

|                 |                 |                         |                   |          |                        |
|-----------------|-----------------|-------------------------|-------------------|----------|------------------------|
| DATE IN 6/14/06 | SUSPENSE 7/4/06 | ENGINEER DAVID CATANACH | LOGGED IN 6/15/06 | TYPE OLM | APP NO. pTDS0616629571 |
|-----------------|-----------------|-------------------------|-------------------|----------|------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



VP

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

**Application Acronyms:**

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

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

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

Check One Only for [B] or [C]

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

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

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

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**JAMES BRUCE**  
 P.O. BOX 1056  
 SANTA FE, NM 87504  
 Print or Type Name

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Signature

Title

Date

e-mail Address

2006 JUN 14 PM 12 46

*James Bruce* *Attorney for Applicant* *6/14/06*  
*jamesbruce@aol.com*

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

June 14, 2006

Hand delivered

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

30 025 34253

Dear Mr. Fesmire:

Devon Energy Production Company, L.P. applies for approval of off-lease gas sales for the following well:

|                  |  |
|------------------|--|
| <u>Well:</u>     | Flintstone Fed. Well No. 1   |
| <u>Location:</u> | 1938 feet FNL & 2157 feet FWL of Section 24, Township 23 South,<br>Range 35 East, N.M.P.M., Lea County, New Mexico |

The well is completed in the Wolfcamp formation, and has been shut-in. An economic sales outlet has been obtained for the gas, and applicant has obtained rights-of-way across §24, and §§19 & 20-23S-36E, to a sales point in §20. Copies of the rights-of-way are attached.

All interest owners in the well have been notified of this application as shown by the enclosed notice letter.

Please contact me if you need any further information on this application.

Very truly yours,

  
James Bruce

Attorney for Devon Energy Production Company, L.P.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220-6292  
www.nm.blm.gov



NM-115297  
2800(520)owl

Devon Energy Production Co., L.P.  
Attn: Right-of-Way  
20 North Broadway, Ste. 1500  
Oklahoma City, OK 73102-8260

FEB 09 2006

RE: Right-of-Way  
NM-115297  
Devon Energy Production Company's, Flintstone Fed. #1

Gentlemen,

On December 30, 2005, you filed a right-of-way application for a 2 3/8-inch surface gas flowline across public lands.

Enclosed are two copies of an unsigned right-of-way grant for your proposed flowline, NM-115297. Please review the document and if it meets with your approval, sign and date both copies and return to the address shown above. Upon our receipt of the signed documents and the fees discussed below, we will issue the right-of-way grant, absent any other unresolved issues.

You must pay a fee to BLM for the costs we will incur in monitoring the construction and operation of you authorized use. These fees are categorized according to the number of work hours necessary to monitor your grant, and are not refundable. We anticipate your use will require a Monitoring Category 2, the fees of which are included in the rental options below.

Rent for use of public lands must be paid in advance of such use and prior to issuance of the right-of-way grant. Rent for a linear right-of-way is based on a schedule that is adjusted annually based on the Implicit Price Deflator GNP (IPD), and inflation index. You may obtain a copy of the rent schedule from this office.

You have the option of paying the rent in 10-year periods, or for the entire term (approx. 30 years) of the right-of-way grant.

**10-year rental option**

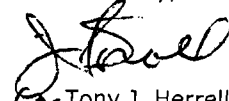
|                   |           |
|-------------------|-----------|
| December 31, 2006 | \$ 13.68  |
| Nine Years Rental | \$ 147.79 |
| Monitoring Fee    | \$ 354.00 |
| Total Amount Due  | \$ 515.47 |

**30-year rental option**

|                        |           |
|------------------------|-----------|
| December 31, 2006      | \$ 13.68  |
| Twenty Nine Years Rent | \$ 476.20 |
| Monitoring Fee         | \$ 354.00 |
| Total Amount Due       | \$ 843.88 |

Please be aware that you may not conduct any activities related to your right-of-way project on public land until you have received an authorized grant from this office. If you have any question, please contact Owen Lofton at (505) 234-5922.

Sincerely,

  
Tony J. Herrell  
Field Manager

2-attachments  
R/W Grants

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
**RIGHT-OF-WAY COST RECOVERY**  
**CATEGORY DETERMINATION RECORD**

[X] MINERAL LEASING ACT R/W of 1920, as Amended.

[ ] FEDERAL LAND POLICY & MANAGEMENT ACT OF 1976

**(703 19)**

| Category | Processing Fee            | Monitoring Fee |
|----------|---------------------------|----------------|
| I        | \$ 100                    | \$ 100         |
| II       | \$ 354                    | <u>\$ 354</u>  |
| III      | \$ 665                    | \$ 665         |
| IV       | \$ 953                    | \$ 953         |
| V        | As specified in agreement |                |
| VI       | Full actual costs         |                |

**(680 18)**

| Category | Processing Fee            | Monitoring Fee |
|----------|---------------------------|----------------|
| I        | \$ 100                    | \$ 100         |
| II       | \$ 354                    | \$ 354         |
| III      | \$ 665                    | \$ 665         |
| IV       | \$ 953                    | \$ 953         |
| V        | As specified in agreement |                |
| VI       | Full reasonable costs     |                |

|  |   |
|--|---|
| Applicant <b>Devon Energy Production Co., L.P.</b><br>Agent: <b>Don Deck</b> | Serial Number <b>NM-115297</b>            |
| Project Name <b>Flintstone Fed. #1</b>                                       | Applicant's Number<br><b>432-528-4401</b> |

**Lands Involved (NMPM)**

County: ( ) Eddy 015      (X ) Lea 025      ( ) Chaves 005

| Township (South) | Range (East) | Section   |
|------------------|--------------|-----------|
| <b>23</b>        | <b>35</b>    | <b>24</b> |
|                  | <b>36</b>    | <b>19</b> |
|                  |              |           |

Permanent

Length \_\_\_\_\_ feet  
Width \_\_\_\_\_ feet  
Acres \_\_\_\_\_

Temporary

Length \_\_\_\_\_ feet  
Width \_\_\_\_\_ feet  
Acres \_\_\_\_\_

Pre-Application Date \_\_\_\_\_

The appropriate Category for this action is Category 2. The fee for this Category is \$ 354. Fees for Categories 1-4 are non-refundable. See attached for Category definitions and fee schedule.

Prepared by: Owen W. Lofton

Date February 8, 2006

Approved by: 

Date February 8, 2006

**Personnel Needed**

**Estimated Hours**

Realty Specialist/Land Law Examiner  
Cultural/Paleontological Resources  
T&E Species  
Wildlife/Fisheries  
Air/Water/Soils  
Recreation/Visual/Cave Karst  
Range  
Fluids/Minerals  
Manager  
Administration  
Other \_\_\_\_\_

12  
4  
4  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
1  
1  
\_\_\_\_\_

**Total Hours**

22

**Important:**

If the application is significantly different from the information used to make this category determination, the application may be rejected.

This decision is final for purposes of appeal under 43 CFR 2804.1. Notwithstanding the pendency of such appeal, an application shall not be accepted for processing without payment of the fee determined by the Authorized Officer.

## 2006 Processing Fee Schedule for FLPMA and MLA Rights-of-Way

| Processing Category   | Federal Work Hours Involved                       | Processing fee per application as of January 1, 2006. To be adjusted annually for changes in the IPD-GDP. |
|---|---|---|
| 1. Applications for new grants, assignments, renewals, and amendments to existing grants. | Estimated Federal work hours are $>1 \leq 8$ .    | \$100   |
| 2. Applications for new grants, assignments, renewals, and amendments to existing grants. | Estimated Federal work hours are $> 8 \leq 24$ .  | \$354   |
| 3. Applications for new grants, assignments, renewals, and amendments to existing grants. | Estimated Federal work hours are $> 24 \leq 36$ . | \$665   |
| 4. Applications for new grants, assignments, renewals, and amendments to existing grants. | Estimated Federal work hours are $> 36 \leq 50$ . | \$953   |
| 5. Master agreements.   | Varies.   | As specified in the agreement.  |
| 6. Applications for new grants, assignments, renewals, and amendments to existing grants. | Estimated Federal work hours are $> 50$ .         | Full reasonable costs (FLPMA)<br>Full actual costs (MLA)  |

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT  
SERIAL NUMBER: NM-115297  
Devon Energy Production Company's, Flintstone Fed. #1

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1. A right-of-way is hereby granted pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185).

2. Nature of Interest:

- a. By this instrument, the holder:

Devon Energy Production Co., L.P.  
20 North Broadway, Ste. 1500  
Oklahoma City, OK 73102-8260

receives a right to construct, operate, maintain, and terminate a surface 2 3/8 Poly gas pipeline (not to exceed 125 psi), to connect the Devon Energy Production's Flintstone Fed. #1 well, to an existing gathering line on adjacent land, not under federal ownership. The portion on federal lands is described as follows:

**T. 23 S., R. 35 E., NMPM (Lea County)**

Sec. 24: S $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

**T. 23 S., R. 36 E., NMPM (Lea County)**

Sec. 19: Lot 2 and S $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

The lands described above contain a total length of 1.579 miles.

- b. The right-of-way or permit area granted herein is 30 feet wide 8338.3 feet long and contains 5.743 acres, more or less. If a site type facility, the facility contains N/A acres.
- c. This instrument shall terminate on December 31, 2035, unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
- d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
- e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.


3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

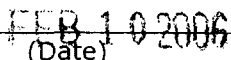
4. Terms and Conditions:

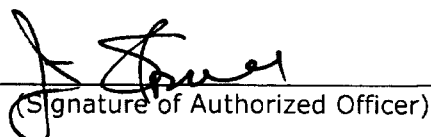
- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2880.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the Federal lands within 90 days, or otherwise disposed of as provided in paragraph (4)(c) or as directed by the authorized officer.
- c. The stipulations, plans, maps, or designs set forth in Exhibits A, and B, dated February 8, 2006, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- d. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- e. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.


IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

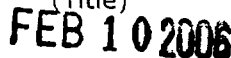
  
(Signature of Holder)

\_\_\_\_\_  
(Title)

  
(Date)

  
(Signature of Authorized Officer)

 Tony J. Herrell, Field Manager  
(Title)



\_\_\_\_\_  
(Effective Date of Grant)

EXHIBIT A  
February 8, 2006

BLM Serial Number: NM-115297  
Co. Reference: Flintstone Fed. #1

SURFACE INSTALLED PIPELINE STIPULATIONS FOR CARLSBAD FIELD OFFICE, BLM

A copy of the grant and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, *et. seq.*) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, *etc.*) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et. seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et. seq.*) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec.\*\*2803/2883\*\*.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from fire or soil movement (including landslides and slumps as well as wind and water caused movement of particles) caused or substantially aggravated by any of the following within the right-of-way or permit area:
  - A. Activities of the holder, including but not limited to, construction, operation, maintenance, and termination of the facility.



B. Activities of other parties including but not limited to:

- (1). Land clearing.
- (2). Earth-disturbing and earth-moving work.
- (3). Blasting.
- (4). Vandalism and sabotage.

C. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction of in which the damage of injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from the negligent acts of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline or related facilities, any oil or other pollutant should be discharged from the pipeline or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting there from, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

6. The holder shall conduct all activities associated with the construction, operation, and termination of the right-of-way within the authorized right-of-way width of 30 feet.

**7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.**

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried a minimum of 36 inches under all roads, including "two-tracks" and trails. Burial will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of the construction, shall be returned to at least its former state, with no bumps, dips, or soft spots remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair impacted improvements to at least their former state. The holder shall contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence will be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

12. Excluding the pipe, all above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color that simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is Shale Green, Munsell Soil Color Chart Number 5Y 4/2.

**13. The holder shall post signs designating the BLM serial number assigned to this right-of-way grant at the following locations: the points of origin and completion, or entry to and exit from public lands, of the right-of-way and at all major road crossings. These signs will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the term of the right-of-way.**

14. The holder shall not use the right-of-way as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder shall take whatever steps are necessary to ensure that the right-of-way is not used as a roadway.

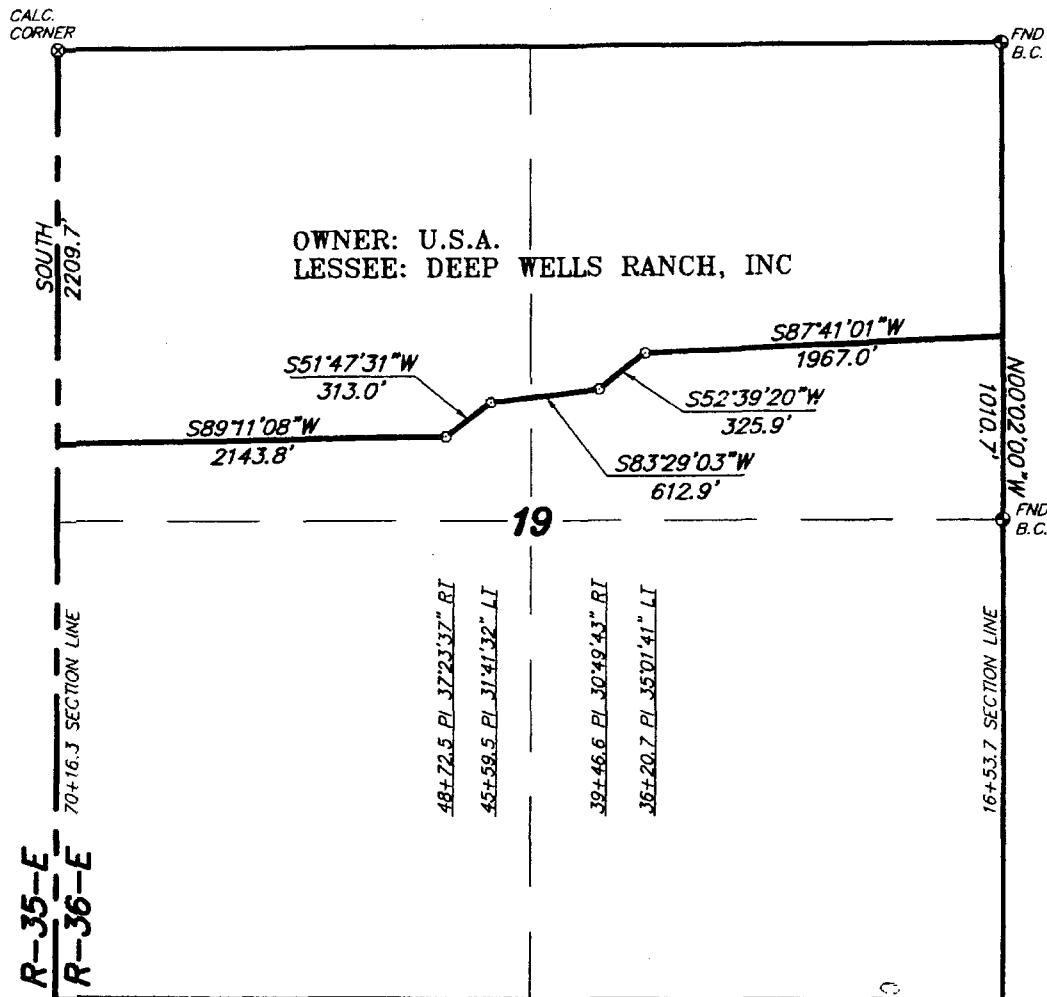
15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and the Authorized Officer will make any decision as to the proper mitigation measures after consulting with the holder.

16. The area will be kept free of the following plant species: Malta starthistle, African rue, Scotch thistle, and saltcedar.

**17. Special Stipulations:**

The project is identified as habitat for the lesser prairie chicken; therefore, all construction activities will be restricted to the hours of 9:00 am through 3:00 am for the period of March 15 through June 15

SECTION 19, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



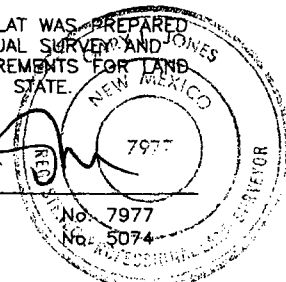
LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, LOCATED IN SECTION 19, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

5362.6 FEET = 1.02 MILES = 325.01 RODS = 6.16 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.  
TEXAS P.L.S.



**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 6029

Drawn By: K. GOAD

Date: 12-15-2005

Disk: KJG CD#3 - DEV6029A.DWG

Survey Date: 12-05-2005

Sheet 2 of 3 Sheets

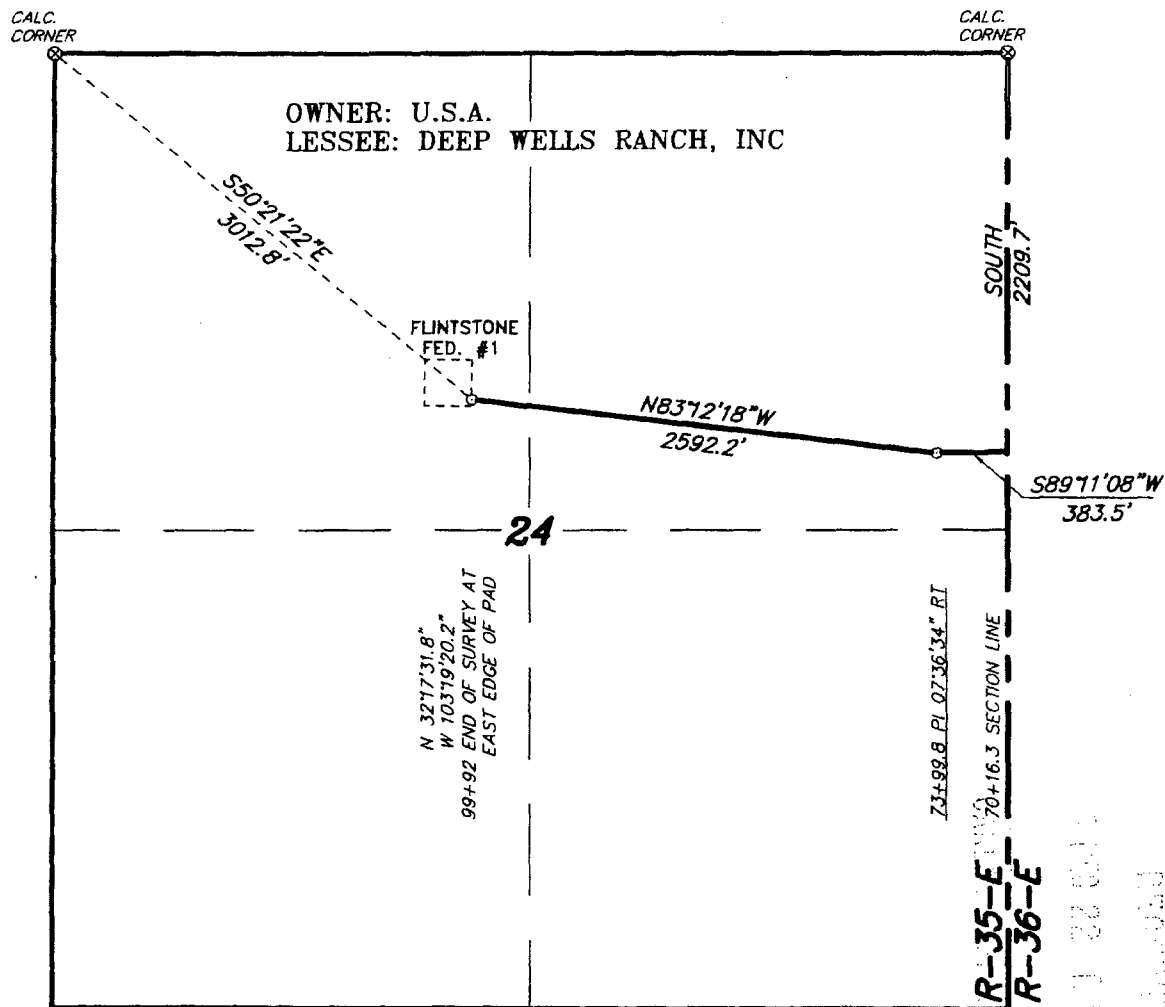
1000 0 1000 2000 FEET

**DEVON ENERGY PROD. CO., L.P.**

REF: PROPOSED 2" POLY PIPELINE TO THE DEVON FLINTSTONE FED. #1

A PIPELINE CROSSING USA LAND IN  
SECTION 19, TOWNSHIP 23 SOUTH, RANGE 36 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

SECTION 24, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, LOCATED IN SECTION 24, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

2975.7 FEET = 0.56 MILES = 180.35 RODS = 3.42 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S. No. 7977  
TEXAS P.L.S. No. 5074

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 6029

Drawn By: K. GOAD

Date: 12-15-2005

Disk: KJG CD#3

- DEV6029A.DWG

Survey Date: 12-05-2005

Sheet 3 of 3 Sheets

1000 0 1000 2000 FEET

**DEVON ENERGY PROD. CO., L.P.**

REF: PROPOSED 2" POLY PIPELINE TO THE DEVON FLINTSTONE FED. #1

A PIPELINE CROSSING USA LAND IN  
SECTION 24, TOWNSHIP 23 SOUTH, RANGE 35 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

3-  
④  
18331

RIGHT OF WAY GRANT

STATE OF NEW MEXICO }

COUNTY OF LEA }

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Kelly Myers, President of Deep Wells Ranch Inc., Star Route 1 Box 244, Jal, New Mexico 88252, (hereinafter referred to in the singular as "Grantor" whether one or more), the owner of the real estate hereinafter described, for and in consideration of the sum of Ten and no/100 dollars (\$10.00) and other good and valuable consideration in hand paid by Devon Energy Production Company L.P. 20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102 hereinafter referred to as "Grantee" the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell and convey unto Grantee its successors and assigns a Right of Way and easement 30 feet in width to construct, maintain and repair a 2 3/8 " OD surface poly pipeline upon a tract of land situated in the County of Lea, in the State of New Mexico, which is more particularly described in Exhibit "A" which is hereto, and incorporated herein for all purposes.

TO HAVE AND TO HOLD, said Right of Way and easement unto Grantee its successors and assigns, so long as such pipeline or any part thereof, is maintained.

Grantor shall be entitled to fully use and enjoy the hereinafter described lands, subject only to the Right-of-Way easement other rights granted unto Grantee.

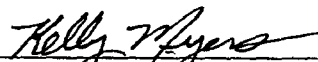
Grantee shall save and hold harmless Grantor from all liabilities, costs and expenses because of damages or injury or death of persons resulting from Grantee's operations hereunder except for liabilities or expenses resulting from Grantor's negligent act.

If, at any time commencing after one year from the date hereof, Grantee, its successors and assigns, should fail to use its rights hereunder and such non-use should continue for as long as 24 months.

This Right-of-Way is binding upon and shall inure to the benefit of the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, this instrument was executed on 16 day of February, 2006.

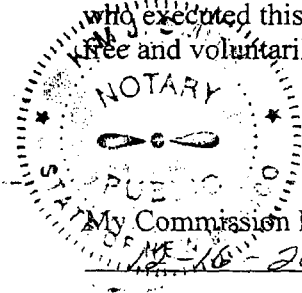
DEEP WELLS RANCH INC.

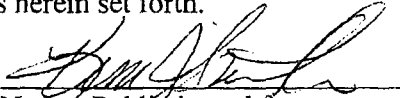
  
By: Kelly Myers, President

STATE OF NEW MEXICO }

COUNTY OF LEA }

On This 16 Day of February, 2006 personally appeared Kelly Myers,  
President of Deep Wells Ranch Inc. to me personally known to be the identical person  
who executed this instrument and acknowledged to me that he executed the instrument  
free and voluntarily for the uses and purposes herein set forth.

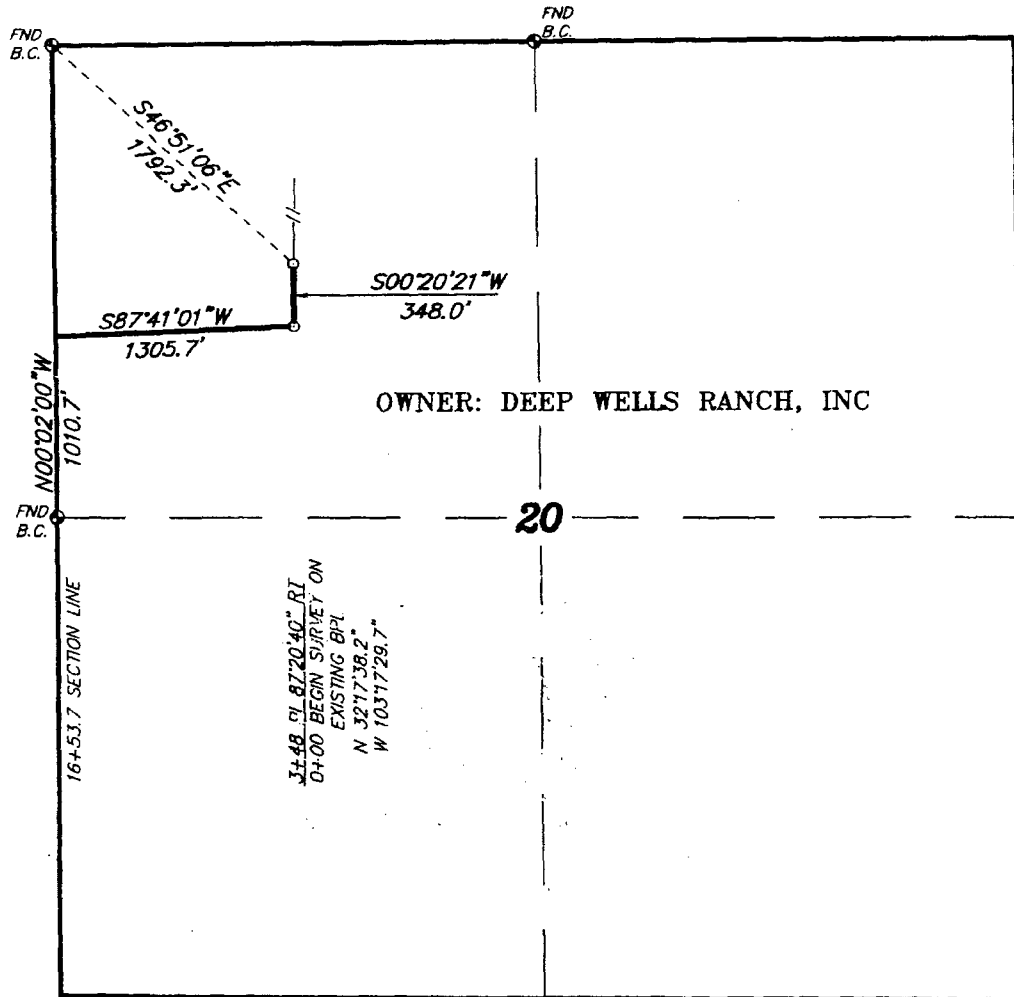


  
Notary Public in and for  
The State of New Mexico

Kim J. Smith  
Typed or Printed Name of Notary

EXHIBIT "A"

SECTION 20, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

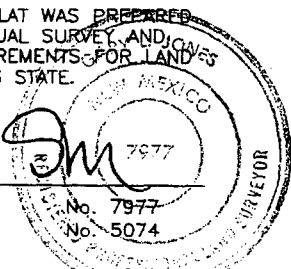


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 20, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY. BEGINNING AT A POINT WHICH LIES S. 46° 51' 06" E., 1792.3 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 20; THENCE S. 00° 20' 21" W., 348.0 FEET; THENCE S. 87° 41' 01" W., 1305.7 FEET TO A POINT ON THE WEST SECTION LINE WHICH LIES N. 00° 02' 00" W., 1010.7 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 20. SAID STRIP OF LAND BEING 1653.7 FEET OR 100.22 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.  
TEXAS P.L.S.



**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 6029 Drawn By: K. GOAD  
Date: 12-15-2005 Disk: KJG CD#3 - DEV6029A.DWG

1000 0 1000 2000 FEET

**DEVON ENERGY PROD. CO., L.P.**

REF: PROPOSED 2" POLY PIPELINE TO THE DEVON FLINTSTONE FED. #1

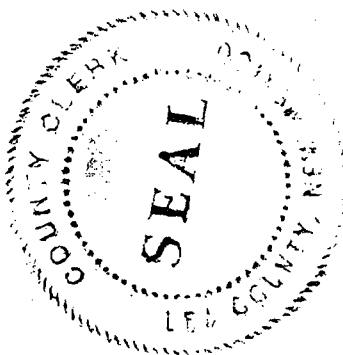
A PIPELINE CROSSING FREE LAND IN  
SECTION 20, TOWNSHIP 23 SOUTH, RANGE 36 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 12-05-2005 Sheet 1 of 3 Sheets

18331

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

FEB 21 2006  
at 10:48 o'clock A-M  
and recorded in Book 1428  
Page 151  
Melinda Hughes, Lea County Clerk  
By AA Deputy





**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

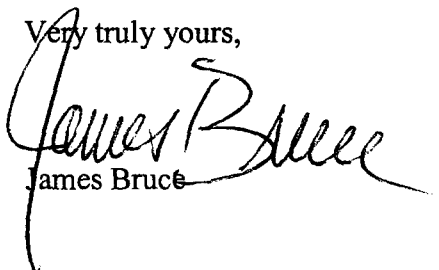
June 14, 2006

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Interest owners in Flintstone Fed. Well No. 1

Enclosed is a copy of an application, filed by Devon Energy Production Company, L.P. with the New Mexico Oil Conservation Division, seeking authorization for off-lease gas sales from the Flintstone Fed. Well No. 1, located in Section 24, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico. If you object to the application you must notify the Division (1220 South St. Francis Drive, Santa Fe, New Mexico 87505) within 20 days of the date of this letter. Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

## **FLINSTONE FEDERAL #1 WELL**

### **Working Interest Owners:**

Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, Oklahoma 73102

Carol Carpenter Winkel  
3000 N. Garfield Ste. 200  
Midland, Texas 79705

### **Royalty Owner (Federal):**

Minerals Management Services  
Royalty Management Program  
P.O. Box 5810  
Denver, Colorado 80217

### **Overriding Royalty Owners:**

Jareed Partners, Ltd.  
P.O. Box 51451  
Midland, Texas 79710

Penwell Employee Royalty Pool  
303 W. Wall, Suite 1501  
Midland, Texas 79701

John L. Thoma  
P.O. Box 959  
Graham, Texas 76450

C. Mark Wheeler  
24 Smith Road, Suite 405  
Midland, Texas 79705

Paul R. Barwis  
P.O. Box 6550  
Breckenridge, Colorado 80424