

APPLICATION FOR POOL/LEASE COMMINGLE, OFF-LEASE GAS MEASUREMENT, SALES, & STORAGE

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

Proposal for North Pure Gold 8 Federal 10 & Pure Gold C-17 Federal 2:

Devon Energy Production Company, LP is requesting approval for the Pool/Lease Commingle, Off --Lease Gas Measurement, Sales and Storage from the following wells:

Federal Lease NM-77046

Well Name	Location	API #	Pool 97743	MCFPD	BTU
North Pure Gold 8 Federal 10	Sec 8-T23S-R31E	30-015-34594	Wildcat S233108H; Upper Penn	86.00	1187.2

Federal Lease NM-9622

Well Name	Location	API #	Pool 97672	MCFPD	BTU
Pure Gold C-17 Federal 2	Sec 17-T23S-R31E	30-015-26021	Sand Dunes; Wolfcamp West (G)	0.50	1211.11

A map is enclosed showing the Federal leases and well locations in Sections 8-T23S-R31E and 17-T23S-R21E. Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Gas metering:

The gas production from the North Pure Gold and Pure Gold wells will be the only gas production being commingled, measured, and sold off-lease. Each well has its own tank battery and they have a common CDP which is located at the Pure Gold C-17 Federal 2 location.

The North Pure Gold 8 Fed 10 will flow through a separator, then to a check meter #39012062 on location, then commingle with the Pure Gold C-17 Federal 2, before flowing to the DCP CDP gas sales meter #38166103 which is located at the Pure Gold C 17-2 location. The Pure Gold C-17 Fed 2 well will flow through a separator, commingle with the North Pure Gold 8 Fed 10 well, then to the common DCP Gas Sales Meter # 726113-00. Subtraction method will be used for allocation.

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

Process and Flow Descriptions:

Please see attached diagram for each of the wells tank batteries. The flow of produced fluids is shown in detail, along with a description of each vessel. The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Signed: _____
Printed Name: Erin Workman
Title: Regulatory Compliance Associate
Date: 07/19/12

SSubmit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. See Below
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 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 ☐ Gas Well ☒ Other ☐

2. Name of Operator
Devon Energy Production Company, LP

3. Address of Operator
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location (See Below)
Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line
Section **SEE BELOW** Township _____ Range _____ NMPM Eddy County New Mexico

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
n/a

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LP respectfully requests to Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage the following wells:

	API	Sec/T/R	Pool	Lease #
North Pure Gold 8 Federal 10	30-015-34594	Sec. 8-T23S-R31E	97743 Wildcat S233108H; Upper Penn (Gas)	NMNM-77046
Pure Gold C-17 Federal 2	30-015-26021	Sec. 17-T23S-R31E	97672 Sand Dunes; Wolfcamp West (Gas)	NMNM-45235

The North Pure Gold and the Pure Gold wells will each have their own tank batteries on location and will be the only wells utilizing those batteries at this time. The North Pure Gold 8-10 produced gas will flow through a separator, to a check meter #39012062 and commingle with the Pure Gold C-17 Federal 2 before flowing to the DCP CDP gas sales meter #38166103. The Pure Gold C-17 Federal 2 produced gas will flow through a separator; commingle with the North Pure Gold 8 Federal 10 before flowing to the DCP CDP gas sales meter #38166103 which is located at the Pure Gold C-17 Federal 2 site. The subtraction method will be used for allocation. 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: _____ TITLE: Regulatory Compliance Associate DATE: _____

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: _____

DATE IN 8/14/12	SUSPENSE 9/4	ENGINEER Ezeanyim	LOGGED IN 8/16/12	TYPE PLC	APP NO. PKVR1222958038
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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



*Devon Energy
 Production Company LP
 North Pure Gold 8 Fed #10
 Pure Gold C-17 Fed #2*

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]**

360

[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
 Print or Type Name

Erin Workman
 Signature

Regulatory Compliance Associate
 Title

07-19-12
 Date

Erin.Workman@dvsn.com
 E-mail Address



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

July 17, 2012

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

**Re: Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage
North Pure Gold 8 Federal 10 & Pure Gold C-17 Federal 2
API: 30-015-34594 & 30-015-26021
Sec 8-T23S-R31E and 17-T23S-R31E
Lease NMNM-77046 & NMNM-9622
Wildcat S233208H; Upper Penn 97743, Sand Dunes; Wolfcamp West 97672
Eddy County, New Mexico**

RECEIVED OGD
2012 AUG 14 PM 12:37

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103, C-107B and BLM Form 3160-5 Sundry Notice of Intent to Pool/Lease Commingle, Off Lease Gas Measurement, Sales & Storage 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



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

August 13, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for Pool/Lease Commingle, Off-Lease Gas Measurement,
Sales & Storage
North Pure Gold 8 Federal 10 & Pure Gold C-17 Federal 2
Sec 8 T23S R31E and Sec 17 T23S R31E
API # 30-015-34594 & 30-015-26021
Pool 40297 Los Medanos; Delaware
Eddy County, New Mexico

2012 AUG 14 PM 12:35
RECEIVED OGD

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 the above wells.

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.

Erin Workman
Regulatory Compliance Associate

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

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 Ave., 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
977743 Wildcat S233108H; Upper Penn (Gas)	DEY 1211.11 SAT	1190.04			
40297 Los Medanos; Delaware	SAT 1187.2				

- (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 attach 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 Associate

DATE: 7-19-12

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

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

SSubmit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. See Below
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input 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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, LP
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524
4. Well Location (See Below) Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line Section SEE BELOW Township _____ Range _____ NMPM Eddy County New Mexico
11. Elevation (Show whether DR, RKB, RT, GR, etc.) n/a

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion
or recompletion.

Devon Energy Production Co., LP respectfully requests to Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage the
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API	Sec/T/R	Pool	Lease #
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Pure Gold C-17 Federal 2 30-015-26021	Sec. 17-T23S-R31E	97672 Sand Dunes; Wolfcamp West (Gas)	NMNM-45235

The North Pure Gold and the Pure Gold wells will each have their own tank batteries on location and will be the only wells utilizing those
batteries at this time. The North Pure Gold 8-10 produced gas will flow through a separator, to a check meter #39012062 and commingle
with the Pure Gold C-17 Federal 2 before flowing to the DCP CDP gas sales meter #38166103. The Pure Gold C-17 Federal 2 produced
gas will flow through a separator; commingle with the North Pure Gold 8 Federal 10 before flowing to the DCP CDP gas sales meter
#38166103, which is located at the Pure Gold C-17 Federal 2 site. ROW has or will be obtained.

726113-00
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: 7-19-12

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

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

Camterra Resources Partners Ltd
2615 E End Blvd S
Marshall, Texas 75671

Certified Mailing
Number: 7010 1060
0000 0923 2674

James W Rogers
416 Manor Village Cir
Midland, Texas 79707

Certified Mailing
Number: 7010 1060
0000 0923 2681

Keystone O&G NM LLC
PO Box 916107
Fort Worth, Texas 76191-6107

Certified Mailing
Number: 7010 1060
0000 0923 2698

Khody Land & Minerals Co
Dept 2213
PO Box 122213
Dallas, TX 75312-2213

Certified Mailing
Number: 7010 1060
0000 0923 2704

EOG Resources Inc
PO Box 840321
Dallas, TX 75284-0321

Certified Mailing
Number: 7010 1060
0000 0923 2711

Meredith E McConn Zenner
8001 Burgoyne Rd, Apt 15B
Houston, TX 77063

Certified Mailing
Number: 7010 1060
0000 0923 2728

Melinda A McConn Chernsky
602 Fall River Rd
Houston, TX 77024

Certified Mailing
Number: 7010 1060
0000 0923 2735

John R McConn
5207 Green Tree Rd
Houston, TX 77056

Certified Mailing
Number: 7010 1060
0000 0923 2742

Phyllis Speight Individually
113 Windridge Cir
Midland, TX 79705

Certified Mailing
Number: 7010 1060
0000 0923 2759

Jefferson B Goldman Jr
103 Park Garden Ter
Madison, Mississippi 39110

Certified Mailing
Number: 7010 1060
0000 0923 2766

Gwendolyn Manning Williams
905 Pinie Ct
Midland, TX 79705

Certified Mailing
Number: 7010 1060
0000 0923 2773

Les R Honeyman
406 Skywood
Midland, TX 79705-2914

Certified Mailing
Number: 7010 1060
0000 0923 2780

Elliott Industries
PO Box 1328
Santa Fe, NM 87504

Certified Mailing
Number: 7010 1060
0000 0923 2797

Thru Line O&G NM LLC
PO Box 916107
FT Worth, TX 76191-6107

Certified Mailing
Number: 7010 1060
0000 0923 2803

CTV O&G NM LLC
PO Box 916107
Ft Worth, TX 79191-6107

Certified Mailing
Number: 7010 1060
0000 0923 2810

LMBI O&G NM LLC
PO Box 916107
Ft Worth, TX 76191-6107

Certified Mailing
Number: 7010 1060
0000 0923 2827

SRBI O&G NM LLC
PO Box 916107
Ft. Worth, TX 76191-6107

Certified Mailing
Number: 7010 1060
0000 0923 2834

Elliot-Hall Company
PO Box 1231
Ogden, Utah 84403

Certified Mailing
Number: 7010 1060
0000 0923 2841

ONRR
PO Box 25627
Denver, CO 80225-0627

Certified Mailing
Number: 7010 1060
0000 0923 2858

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.*5. Lease Serial No.
NMNM77046 / **NM45235**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NM-846018. Well Name and No.
NORTH PURE GOLD 8 FEDERAL 109. API Well No.
30-015-34594-00-S110. Field and Pool, or Exploratory
LOS MEDANOS11. County or Parish, and State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Contact: ERIN WORKMAN
DEVON ENERGY PRODUCTION CO EMail: ERIN.WORKMAN@DVN.COM

3a. Address

333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-7970

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

Sec 8 T23S R31E SENE 1330FNL 1310FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 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 Co., LP respectfully requestios to Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage the following wells:

North Pure Gold 8 Federal 10

API: 30-015-34594

S/T/R: 8-T23S-R31E

Pool: 977743 Wildcat S233108H; Upper Penn (Gas)

Lease: NMNM-77046

Pure Gold C-17 Federal 2

API: 30-015-26021

S/T/R 17-T23S-R31E

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #143422 verified by the BLM Well Information System

For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad

Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/19/2012 (12BMW0351SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE ASSOCIAT

Signature (Electronic Submission)

Date 07/19/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

LPE7

Date

7/28/12

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #143422 that would not fit on the form

32. Additional remarks, continued

Pool: 97672 Sand Dunes; WolfcampWest (Gas)
Lease: NMNM-45235

The North Pure Gold and the Pure Gold wells will each have their own tank batteries on location and will be the only wells utilizing those batteries at this time. The North Pure Gold 8-10 produced gas will flow through a separator, to a check meter #39012062 and commingle with the Pure Gold C-17 Federal 2 *WHICH FLOWS THROUGH CHECK* meter #38166103. The Pure Gold C-17 Federal 2 produced gas will flow through a separator; commingle with the North Pure Gold 8 Federal 10 before flowing to the DCP CDP gas sales meter #*726113-00* which is located at the Pure Gold C-17 Federal 2 site. 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).

APPLICATION FOR POOL/LEASE COMMINGLE, OFF-LEASE GAS MEASUREMENT, SALES, & STORAGE

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

Proposal for North Pure Gold 8 Federal 10 & Pure Gold C-17 Federal 2:

Devon Energy Production Company, LP is requesting approval for the Pool/Lease Commingle, Off --Lease Gas Measurement, Sales and Storage from the following wells:

Federal Lease NM-77046

Well Name	Location	API #	Pool 977743	MCFPD	BTU
North Pure Gold 8 Federal 10	Sec 8-T23S-R31E	30-015-34594	Wildcat S233108H; Upper Penn	86.00	1187.2

Federal Lease NM- 45235 + CA NM-84601

Well Name	Location	API #	Pool 40297	MCFPD	BTU
Pure Gold C-17 Federal 2	Sec 17-T23S-R31E	30-015-26021	Los Medanos; Delaware	0.50	1211.11 1190.04

A map is enclosed showing the Federal leases and well locations in Sections 8-T23S-R31E and 17-T23S-R21E. Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Gas metering:

The gas production from the North Pure Gold and Pure Gold wells will be the only gas production being commingled, measured, and sold off-lease. Each well has its own tank battery and they have a common CDP which is located at the Pure Gold C-17 Federal 2 location.

The North Pure Gold 8 Fed 10 will flow through a separator, then to a check meter #39012062 on location, then commingle with the Pure Gold C-17 Federal 2, *WHICH FLOW THROUGH CHECK* meter #38166103 which is located at the Pure Gold C 17-2 location. The Pure Gold C-17 Fed 2 well will flow through a separator, commingle with the North Pure Gold 8 Fed 10 well, then to the common DCP Gas Sales Meter # 726113-00.

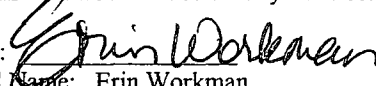
~~Well tests for each well will be conducted at least once per month.~~

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

Process and Flow Descriptions:

Please see attached diagram for each of the wells tank batteries. The flow of produced fluids is shown in detail, along with a description of each vessel. The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Signed: 
Printed Name: Erin Workman
Title: Regulatory Compliance Associate
Date: 07/19/12

MAP wrong

6

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CA-NM 84601

23S 31E *NM-77046*

North Pure Gold 8 Fed. #10

*NM ~~4622~~
45235*

Pure Gold C-17 Fed. #2

18

17

16

19

20

21



NMNM 0002883A

004

NMNM 081953

003

001

005

North Pure Gold 8 Fed 10

NMNM 077046

NMNM 121955

008

009

NMLC 0071988B

Gas Flow line to
DCP #72613-00

010

NMNM 121955

NMNM 077046

DCP Meter

Pure Gold C-17 Fed 2

NMNM 045235

NMNM 0405444

018

017

016

015

014

020

NMNM 038463

021

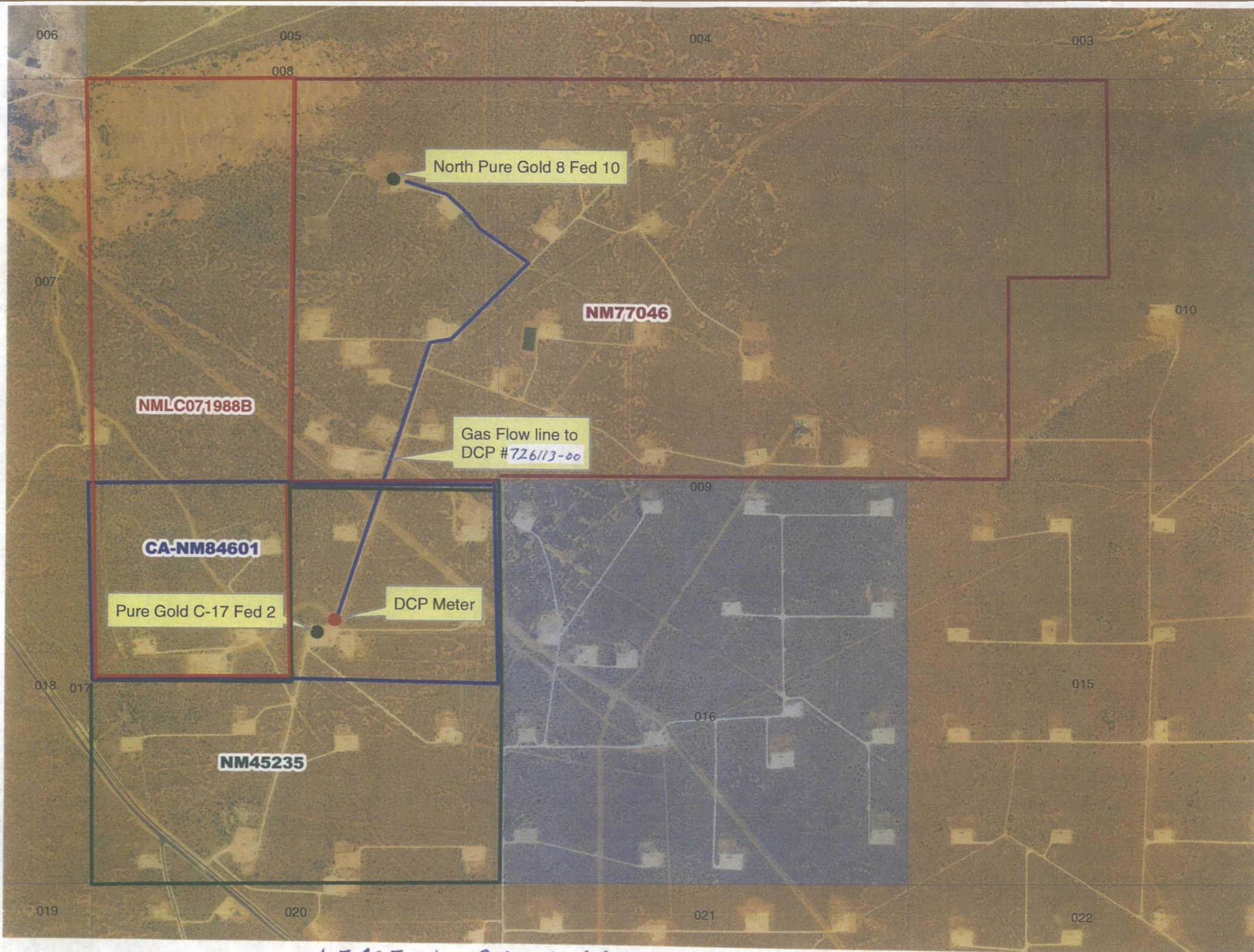
NMNM 038464

022

NMNM 0405444A

023

15455 10



PURE GOLD 17-fed 2
Section Town/Range
Footages
County State

API# _____ lease number _____

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: Equalizer Line 

Valve #4: Circ./Drain Line 

Valve #5: Stes Line 

Valve #6: BS&W Load Line 

Buried Lines: 

Firewall: 

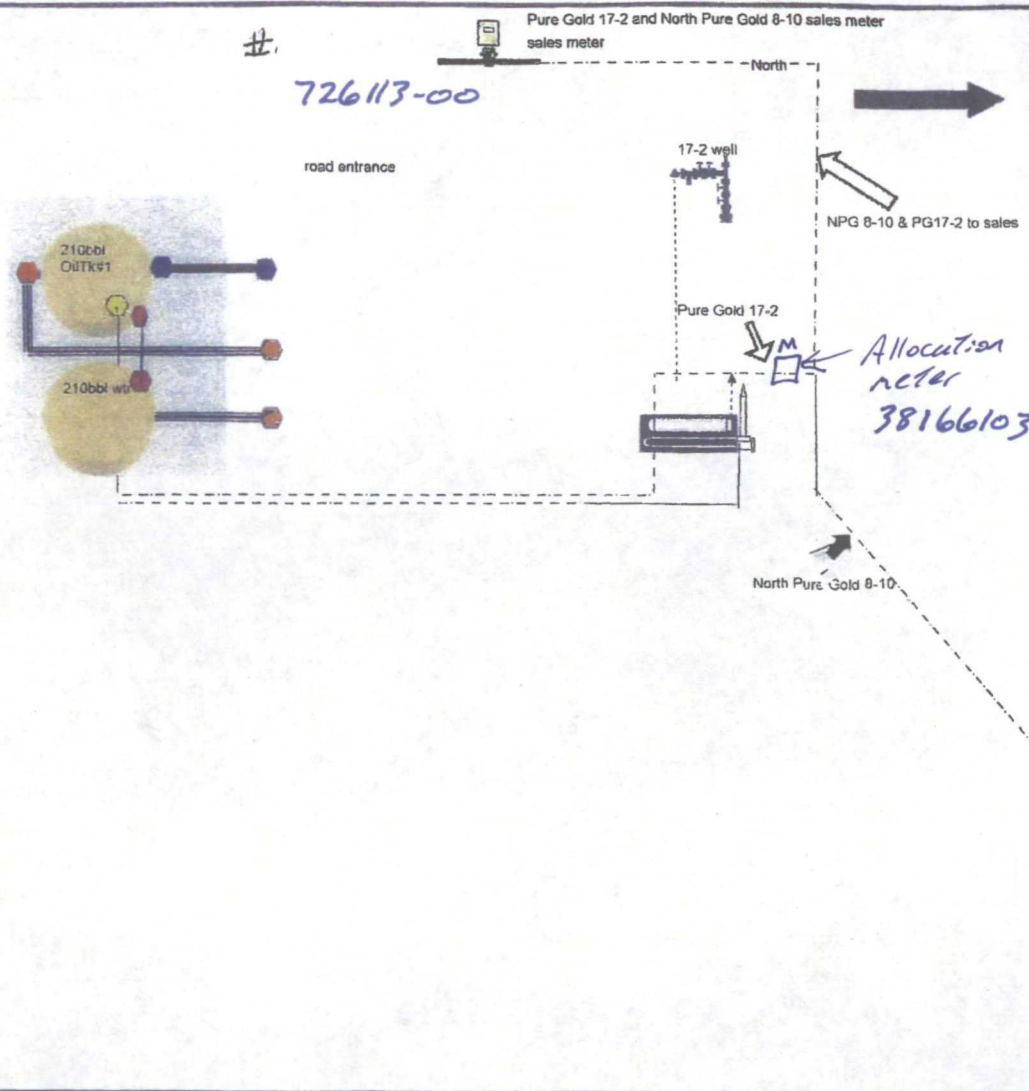
Wellhead: 

Stak-pak: 

Production line: 

Water line: 

Gas Motor:   



North Pure Gold 8 fed #10

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 inaccessible.

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: Sales Line 

Valve #6: BS&W Load Line 


Buried Lines: 

Firewall: 

Wellhead: 

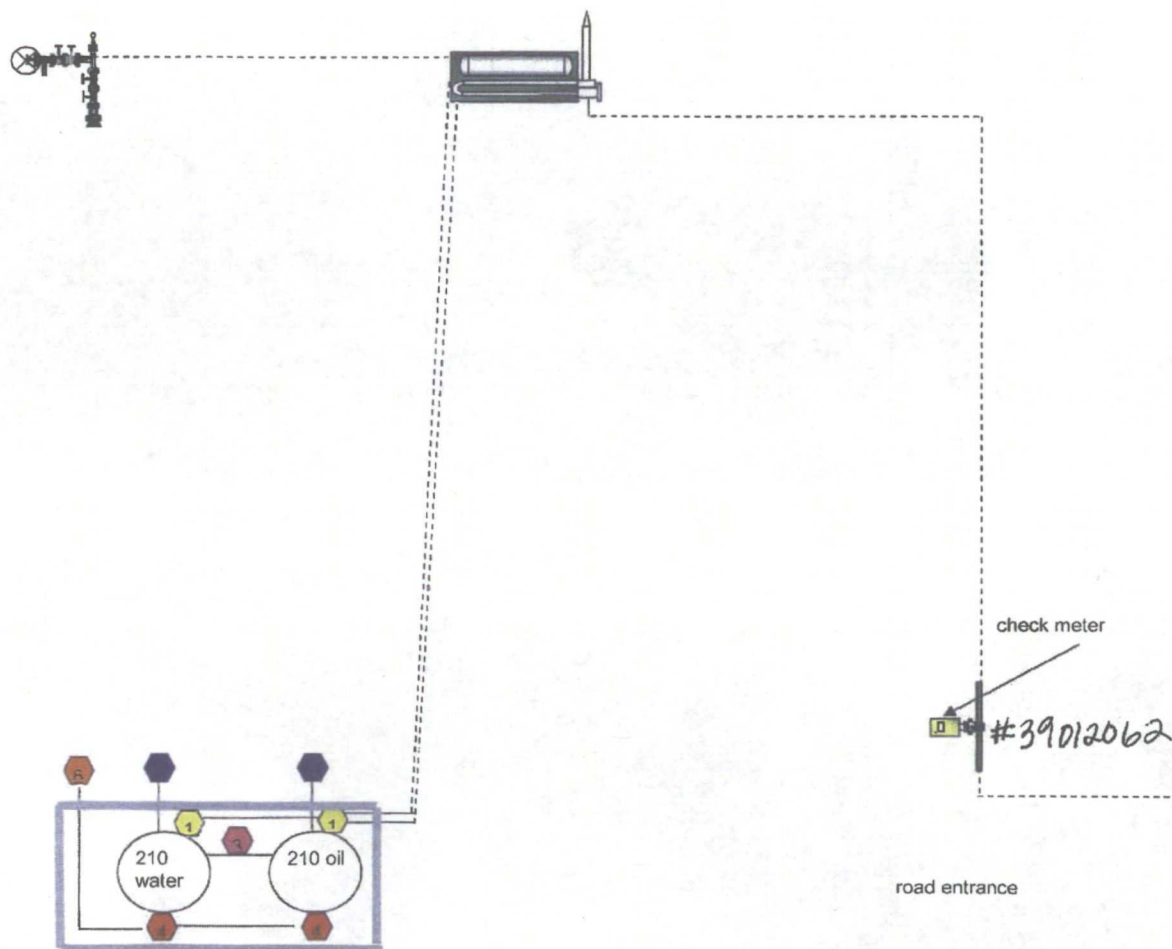
Stak-pak: 

Production line: 

Water line: 

Gas Meter   

North



OFF LEASE PRODUCTION						
	12/01/11	01/01/12	02/01/12	03/01/12	04/01/12	05/01/12
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
North Pure Gold 8 Federal 10	3,968.5	4,279.	3,927.	3,428.	2,749.	1,886.
Pure Gold C-17 Federal 2	367.5	194.	341.5	182.5	270.	122.5

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

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	N. PURE GOLD 8-10
Location ID	39012062
Sample Date	2/9/2012
Operator	System
Method Name	BTUC6+.met
Injection Date	2012-02-11 09:26:02
Report Date	2012-02-11 09:30:34

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	0.7908	0.0	0.0	0.00765	0.087
CARBON DIOXIDE	0.4107	0.0	0.0	0.00624	0.070
METHANE	82.2736	832.9	818.4	0.45571	13.990
ETHANE	9.8253	174.3	171.2	0.10201	2.636
PROPANE	3.9907	100.6	98.9	0.06076	1.103
I-BUTANE	0.6180	20.1	19.8	0.01240	0.203
N-BUTANE	1.1120	36.4	35.7	0.02232	0.352
I-PENTANE	0.2704	10.8	10.7	0.00674	0.099
N-PENTANE	0.2948	11.8	11.6	0.00734	0.107
C6+	0.4137	21.3	20.9	0.01331	0.180
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1208.3	1187.2	0.69448	18.827

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	56.1	
Flowing Pressure (psia)	43.7	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1208.3	1187.2
Gross Heating Value (BTU / Real cu.ft.)	1212.2	1191.6
Relative Density (G), Real	0.6964	0.6955
Compressibility (Z) Factor	0.9967	0.9963
Total GPM	18.827	18.606
Wobbe Index	1452.6	1428.9

Monthly Meter Analysis

March, 2012

Meter #: 38166103

Name: PURE GOLD C-17 FEDERAL #2

Component	Mole %	GPMs	Mass %	Property	Total Sample	C6 Plus Fraction
Carbon Dioxide, CO2	0.1404		0.3096	Pressure Base	14.730	
Nitrogen, N2	0.7631		1.0710	Temperature Base	60.00	
Methane, C1	82.5059		66.3142	HCDP @ Sample Pressure		
Ethane, C2	10.1143	2.7129	15.2372	Cricondentherm		
Propane, C3	3.8147	1.0540	8.4277	HV, Dry @ Base P, T	1211.11	
iso-Butane, iC4	0.6256	0.2053	1.8218	HV, Sat @ Base P, T	1190.04	
n-Butane, nC4	1.2061	0.3814	3.5122	HV, Sat @ Sample P, T		
iso-Pentane, iC5	0.2789	0.1023	1.0082	Relative Density	0.6911	
n-Pentane, nC5	0.2603	0.0946	0.9409	Fws Factor		
Hexanes Plus, C6+	0.2907	0.1272	1.3572	Free Water GPM		
Water, H2O				Stock Tank Condensate Brls/mm		
Hydrogen Sulfide, H2S	0.0000		0.0000	26 # RVP Gasoline	0.478	
Oxygen, O2	0.0000		0.0000	Testcar Permian	0.394	
Carbon Monoxide, CO				Testcar Panhandle	0.537	
Hydrogen, H2				Testcar Midcon	0.453	
Helium, He	0.0000		0.0000	C4 and Lighter ST Cond		
Argon, Ar				C5 and Heavier ST Cond		
				C6/C7 GPM		
Totals	100.0000	4.6777	100.0000			

Sample

Date: 02/16/2012 Pressure: 46.0
Type: Spot Temperature: 45.0

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

North Pure Gold 8 Federal 10 / Pure Gold C-17 Federal 2

Devon Energy Production Co., LP

July 28, 2011

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

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to 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 these leases/CA/unit 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/CA/unit will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.