unit 44H battery in Sec. 33, 23S, 33E. The Thistle Unit #17H, 32H, & 43H wells will have a common Duke Energy Central Delivery Point **#725077-00** which is on location at the Thistle Unit #17 battery in Sec. 33, T23S, R33E. Oil, gas, and water volumes from the 17H & 32H wells producing to this battery will be determined by using a test separator/heater treater and tank gauging of a 500 bbl. tank. Oil, gas, and water volumes from the Thistle Unit 43H will be determined by using its own test separator/heater treater located at the Thistle Unit 44H battery in Sec. 33, 23S, 33E in Lea County.

The Thistle Unit #17 production flows into its own three phase test separator, where after separation gas is routed to the gas test meter **#390-49-125,** and then flows to Duke Energy CDP **#725077-00**. Produced water and oil are separated, the oil will then flow to the designated 500 bbl. utilizing the tank gauging method and water is metered using a mag meter and then flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Thistle Unit #32 production flows into its own three phase test separator, where after separation gas is routed to the gas test meter **#390-49-279,** then flows to the Duke Energy CDP **#725077-00**. Produced water and oil are separated, the oil will then flow to the designated 500 bbl. utilizing the tank gauging method and water is metered using a mag meter and then flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Thistle Unit #43 production flows into its own three phase test separator at the Thistle Unit 44H Battery located in Sec. 33, T23S, R33E, in Lea County, NM. After separation, gas is routed to the gas test meter **#390-49-280**, then flows to the DCP low pressure CDP **#725077-00** on location at the Thistle Unit 17H in Sec. 33, T23S, R33E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter **S/N 14416285**, and then flow to the 500 bbl. tank. The water is metered with a mag meter then flows to the 500 bbl. produced water tank, along with the water from the other wells.

Oil production from the 17H & 32H will be allocated on a daily basis based on the tank strap method. Oil production from the 43H will be allocated on a daily basis based on the Coriolis Test Meter **S/N 144165285**. 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 from all three wells will be allocated on a daily basis using the gas allocation meters for each well. The gas production from the production equipment, VRU allocation meter **#390-00-262**, and from each gas test meter will combine and flow through the Duke Energy Gas Sales meter **#725077-00**. These meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications. The BLM & 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 and map which shows the lease boundaries, unit agreement boundaries, and location of wells, facility, and gas sales meter. The proposed off lease measurement is appropriate based on the BLM's guidance in IM 2013-152. This proposal will maximize the ultimate recovery of oil and/or gas from the federal lease 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.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: _____
Printed Name: Erin Workman
Title: Regulatory Compliance Professional
Date: 08.13.14

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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AUG 27 2010
HOBBSOCD

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-39893	96193	~~BRUSHY CANYON~~ Brinninstool Delaware

[4] Property Code	[5] Property Name	[6] Well Number
30884	THISTLE "~~33~~" Unit	17H

[7] OGRID No.	[8] Operator Name	[9] Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3654.0

[10] Surface Location

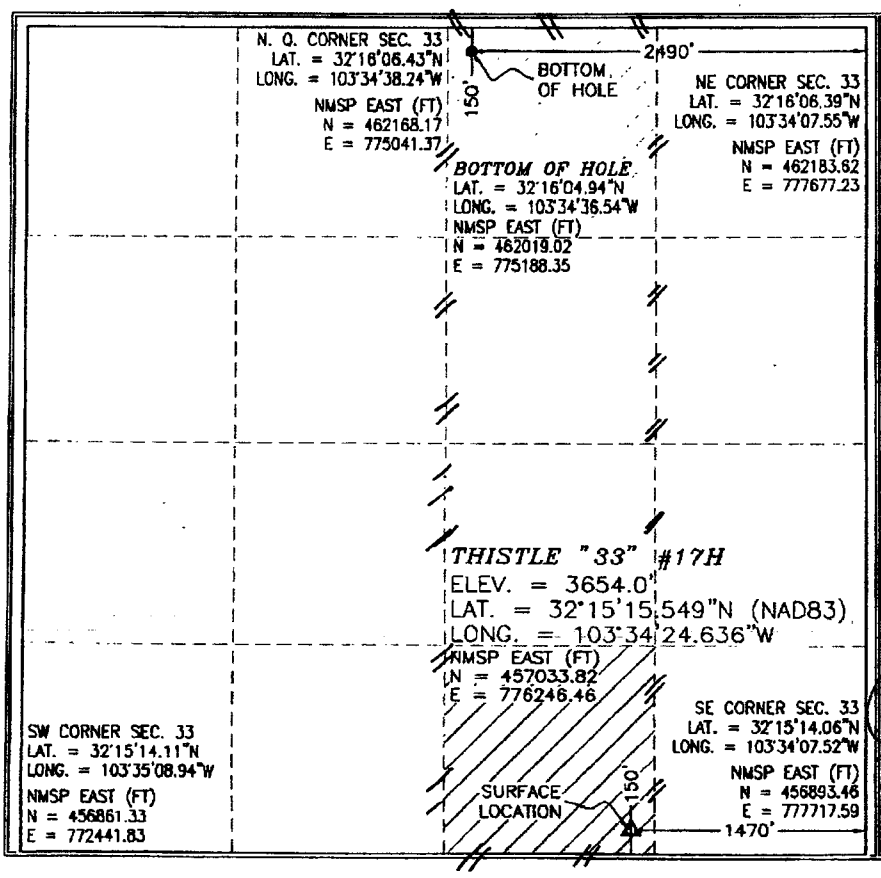
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	33	23 S	33 E		150	SOUTH	1470	EAST	LEA

[11] 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
B	33	23 S	33 E		150	NORTH	2490	EAST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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.



[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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at 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 — Date 8/26/10

Printed Name SPENCE LAIRD

[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.

AUGUST 13, 2010
Date of Survey

NEW MEXICO 12797 FILEMON A. JARAMILLO PROFESSIONAL LAND SURVEYOR

Signature and Seal of Professional Surveyor

Certificate Number FILEMON A. JARAMILLO, PLS 12797

SURVEY NO. 198

HOBBS OCD

JAN 2 4 2012

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-40016		BRINNINSTOOL; DELAWARE

[4] Property Code	[5] Property Name	[6] Well Number
	THISTLE UNIT	32H

[7] OGRID No.	[8] Operator Name	[9] Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3644.4

[10] Surface Location

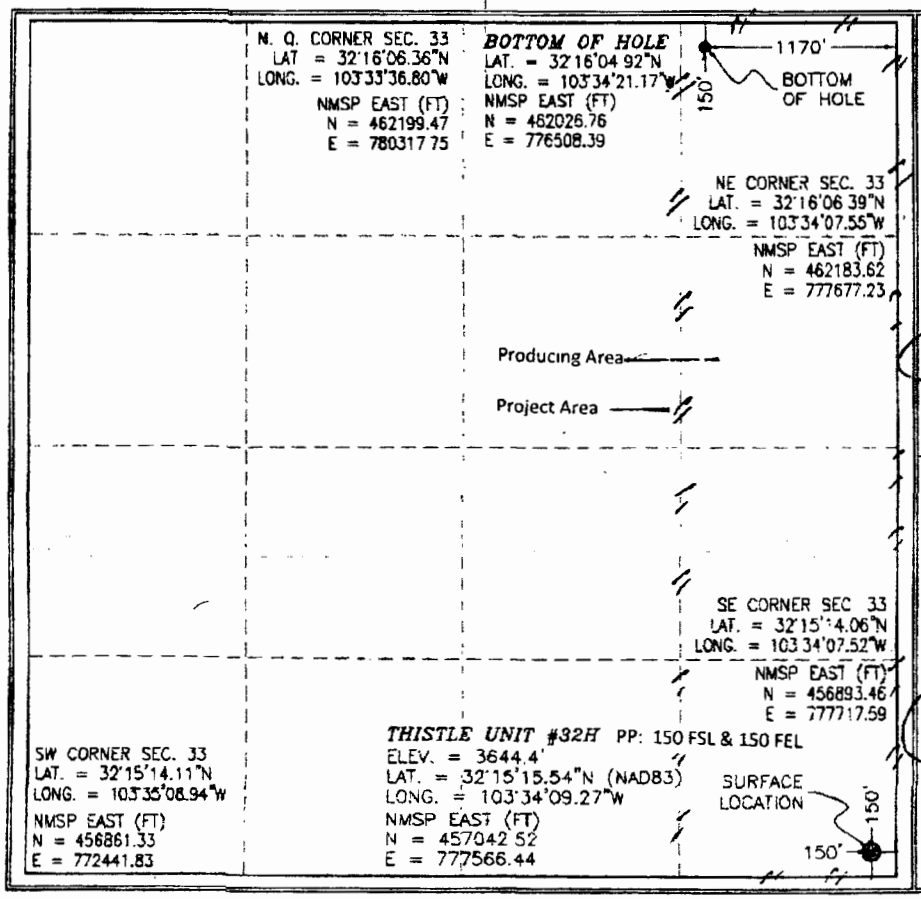
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	23 S	33 E		150	SOUTH	150	EAST	LEA

[11] 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
A	33	23 S	33 E		~~150~~ 5125	~~NORTH~~ S	1170	EAST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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.



[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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at 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: Judy A Barnett Date: 1/24/12

Printed Name: Judy A Barnett 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

OCTOBER 29, 2010

Date of Survey

NEW MEXICO 12797 FREDERICK LAWEN PARAMILLO

Signature and Seal of Professional Surveyor

Certificate Number FREDERICK LAWEN PARAMILLO, PLS 12797

SURVEY NO. 302

HOBBS OCD

JUL 15 2013

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-40898	59900	TRIPLE X; BONE SPRING

[4] Property Code	[5] Property Name	[6] Well Number
30884	THISTLE UNIT	43H

[7] OGRID No.	[8] Operator Name	[9] Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3656.0

[10] Surface Location

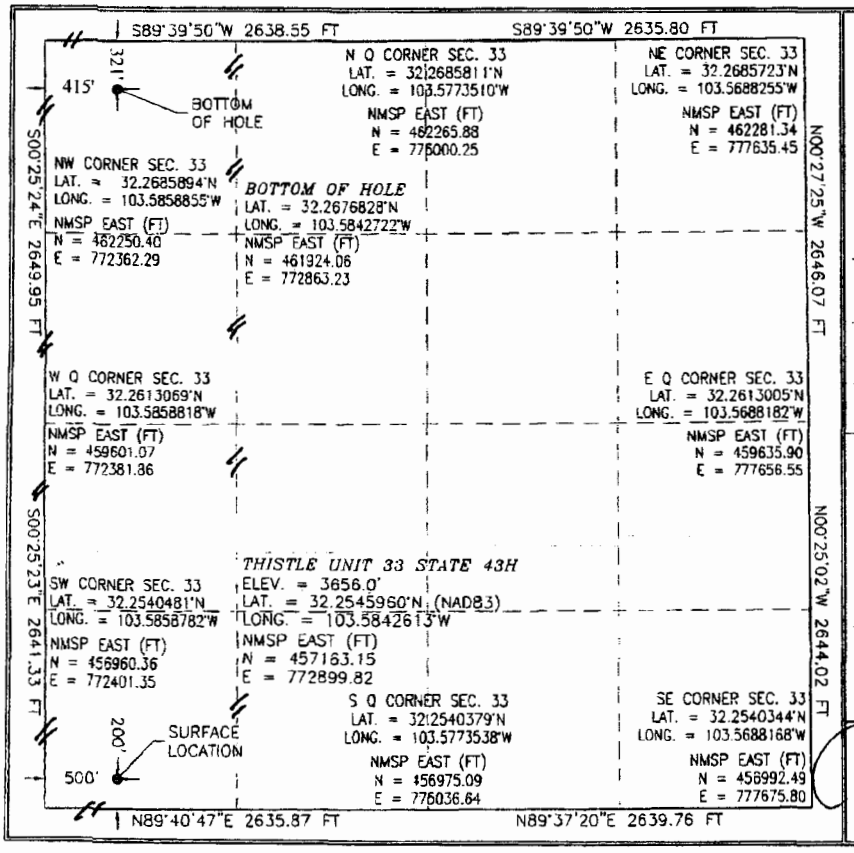
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	23 S	33 E		200	SOUTH	500	WEST	LEA

[11] 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
D	33	23 S	33 E		~~321~~ 415	~~NORTH~~ SOUTH	~~415~~ 475	WEST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			~~4759~~

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.



[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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at 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.

7/12/2013
Signature Date

David H. Cook Regulatory Specialist
Printed Name

david.cook@dvn.com
E-mail Address

[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.

NOVEMBER 8, 2012
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

SURVEY NO. 1397

AUG 15 2013

devon

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

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

August 13, 2014

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 Commingle
Thistle Unit 17H, 32H &43H
Sec 33, T23S, R33E
NMNM 088526X & ST NM V-2797
API: #30-025-39893, 30-025-4001, 30-025-40898
Pool: 96193 Brinninstool, Delaware, 59900 Triple X; Bone Spring

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B sundry notice of intent for a Central Tank Battery, Pool Commingle for the aforementioned wells. This is an amended application for the approved PLC 396.

A copy of our application has been submitted to the Division & to the BLM.

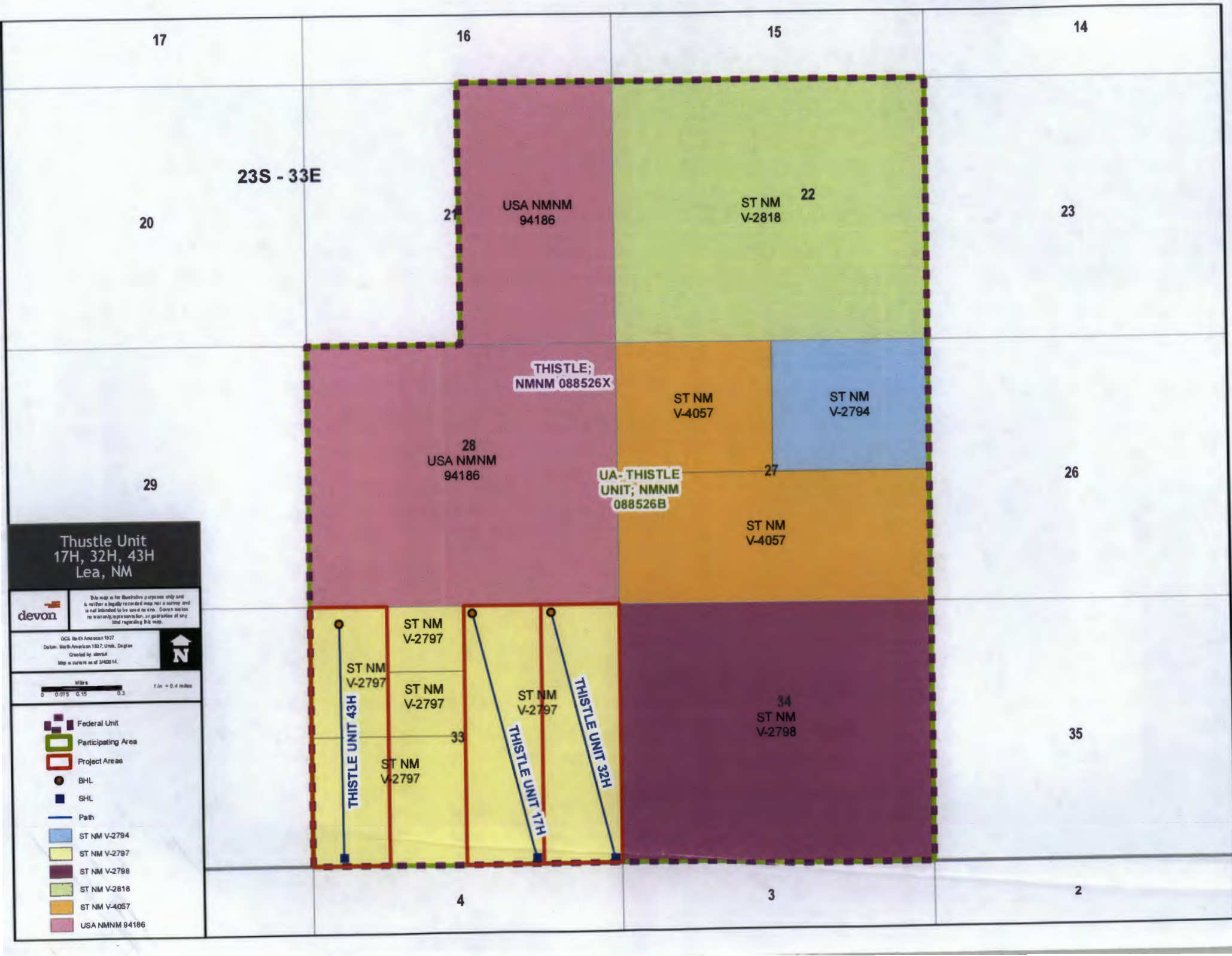
The working interest, royalty interest and overriding royalty interest owners are not identical; notification has been sent via certified mail (see attached).

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 552-7970.

Sincerely,

Erin Workman
Regulatory Compliance Professional

Enclosures


17
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23S - 33E
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USA NMNM 94186
ST NM V-2818
THISTLE; NMNM 088526X
ST NM V-4057
ST NM V-2794
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UA- THISTLE UNIT; NMNM 088526B
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26
ST NM V-4057
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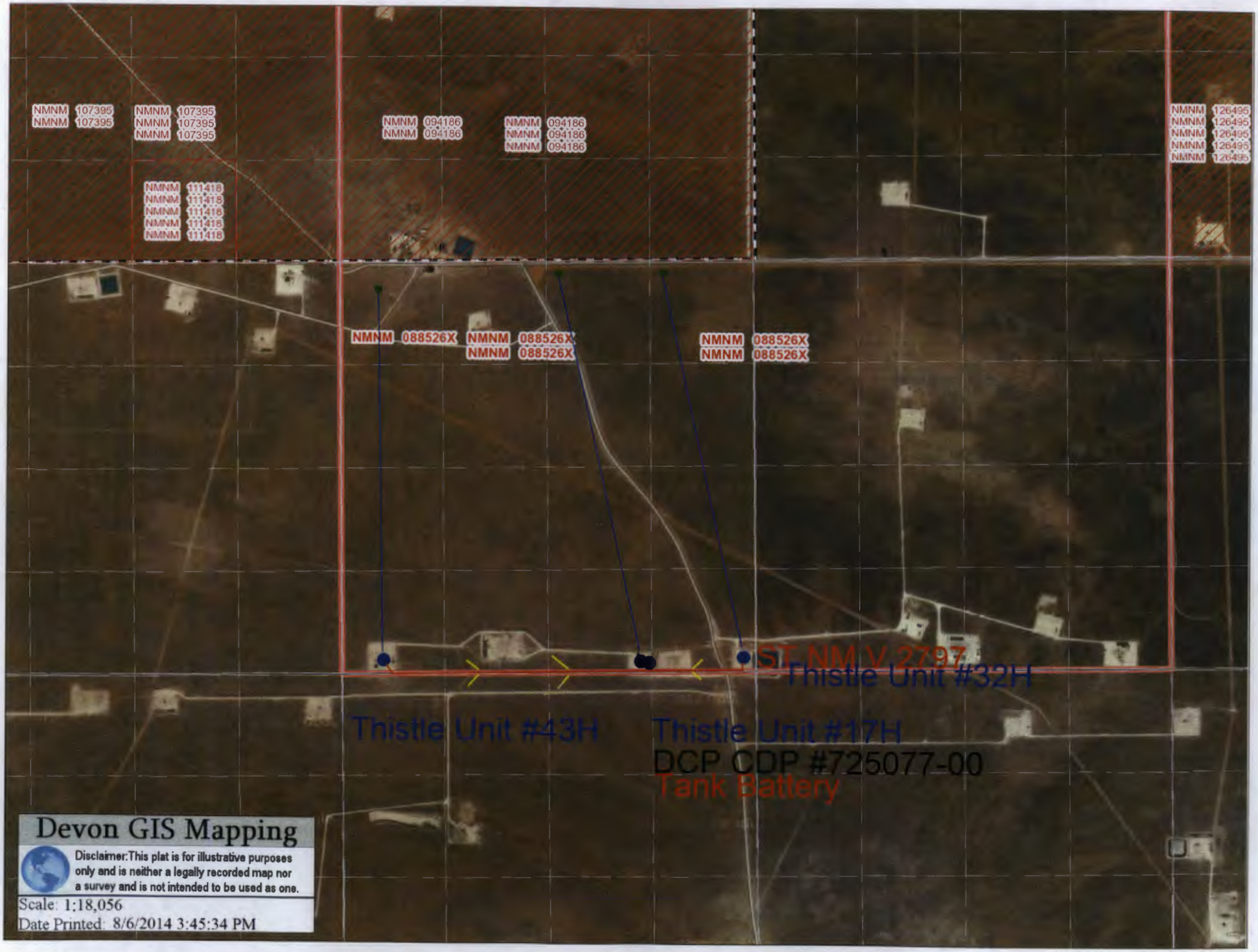
ST NM V-2797
THISTLE UNIT 43H
33
THISTLE UNIT 17H
THISTLE UNIT 32H
34
ST NM V-2798
35
4
3
2
Thustle Unit
17H, 32H, 43H
Lea, NM
devon
This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.
GCS: North American 1927
Datum: North American 1927; Units: Degree
Created by: slenzi
Map is current as of 3/4/2014.
N
Miles
0 0.075 0.15 0.3
1 in = 0.4 miles
Federal Unit
Participating Area
Project Areas
BHL
SHL
Path
ST NM V-2794
ST NM V-2797
ST NM V-2798
ST NM V-2818
ST NM V-4057
USA NMNM 94186

E-CERTIFIED MAILING LIST

Commingle Mailing Reference: **Thistle Unit 17H, 32H & 43H**

Repondent Name/Address:	**E-Certified Mailing Number:**
EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702-2267	917199999 1703295695295
ConocoPhillips Company P.O. Box 2197 To: WL -15058 Houston TX 77252-2197	917199999 1703295695301
Performance Oil & Gas Company 5400 Lyndon B. Johnson Freeway, Suite 1500 Dallas, TX 75240-1017	917199999 1703295695318
Angelo Holdings LLC. P.O.Box 50086 Midland, TX 79710	917199999 1703295695325
Lucille H. Pipkin Trust P.O. Box 1174 Roswell, NM 88202-1174	917199999 1703295695332
Mr. Pete Martinez State and Land Office Oil and Gas Division 310 Old Sante Fe Trail Santa Fe, New Mexico 87501	917199999 1703295695349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NMNM 111418
NMNM 094186
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NMNM 126495
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NMNM 088526X
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NMNM 088526X
ST NM V 2797
Thistle Unit #32H
Thistle Unit #43H
Thistle Unit #17H
DCP CDP #725077-00
Tank Battery
Devon GIS Mapping
Disclaimer:This plat is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one.
Scale: 1;18,056
Date Printed: 8/6/2014 3:45:34 PM

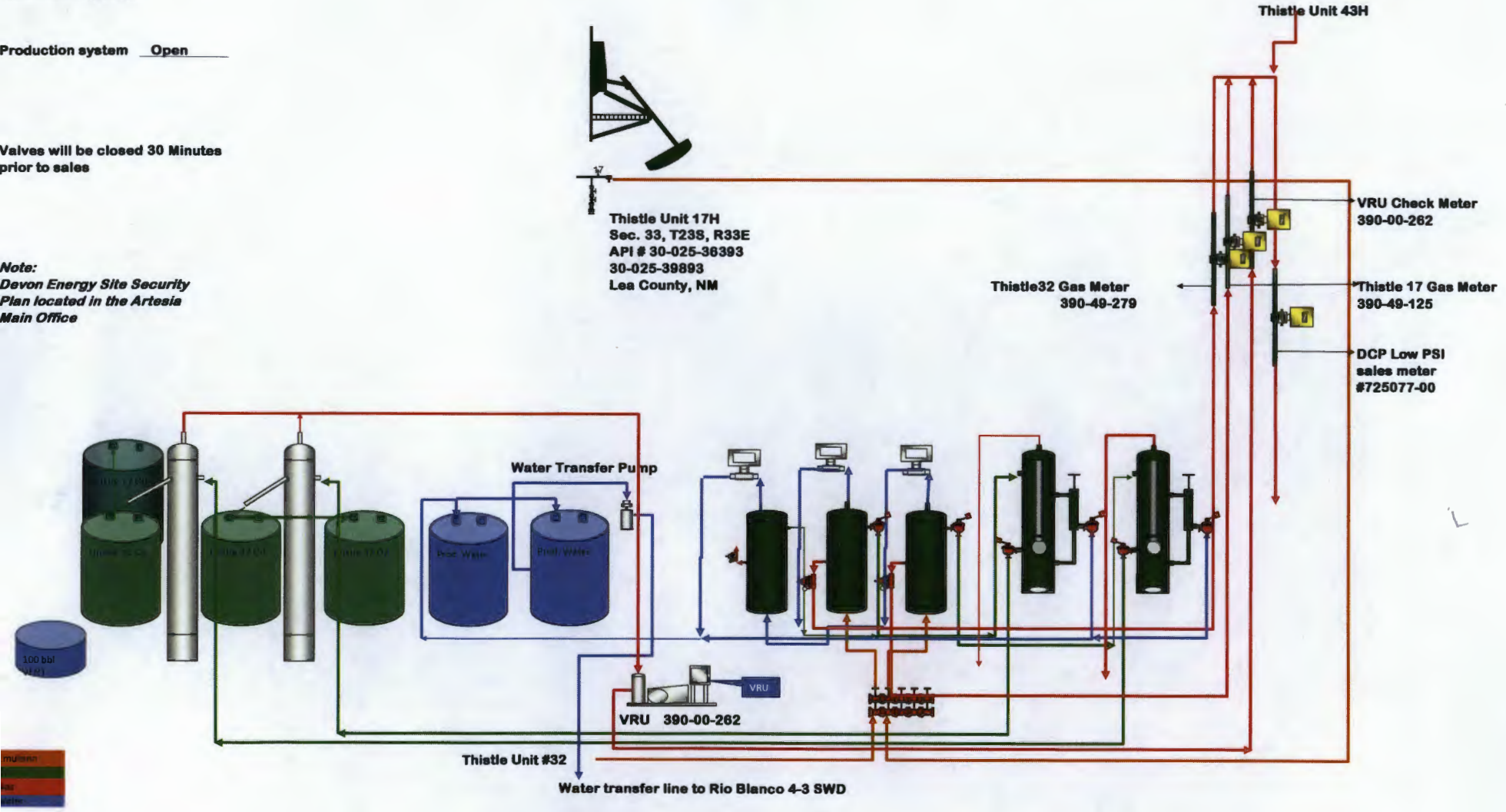
Thistle Unit 17H
Sec. 33, T23S, R33E
API # 30-025-38393
30-025-39893
Lea County, NM

Process Flow Diagram

Production system Open

Valves will be closed 30 Minutes prior to sales

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



WC Name	Month	Year	Oil DN ID	Oil DN Name	Prod	Sales	Sales Den	Wtr Prod
THISTLE UN 17H	01	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	2,082.49	1,907.15	42.0	0.00
THISTLE UN 17H	02	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	1,367.81	1,423.21	41.3	0.00
THISTLE UN 17H	03	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	1,461.84	1,512.35	40.5	0.00
THISTLE UN 17H	04	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	1,079.77	1,100.46	41.5	0.00
THISTLE UN 17H	05	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	1,881.43	1,110.86	40.9	0.00
THISTLE UN 17H	06	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	679.27	561.19	40.3	0.00
					8,552.61			
THISTLE UN 32H	01	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	561.06	506.31	42.0	0.00
THISTLE UN 32H	02	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	335.20	357.54	41.3	0.00
THISTLE UN 32H	03	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	405.81	409.93	40.5	0.00
THISTLE UN 32H	04	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	526.09	482.95	41.4	0.00
THISTLE UN 32H	05	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	555.12	463.68	40.8	0.00
THISTLE UN 32H	06	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	229.68	374.46	40.7	0.00
					2,612.96			
THISTLE UNIT 43H	01	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	857.10	1,749.49	42.5	0.00
THISTLE UNIT 43H	02	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	7,778.80	6,195.84	41.1	0.00
THISTLE UNIT 43H	03	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	7,011.18	7,524.71	40.6	0.00
THISTLE UNIT 43H	04	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	4,289.03	4,580.40	41.5	0.00
THISTLE UNIT 43H	05	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	2,802.57	3,262.72	41.4	0.00
THISTLE UNIT 43H	06	2014	00000000000000022839	THISTLE UN 43H OIL (OLD THISTLE 17)	370.32	931.09	41.2	0.00
					23,109.00			
					34,274.57			

WC Name	Year	Month	Gas DOI/Unit Name	Prod Days	Prod	Prod HV	Prod EN	Sales	Sales HV	Sales EN
THISTLE UN 17H	2014	01	THISTLE UN 17H	29	46	1,283	59	42	1,303	55
THISTLE UN 17H	2014	02	THISTLE UN 17H	28	1,197	1,299	1,555	1,181	1,303	1,539
THISTLE UN 17H	2014	03	THISTLE UN 17H	29	1,420	1,299	1,845	1,402	1,303	1,827
THISTLE UN 17H	2014	04	THISTLE UN 17H	24	1,128	1,298	1,464	1,110	1,303	1,446
THISTLE UN 17H	2014	05	THISTLE UN 17H	31	1,553	1,290	2,004	1,515	1,298	1,966
THISTLE UN 17H	2014	06	THISTLE UN 17H	29	739	1,317	973	699	1,334	933
					6,083					
THISTLE UN 32H	2014	01	THISTLE UN 32H	28	123	1,276	157	113	1,303	147
THISTLE UN 32H	2014	02	THISTLE UN 32H	21	169	1,302	220	167	1,303	218
THISTLE UN 32H	2014	03	THISTLE UN 32H	27	207	1,300	269	205	1,303	267
THISTLE UN 32H	2014	04	THISTLE UN 32H	30	332	1,298	431	326	1,303	425
THISTLE UN 32H	2014	05	THISTLE UN 32H	31	299	1,291	386	291	1,298	378
THISTLE UN 32H	2014	06	THISTLE UN 32H	25	175	1,314	230	165	1,334	220
					1,305					
THISTLE UNIT 43H	2014	01	THISTLE UN 43H-TEMP	6	632	1,278	808	580	1,303	756
THISTLE UNIT 43H	2014	02	THISTLE UN 43H-TEMP	24	6,180	1,299	8,027	6,096	1,303	7,943
THISTLE UNIT 43H	2014	03	THISTLE UN 43H-TEMP	31	7,429	1,299	9,652	7,337	1,303	9,560
THISTLE UNIT 43H	2014	04	THISTLE UN 43H-TEMP	28	6,041	1,285	7,761	5,675	1,303	7,395
THISTLE UNIT 43H	2014	05	THISTLE UN 43H-TEMP	29	3,738	1,249	4,668	3,120	1,298	4,050
THISTLE UNIT 43H	2014	06	THISTLE UN 43H-TEMP	28	1,638	1,216	1,992	1,060	1,334	1,414
					25,658					
					33,046					

State of New Mexico
Energy, Minerals and Natural Resources Department

May 15, 2014

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-396
Administrative Application Reference No. pMAM1408343869

DEVON ENERGY PRODUCTION COMPANY, LP
Attn: Ms. Erin Workman

Pursuant to your application received on March 20, 2014, Devon Energy Production Company, LP (OGRID 6137) is hereby authorized to surface commingle gas production from the following pools located in Section 33, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico;

Triple X; Bone Spring	(59900)
Brinninstool; Delaware	(96193)

and from the following diversely owned wells located on state and federal leases in said Section, Township, and Range in Lea County, New Mexico:

Thistle Unit Well No. 17H
API No. 30-025-39893
150 FSL & 1470 FEL

Thistle Unit Well No. 32H
API No. 30-025-40016
150 FSL & 150 FEL

Thistle Unit Well No. 43H
API No. 30-025-40898
200 FSL & 500 FWL

The commingled gas production shall be measured and sold at the Thistle Well No. 17H Central Tank Battery (CTB) located in Unit O, Section 33, Township 23 South, Range 33 East, Lea County, New Mexico.

Gas production from each well shall be separately metered before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on May 15, 2014.

Jami Bailey
Division Director

JB/mam

cc: Oil Conservation Division District Office – Hobbs
New Mexico State Land Office – Oil, Gas and Minerals
Bureau of Land Management - Carlsbad

OIL MEASUREMENT
BY TANK GAUGING

Part 1 – INTRODUCTION

I. PURPOSE

Instruction on the measurement of oil by tank gauging will provide the Bureau of Land Management inspection personnel with a general knowledge and understanding of the Federal requirements for the measure of oil by tank gauging, the proper setting and equipping of tanks, and determination of sales volumes subject to Federal and Indian royalties.

After the completion of the course, the student will be able to determine if a sales tank is properly installed and equipped for sales by tank gauge; determine if gauging and sampling equipment meet BLM standards; and perform independent measurements needed to complete the oil accounting process.

The BLM's responsibility in the measurement of oil is to ensure that the product is properly handled, measures, and reported for royalty purposes. To accomplish this, the BLM has certain equipment and procedural requirements for sales of oil by tank gauging, including requirements for inspecting equipment and witnessing measurements. This requirement applies to all operators of onshore Federal and Indian (except Osage) oil and gas leases, units, and communitized areas where the Federal government has delegated responsibility.

If a discrepancy which affects production volume determinations is detected, the student will learn the procedures required to properly document the findings, resolve the discrepancies with the operator, and then notify the Minerals Management Service of the findings.

II. DEFINITION OF OIL

Crude oil and condensate produced fields will generally be sold or transferred to the purchaser via tank gauging procedures. Crude oil or unrefined oil is found in a fluid state within the reservoir rock, while condensate in found in a gaseous state within the reservoir rock. While crude oil is maintained in its liquid state from the reservoir to the storage tank, condensate, through the reduction of pressure and temperature, changes from the gaseous state to the liquid state, or condenses.

Crude oil generally has a low specific gravity or an API gravity in the range of less than 10 degree API gravity to 55 degree API gravity. Condensate production generally has a high specific gravity with the API gravity range above 40 degree API gravity. It is generally light in color to clear and is very volatile.

All oils produced and sold for royalty purposes have some impurities, hence the term crude oil. Impurities such as sediment and water are produced with the oil and can not be totally removed from field equipment. The percentage of the impurities is determined and deducted from the total volume sold to the purchaser. Other deductions the purchaser applies to the product they buy are sulfur content and gravity adjustments. Gravity adjustments will commonly be made on oil with an API gravity below 40 degrees and above 45 degrees.

Oil is sold based on standard temperature and pressure. Since oil volumes are affected by temperature and pressure, the volumes are corrected to a standard temperature, 60° F (15°C), and an equilibrium pressure, usually 0 psig.

III. GOVERNMENT REQUIREMENTS FOR OIL MEASUREMENT

A. Federal Regulations

1. Title 43 CFR 3162.7-2, Measurements of Oil , requires in part; "All oil production to be measured on the lease by tank gauging, positive displacement metering system, or other methods acceptable to the authorized officer, pursuant to methods and procedures prescribed in applicable orders and notices."

2. Title 43 CFR 3162.7-5 (b-1), Site Security on Federal and Indian (except Osage) oil and gas leases, requires: "All lines entering or leaving oil storage tanks shall have valves capable of being effectively sealed during the production and sales operations unless otherwise modified by other subparagraphs of this paragraph, and any equipment needed for effective sealing, excluding the seals, shall be located at the site. For a minimum of 6 years the operator shall maintain a record of seal numbers used and shall document on which valves or connections they were used as well as when they were installed and removed. The site facility diagram(s) shall show which valves will be sealed in which position during both the production and sales phase of operation."

3. Title 43 CFR 3162.4-1, Well Records and Reports, requires in part: "The operator shall keep accurate and complete records with respect to all lease operations including, but not limited to, production facilities and equipment, drilling, production, re-drilling, deepening, repairing, plugging back, and abandonment operations, and other matters pertaining to operations."

"Upon request, the operator shall transmit to the authorized officer copies of such records maintained in compliance of this section."

Further "All records and reports required by this section shall be maintained for 6 years from the date they were generated."

4. Title 43 3162.1, General Requirements, requires in part: "The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms; Onshore Oil and Gas Orders; NTL's; and with orders and instruction of the authorized officer. These include but are not limited to conducting all operations in a manner

which ensures the proper handling, measurement, disposition, and site security of the leasehold production;..."

B. Onshore Orders

1. Onshore Oil and Gas Order Number 4, Oil Measurement, became effective August 23, 1989. The Order was established pursuant to the authority granted to the Secretary of the Interior under various Federal and Indian mineral leasing statutes and the Federal Oil and Gas Royalty Management Act of 1982. The order in implemented in accordance with 43 CFR 3164.1.

One purpose of the order is to establish requirements and minimum standards for the measurement of oil. This includes tank gauging, positive displacement metering systems, and other methods found acceptable to the authorized officer. Proper measurement of oil ensures that the Federal Government and Indian mineral owners receive the royalties due, as specified in the governing oil and gas leases. Another purpose of the Order is to establish abatement periods for corrective action when a violation with the minimum standards is detected.

2. Onshore Oil and Gas Order Number 3, Site Security, requires all lines entering or leaving all oil storage tanks shall have valves capable of being effectively sealed during the production and sales operations unless otherwise provided under the provisions of the Order. During the production phase, all valves that provide access to production shall be effectively sealed in the closed position. During the sales phase, and prior to taking the top gauge, all valves that would allow unmeasured product to enter or leave the sales tank shall be effectively sealed in the closed position. Any equipment needed for effectively sealing, excluding the seals, shall be located at the site. If the sealing equipment is in the possession of the operator's representative or at a centralized field location, it shall be considered to be at the site. Each ineffectively sealed valve or appropriate valve not sealed shall be considered a separate violation.

C. Policies

1. See the latest Fiscal Year version of the Washington Office Inspection and Enforcement Strategy to obtain the Bureau's policy and procedures for conducting Production Inspections by field inspectors.

D. Enforcement Procedures

1. Failure to comply with the minimum standards of Onshore Oil and Gas Order Number 4 is considered a violation and subjects the operator to the issuance of a violation or incidence of noncompliance (INC) in accordance with 43 CFR 3163, Noncompliance, Assessments and Penalties.

However, operators who discover noncompliance with the minimum standards and take immediate corrective action will not be issued an INC, or if the inspector is present when an operator discovers a malfunction or uses incorrect procedures as specified in the Order and

immediate corrective action is taken, an INC will not be issued, however, it will be necessary to document the incident in the file.

Where abatement is required as "prior to sales or removal", this means that the necessary action must be taken to ensure that no oil is transferred until the violation is corrected.

OIL MEASUREMENT
BY TANK GAUGING

Part 2 – SALES TANK EQUIPMENT AND CALIBRATION

I. Sales Tank Equipment

A. General.

Proper measurement and handling of oil begins with the proper installation and maintenance of the production storage facilities. If the tank storage facility is improperly installed, equipped, and calibrated, even proper measurement techniques will result in inaccurate measurement. For this reason, minimum standards are to be followed by the operator to ensure there will be no loss or gain in federal and Indian royalty accountability and to promote operating safety and spill prevention while minimizing the possibility of accidents.

B. Tank Equipment.

Tank equipment will vary based on the type of product stored in the tanks and based on the preference to different types of equipment due to geographic areas. Most equipment that is installed on tanks used for oil production storage and sales will be installed based on an agreement between the producer and the purchaser.

Oil that is stored in tanks and maintained at atmospheric pressure due to the lack of proper equipment may adversely affect production quality and quantity. An operator is responsible to conduct operations in a manner as to prevent the avoidable loss of oil. Therefore, it is the responsibility of the operator to ensure oil storage tanks be equipped properly to minimize the shrinkage and gravity loss that can occur due to the evaporation of the lighter hydrocarbons in some oils.

In accordance with the Onshore Number 4.III.C.1.a., the operator is required to install a pressure-vacuum thief hatch and/or vent line valve. The intent of the requirement is to prevent the unnecessary evaporative loss of the product and degradation of the quality of the product. To accomplish the objective of the requirement, the operator is required to store oil in a tank that is property equipped with a pressure-vacuum hatch and a vent line valve. Obviously, if the equipment is installed correctly but the tank has holes in the top, the objective is not being met.

Most pressure-vacuum thief hatches are manufactured to withhold up to 4 ounces of pressure on the tank. Requirements do not dictate the pressure that must be maintained on the oil in the storage tank, therefore it is up to the operator to design the system that maintains a back pressure on the tank contents but causes no damage to the vessel. Reference should be made to API RP 12 R1 and API 2000 for further understanding of breathing and evaporative losses from storage tanks.

C. Installation of Storage Tanks

Sales tanks shall be set and maintained level and free of distortion so as to not adversely affect the proper measurement of the product. When sales tanks are tilted or distorted, the strapping tables that were developed for the tank will no longer be accurate for the purpose of custody transfer and production accountability. When these conditions occur, corrective action should be taken to ensure proper measurement of the product will result.

Various actions can be taken to ensure Federal and Indian royalties will not be affected. If the tank is damaged significantly in which it is determined that measurement cannot be conducted without resulting in a gross error in true volumes, the tank should be repaired or replaced and not be used until such time the corrective action is taken. Of course, if the tank is full when and is tilted and distorted, the tank will have to be drained prior to the tank being repaired. This should be done by negotiating a method of proper measurement to drain the tank for repair. This should be done on a case by case basis, depending on the availability of alternate measurement methods such as tank truck gauging, weight measurement, or other methods acceptable to the Authorized Officer.

Any slight dent in the side of the sales tank may be negotiated with the operator and a variance granted to continue to sale from the tank without adversely affecting royalty income of production accountability. The intent of this procedure is not to receive royalties that are not due to the government, but to allow the operator to temporarily use the tank without the immediate expense of replacing the tanks.

If a tank is tilted due to settling of the tank, the amount of tilt should be calculated to determine the significance of the tilt. Calculate the amount of tilt by determining the amount of vertical tilt that has occurred and compare it to the vertical gauge table for the tank. If the amount of the tilt is determined to be less than 1 part on 70 parts, the error in than gauge table will be less than 0.01 percent by volume and the effect may be considered negligible. If the amount of tilt in 1 in 70 or more, the gauge table should be adjusted by using the following equation or if very significant, the tank should be replaced or repaired.

$$\text{Volume Correction, percent} = 100\ [\ (\text{Sq.Rt}\ 1 + m^2\ ) - 1]$$

where: m = amount of tilt per foot of shell height in feet

For example: If a 16 foot tank was tilted with a vertical displacement of 2 inches, the amount of tilt per foot of shell height would be:

m = (2 inches/12 inches per foot) / 16 feet
This would result in m = 0.0104
Amount of tilt is: 1 part in 96.15 (1/0.0104)

Volume correction = $100[(\sqrt{1+(0.0104)^2})-1$
Volume correction = 0.00521%

Therefore, on a 300 bbl tank that makes a 120 bbl sale, the volume correction would be (120 bbls * 0.0000541) or 0.00649 bbls.

The above example shows that when making a inspection on a tank and it is determined that it is slightly tilted, it should be considered as to the significance of the problem prior to issuing a notice of incident of violation. The minimum standard, as written, is to enforce significant problems that would adversely affect royalty income and production accountability.

II. Tank Calibration.

A. Each oil storage tank to be used for oil sales by tank gauging shall be accurately calibrated for gauging. There does exist what is referred to as "standard tank tables" that give a barrels per inch factor that is used for temporary tanks. The standard tables are not accurate for the purposes of oil sales and custody transfer. Therefore, a sales tank must be physically measured once set to determine the capacity at the different height intervals. API Standard 2550, Method of Measurement and Calibration of Upright Cylindrical Tanks, provides an acceptable method of calibrating a tank. From the calibration procedure, calibration charts or tank tables are made for the tank (see **Illustration 1**). Remember, one tank table for one tank. The tank table will identify a unique tank number and therefore the tank shall have the assigned unique tank number stenciled onto it for reference.

From the tank calibration procedure and subsequent development to the tank table, the referenced height is determined and a referenced height and gauging reference point is identified on the inside of the thief hatch. The referenced point may either be a chisel mark on the lip of the thief hatch seal seat or may be a metal tab located on the inside of the thief hatch opening. This height from the bottom of the tank or from the striking plate to the referenced mark is identified on the tank table and shall be stenciled on the tank near the gauging hatch or stamped on a fixed bench mark plate. Fore reference purposes, **Illustration 2** is a method determining a volume of an upright tank. **Illustration 2A** shows samples of referenced marking on the thief hatch.