

DATE IN 21 June 07	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 21 June 07	TYPE CTB	APP. NO. PCLP-0717601854
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

[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.

Stephanie A. Ysasaga
 Print or Type Name

Signature

Sr. Staff Engineering Technician
 Title

06/07/07
 Date

Stephanie A. Ysasaga
 e-mail Address

RECEIVED
 JUN 27 AM 11 05

Submitted

[Handwritten scribbles]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon Energy Production Co., LP

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)-552-7802

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NWNE 1300' FNL & 1750' FEL
Sec 7-T19S-R31E

5. Lease Serial No.
NMNM54112

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Strawberry 7 Federal 1 & 2

9. API Well No.
30-015-31876 & 30-015-32375

10. Field and Pool or Exploratory Area
Hackberry North; Bone Springs (97056)

11. Country or Parish, State
Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingle; Off Lease Storage & Measurement
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 requests approval to surface commingle hydrocarbons from the Strawberry 7 Federal 1 (30-015-31876) Lease # NM100561 & Strawberry 7 Federal 2 (30-015-32375) Lease # NMNM54112 from the following pool: Hackberry North; Bone Springs; Pool Code # 97056. Interest owners have been notified via certified mail. Application has been made to the OCD Santa Fe office via Form C-107-B. See attachments.

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

Name (Printed/Typed)
Stephanie A. Ysasaga

Title Sr. Staff Engineering Technician

Signature

Date 06/07/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instructions on page 2)

Jones, William V., EMNRD

From: Ysasaga, Stephanie [Stephanie.Ysasaga@dmv.com]
Sent: Monday, July 02, 2007 7:10 AM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; Wesley_Ingram@nm.blm.gov
Subject: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2)

Attachments: Strawberry 7 Federal 1 & 2_Surf Commingle.pdf



Strawberry 7
Federal 1 & 2_Sur...

Good Morning Will,

Not sure if you are in the office today. Our field guys went back and created the documents that you were requiring to finish processing this application. The revised word document attached explicitly outlines how oil and gas will be metered separately for the 1 & 2 locations.

The "proposed facilities" diagram for the Strawberry 7 Federal 1, clearly denotes the gas test meter for the Strawberry 7 Federal 2 and the EFM Total Gas Production Meter for the Strawberry 7 Federal 1 & 2.

Also attached are the "current facilities" that are on location for the both the Strawberry 7 Federal 1 and the Strawberry 7 Federal 2.

Also, is the past graphed production for the Strawberry 7 Federal 1 & Strawberry 7 Federal 2. Please let me know if there is anything additional that you require. I will provide this information to the Specialist at the BLM, so they have a complete packet of the information that I've provided to the OCD Santa Fe Office.

Thanks! :)

Stephanie A. Ysasaga
Sr. Staff Engineering Technician
(405)-552-7802 Phone (405)-721-7689 Cell
(405)-552-8113 Fax
Corporate Tower 03.056
Stephanie.Ysasaga@dmv.com

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wednesday, June 27, 2007 5:03 PM
To: Ysasaga, Stephanie
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2)

Hello Stephanie:

Hard to say what you can do to get this done administratively because I don't have a current site security diagram/drawing and don't know if one of these wells is new or they are both old wells.

However, in general, if Devon will continuously meter oil AND gas from both wells before the oil and gas is commingled for sales, then this would work OK. Your engineer or production foreman would know how to get this done. It may involve setting another separator and tank?

The OCD would prefer for Devon to think of an inexpensive way to continuously meter oil

and gas from both wells separately, since these are diversely owned. That being said, Santa Fe is not such a bad place to visit and Devon should not be afraid of the hearing process.

Let me know,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

-----Original Message-----

From: Ysasaga, Stephanie [mailto:Stephanie.Ysasaga@dmv.com]
Sent: Wednesday, June 27, 2007 3:26 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD
Subject: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2

Will,

What could we do in lieu of a hearing to get this administratively approved? Use two meters? Your thoughts and recommendations? I am hoping we don't have to completely start at square one. At least when I talk to my engineer and field superintendent I can convey any other alternatives.

Also, noted your other needs for future surface commingles. If there is an alternative we could go with, I could probably pull production plot and send to you.

Let me know. :) Thanks for your quick review.

Stephanie

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wed 6/27/2007 3:57 PM
To: Ysasaga, Stephanie
Cc: Ezeanyim, Richard, EMNRD
Subject: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2

Hello Ms. Ysasaga:

We talked a day or so ago about the classification of this proposed surface commingle.

Anyway, after reviewing the proposed method of measuring and allocating oil and gas from these diversely owned wells, it appears that this is beyond the scope of an administrative application and should be debated at an examiner hearing. Devon's proposal to use one test meter to periodically test each diversely owned well is the type of surface commingle normally handled after notice and hearing.

Please have your attorney set this matter for hearing and alert your engineer that testimony may be needed in Santa Fe.

On future surface commingles, be sure and show a schematic of the production/gathering site(s) as they currently exist and before the proposed commingle. Also production plots of each well to be commingled, properly labeled and with easy to read scales would help the examiner determine if production is relatively good or stripper.

Regards,

APPLICATION FOR SURFACE COMMINGLING:

Bureau of Land Management
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

OG RD 6137

Devon Energy Production Company, LP requests approval for surface commingling and measurement of hydrocarbon production from the following wells on Federal Lease No. NM100561 & Lease No. NMNM54112; respectively.

Well Name & No:	UL	Sec	TWP	Rng	Formation
Strawberry 7 Federal 1	C	7	19S	31E	Hackberry North; Bone Springs
Strawberry 7 Federal 2	B	7	19S	31E	Hackberry North; Bone Springs

Surface Commingling Proposal for Strawberry 7-1 and Strawberry 7-2:

Devon proposes to surface commingle two producing wells; the Strawberry 7 Federal 1 and Strawberry 7 Federal 2, into a common surface facility called the Strawberry 7-1 production facility. This commingling will eliminate the need for two production facilities and will in effect lessen the disturbance and impact on the environment and reduce operating expense between the two referenced wells. This will result in increasing the economic life of the wells. The BLM will be notified if there is any future change in the facility location.

Gas metering:

Both wells will flow into an electronic flow meter (EFM) located at the Strawberry Federal #1 facility. Gas from the Strawberry 7-2 will be metered separately and the allocated gas volume for the Strawberry 7-1 will be calculated by subtracting the Strawberry 7-2 gas (which is metered separately) from the total volume at the EFM measuring gas from both wells (Strawberry 7-1 and Strawberry 7-2). The gas meter will be calibrated on a regular basis per API, NMOCD and BLM specifications.

Oil metering:

Oil and water volumes produced from both wells will be determined by using a test separator at the proposed facility so that one of the wells is always producing through the testing equipment. The oil and water volumes from the well that is not producing through the test equipment will be determined by subtracting out the volumes from the well in test.

Please see attached diagram for the "current" facilities set up and "proposed" Strawberry 7-1 production facility. The "proposed schematic" shows the equipment that will be utilized to measure well production from each well that will contribute production to the proposed commingled facility.

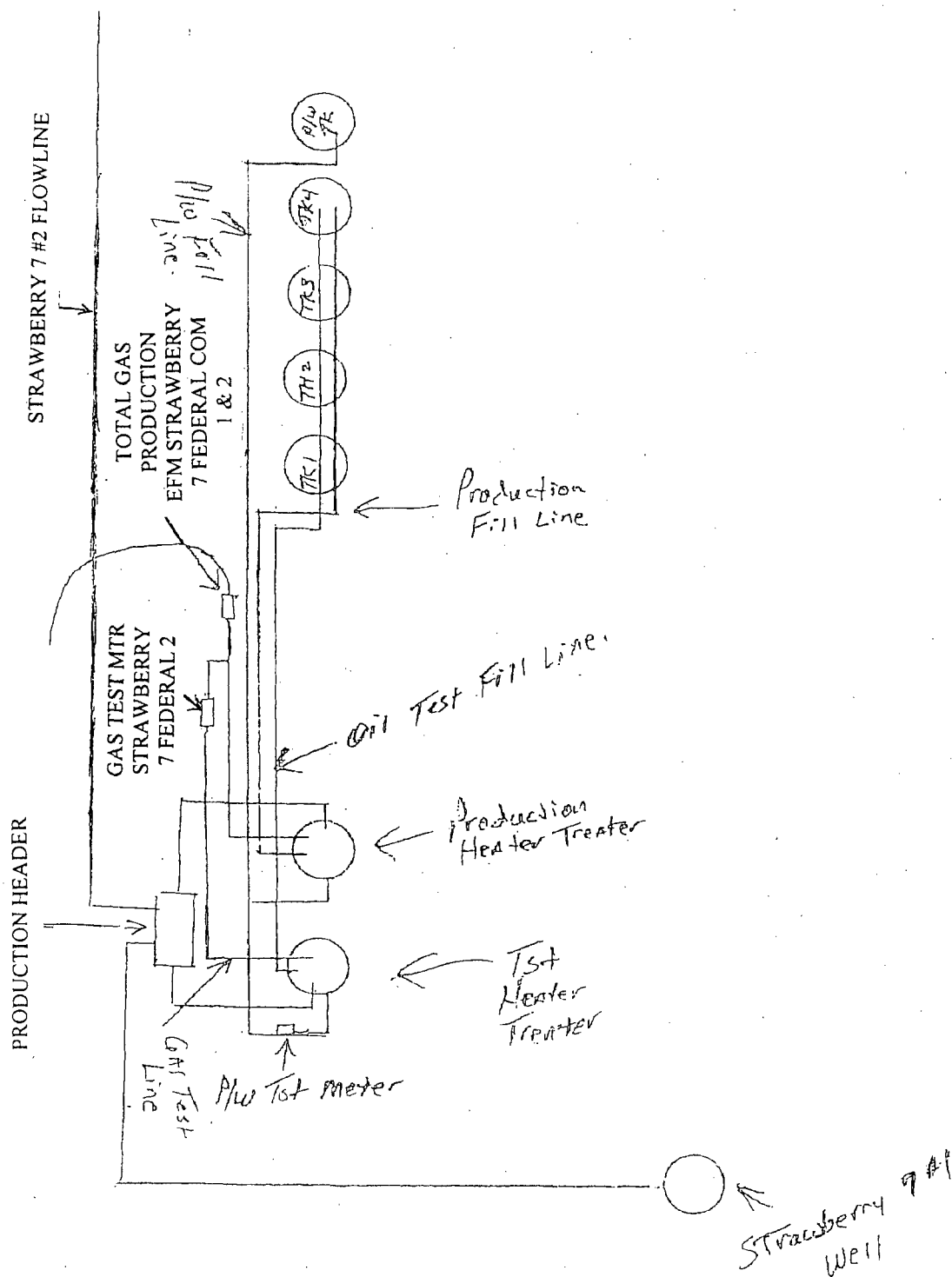
For facilities questions please call Roger Hernandez at (505)-748-0169.

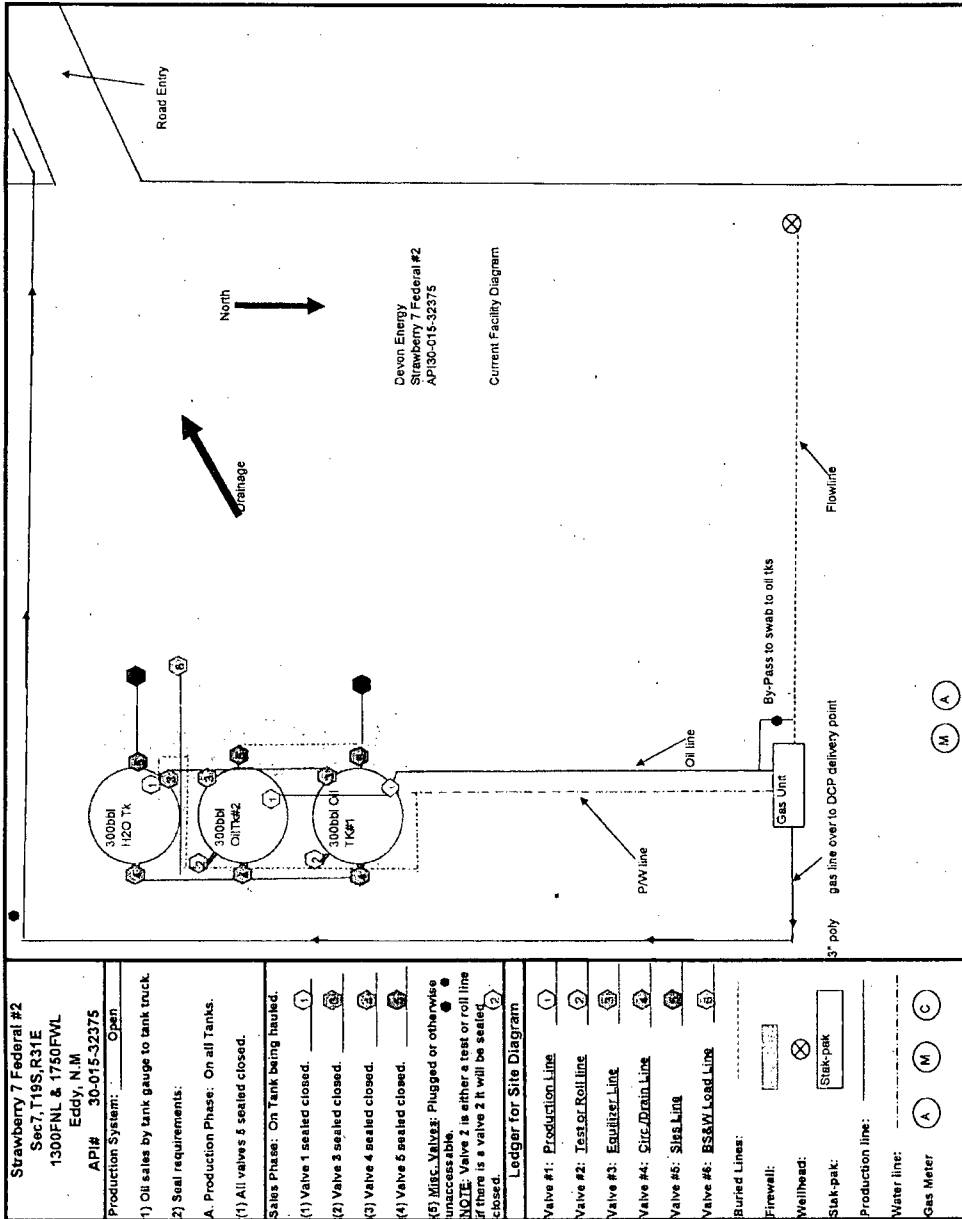
The overriding royalty owners, working interest owners and NMOCD have been notified of this proposal. The overriding royalty owners and working interest owners have been notified by certified mail. See attached receipt list.

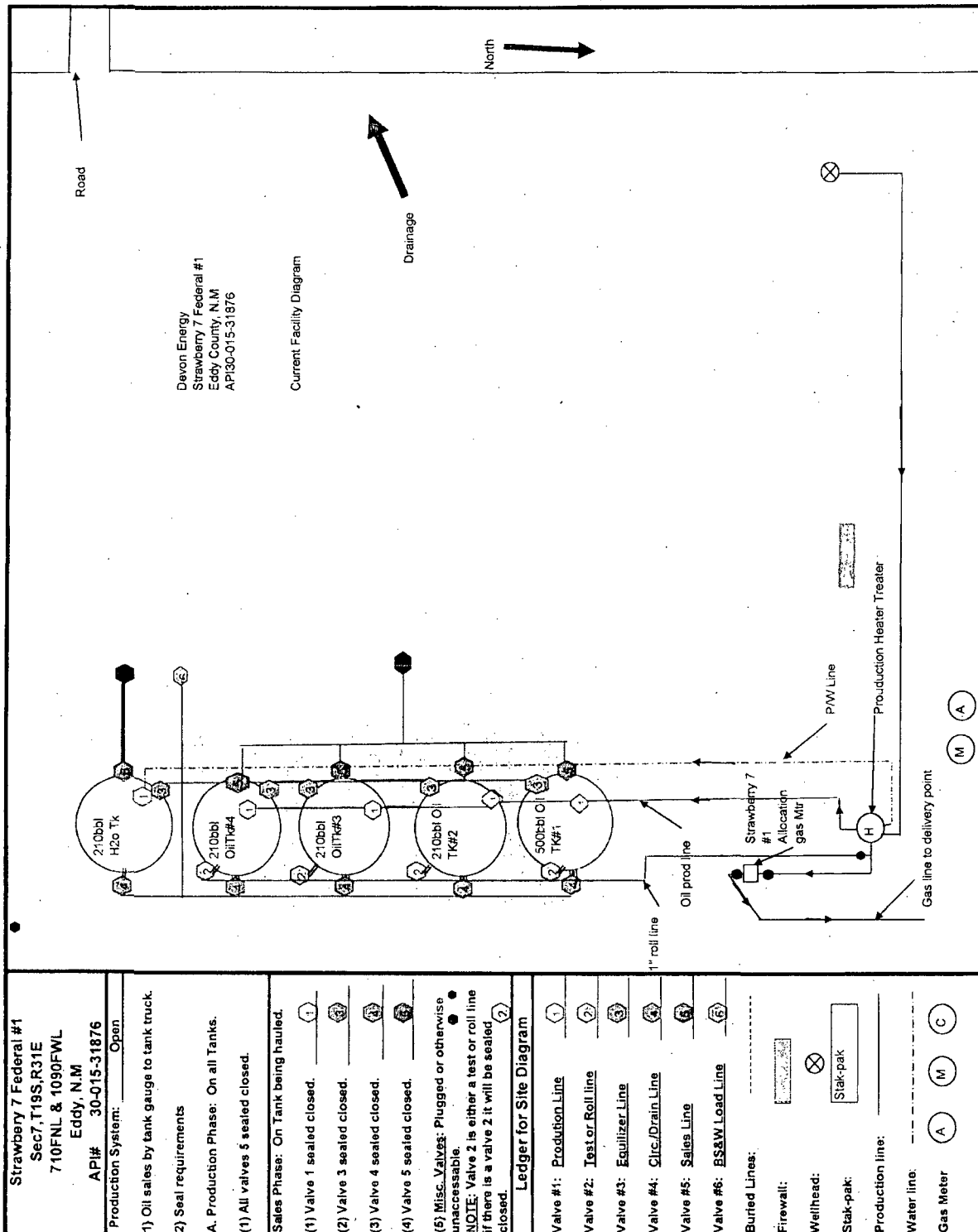
We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. We intend to follow the existing ROW for the gas line.

Signed: _____
Name: Stephanie A. Ysasaga
Title: Sr. Staff Engineering Technician
Date: August 7th, 2007

STRAWBERRY 7 FEDERAL 1: PROPOSED FACILITIES
BATTERY DIAGRAM
DEVON ENERGY PRODUCTION CO., L.P.





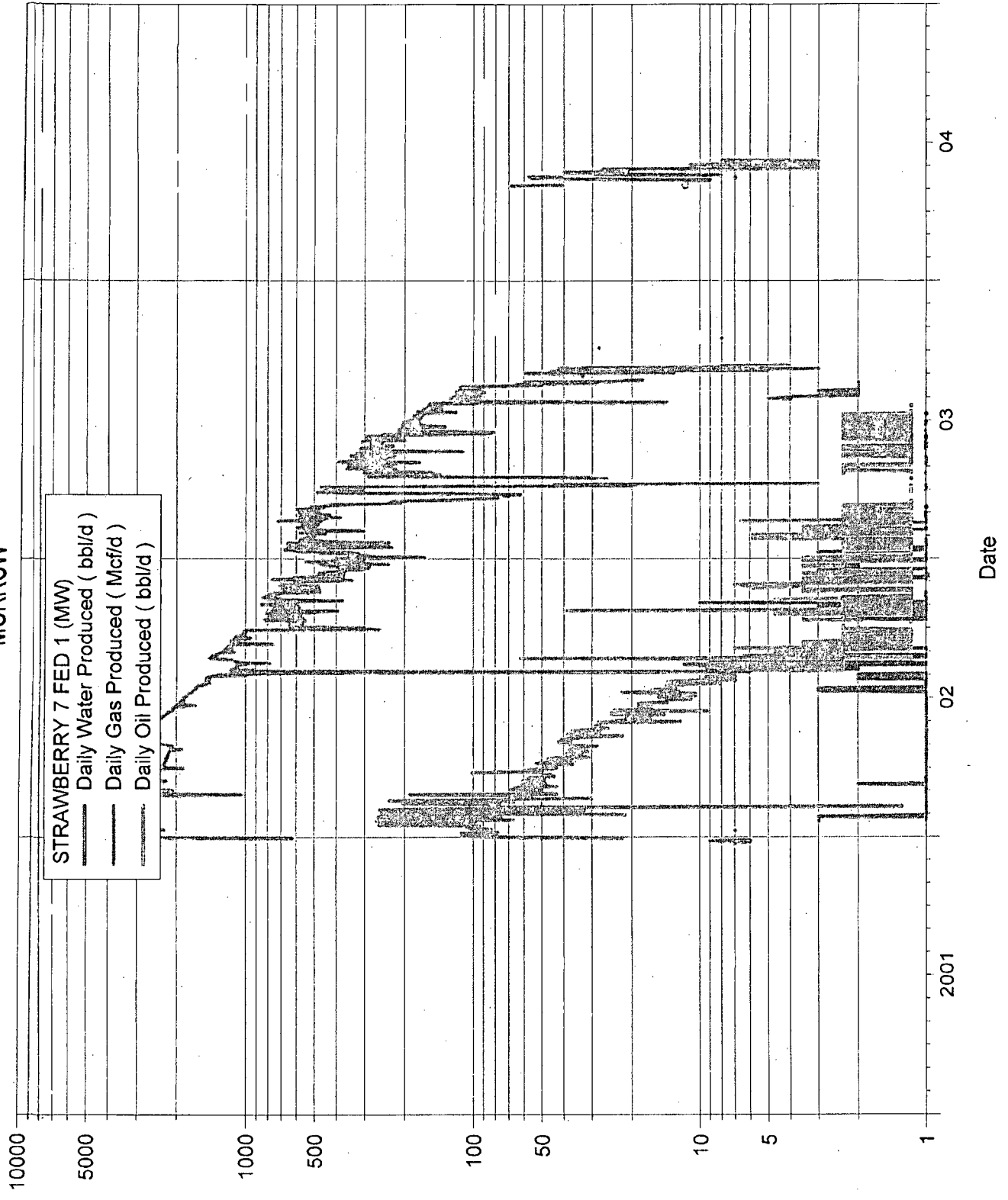


STRAWBERRY 7 FED 1 (MW)

Field Group: HACKBERRY
Lease: STRAWBERRY 7 FED
Well Type: GAS

Sand Name: MORROW
MORROW

cv.OilCum: 10764.83
cv.GasCum: 677913.00 M
cv.WaterCum: 569.00

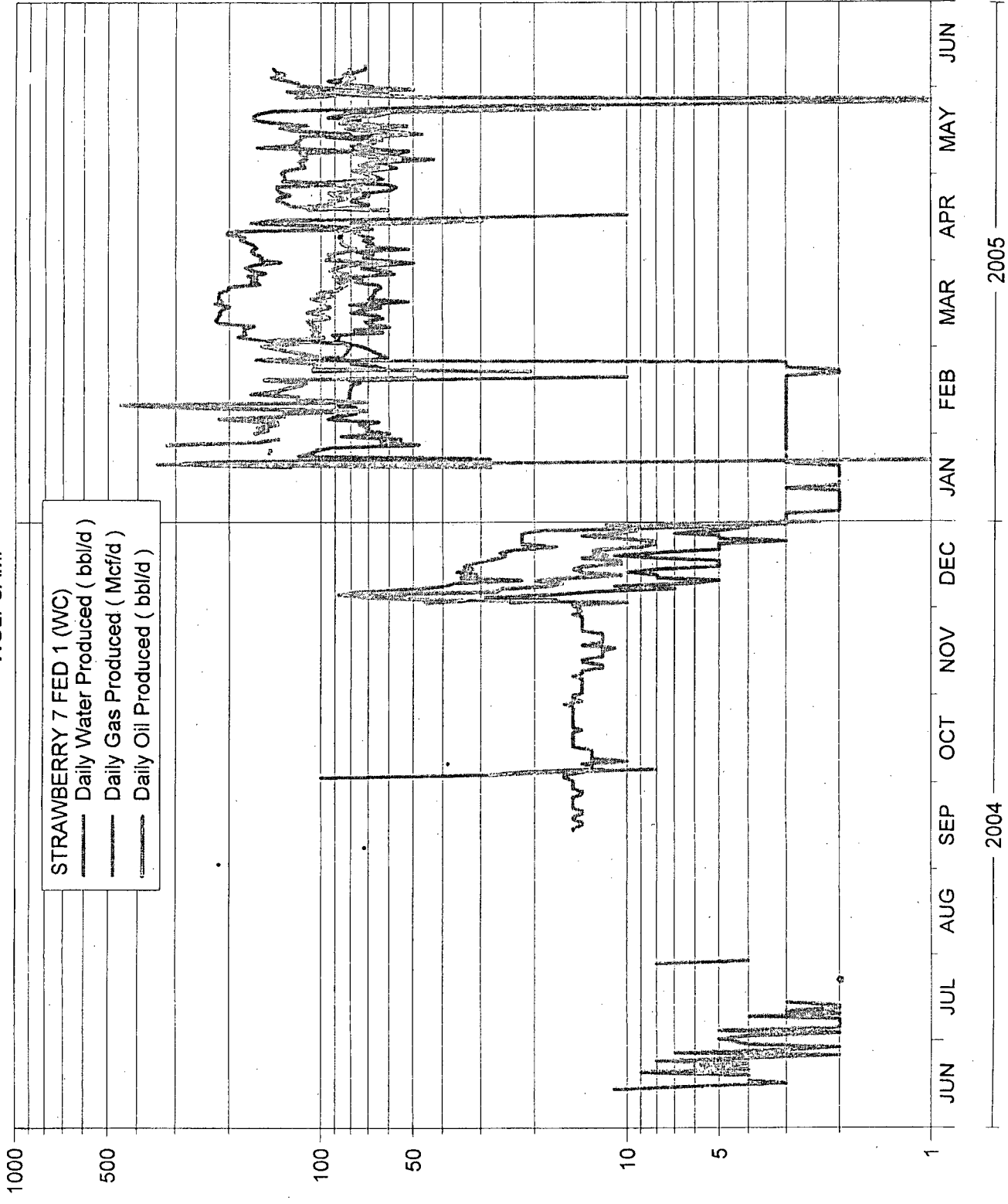


STRAWBERRY 7 FED 1 (WC)

Field Group: HACKBERRY
Lease: STRAWBERRY 7 FED
Well Type: GAS

Sand Name: WOLFCAMP
WOLFCAMP

cv. OilCum : 13814.64
cv. GasCum : 16418.00 M
cv. WaterCum : 21.00



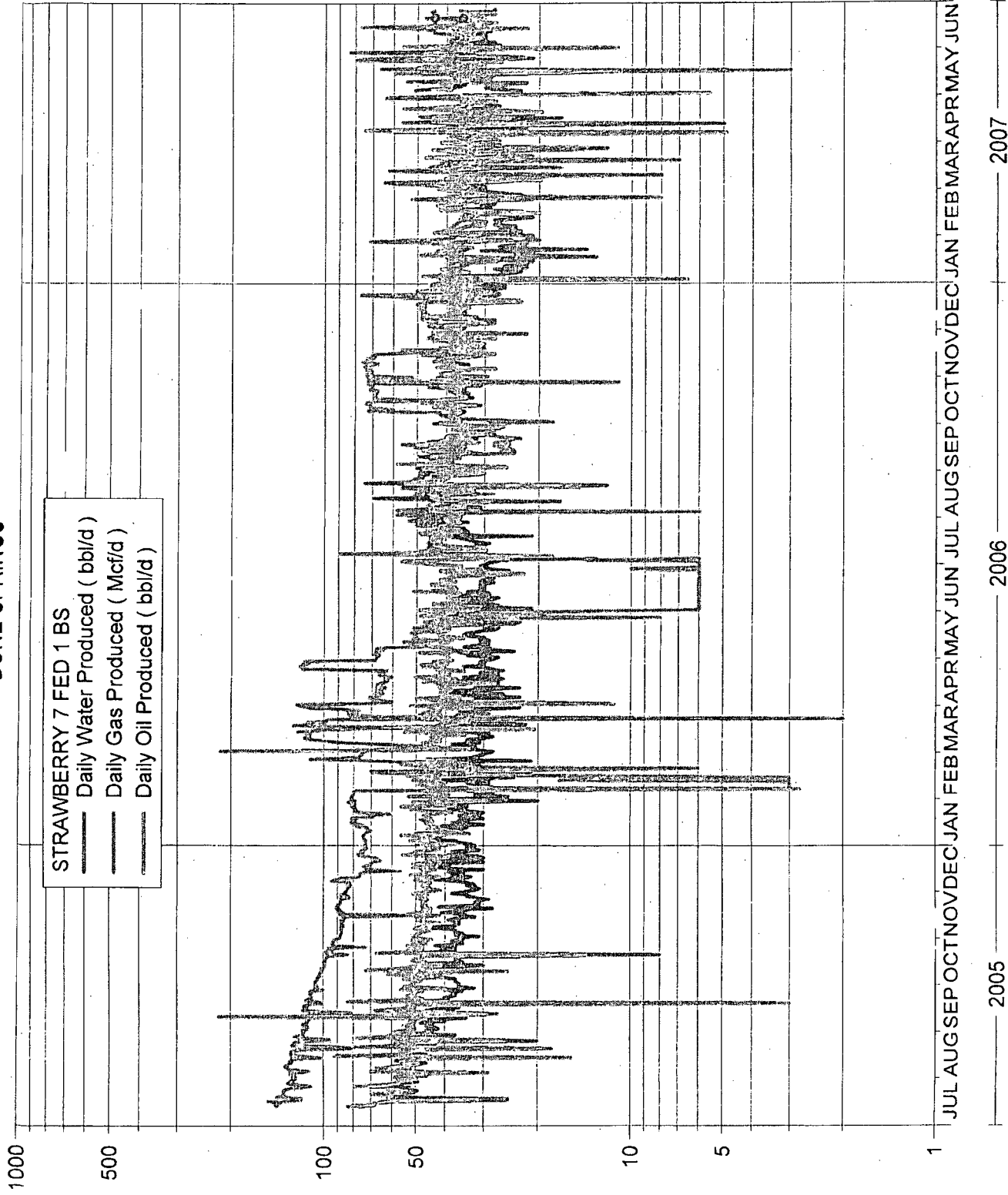
Date

STRAWBERRY 7 FED 1 BS

Field Group: HACKBERRY
Lease: STRAWBERRY 7 FED
Well Type: GAS

cv.OilCum : 23450.95
cv.GasCum : 42245.00 M
cv.WaterCum : 37019.00

Sand Name: BONE SPRING
BONE SPRINGS

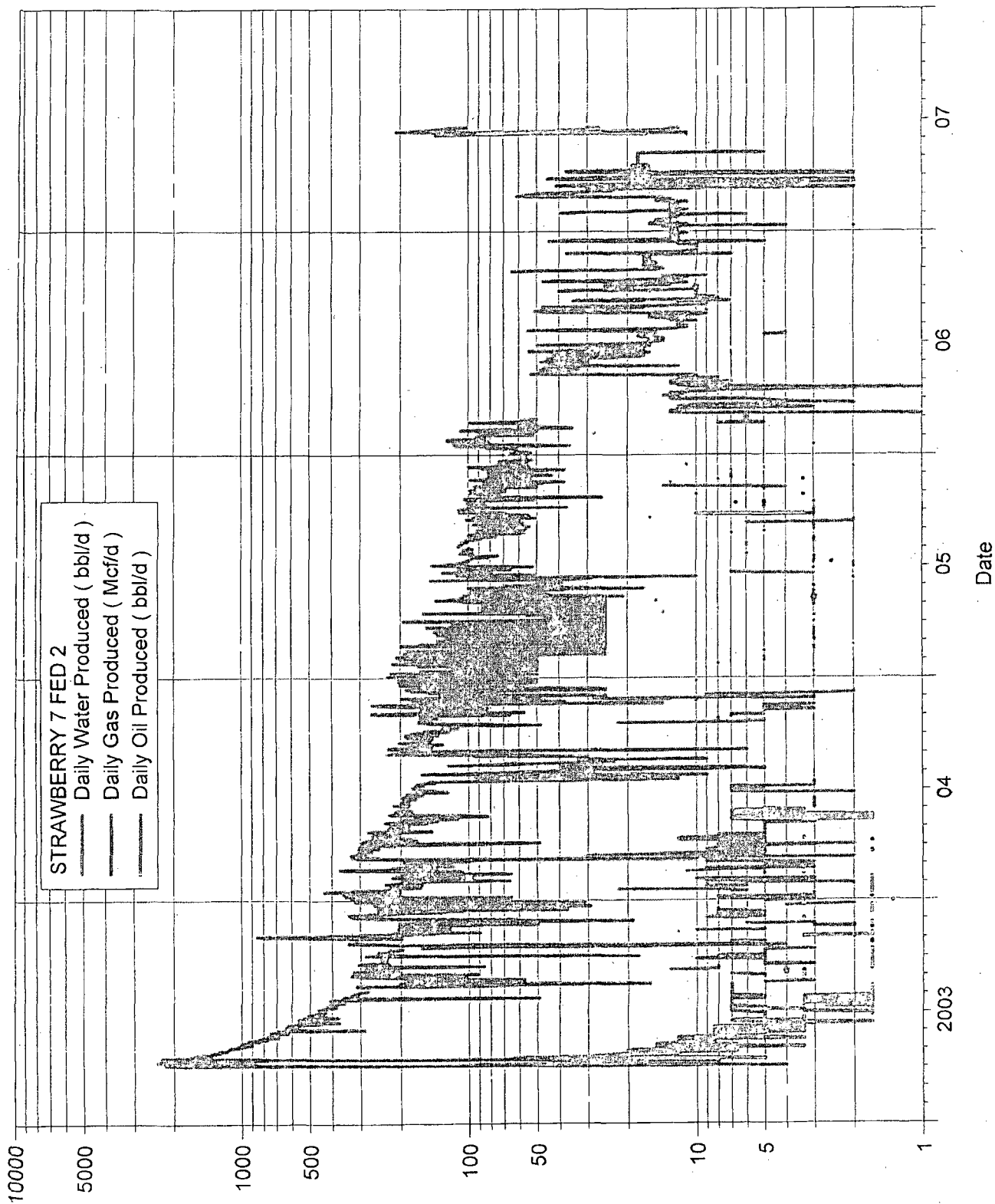


STRAWBERRY 7 FED 2

Field Group: HACKBERRY
Lease: STRAWBERRY 7 FED
Well Type: GAS

Sand Name: MORROW
MORROW

cv. OilCum : 1757.88
cv. GasCum : 218728.00 M
cv. WaterCum : 3624.00



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SCOTT E WILSON
4601 MIRADOR DR
AUSTIN TX 78735

2. Article Number

(Transfer from service label)

7002 2030 0000 3840 5052

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Domestic Return Receipt

102595-02-M-1540

RICKY HAIKIN
MCCOMBS ENERGY LLC
5599 SAN FELIPE STE 1200
HOUSTON TX 77056

1. Article Addressed to:

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 6-18-07
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from service label)

7004 2530 0007 2097 8642

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- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

RICHARD K BARR
206 SWEDE CREEK
BOERNE TX 78006

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
B. Received by (Printed Name) ☒ Addressee
C. Date of Delivery 6-15-07
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail
☐ Return Receipt for Merchandise
☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7002 2030 0000 3840 5045

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Domestic Return Receipt

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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MARBOB ENERGY CORP
P O BOX 227
ARTESIA NM 88211-0217

2. Article Number

(Transfer from service label)

7004 2510 0007 2097 8659

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Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

PITCH ENERGY CORPORATION
P.O. BOX 304
ARTESIA, NEW MEXICO 88210-0304

2. Article Number

(Transfer from service label)

7004 2510 0007 2097 8659

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COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Certified Mail ☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Certified Mail ☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CONSTANCE B CARTWRIGHT TRUSTEE
WELLS FARGO BUILDING
2444 WILSHIRE BLVD STE 401
SANTA MONICA CA 90403-5808

2. Article Number
(Transfer from service label)
7002 2030 0001 3840 5014

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DILLARD, FISHER & DILLARD
415 W WALL STE 1510
MIDLAND TX 79701

2. Article Number
(Transfer from service label)

7002 2030 0001 3840 2501

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Dorothy Izard C. Date of Delivery 2/13
- D. Is delivery address different from item 1? ☒ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TODD M WILSON
CANNON EXPLORATION COMPANY
3608 S COUNTRY RD 1184
MIDLAND TX 79706-6468

2. Article Number
(Transfer from service label)

7004 2510 0007 2097 8628

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Dorothy Izard C. Date of Delivery 2/13
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CANNON EXPLORATION CO
3608 S COUNTRY ROAD 1184
MIDLAND TX 79706

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Dorothy Izard C. Date of Delivery 2/13
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

7004 2510 0007 2097 8635

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LOBOS ENERGY PARTNERS LLC
3817 N W EXPRESSWAY STE 950
OKLAHOMA CITY, OK 73112

2. Article Number
(Transfer from service label)

7002 2030 0001 3840 5036

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ROGER T & HOLLY ELLIOTT
4105 BAYBROOK DR
MIDLAND TX 79707

2. Article Number
(Transfer from service label)

7002 2030 0001 3840 5069

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *X* *Steve E. Olson* ☒ Agent ☐ Addressee
- B. Received by (Printed Name) *Steve E. Olson* ☐ Date of Delivery *6-13-07*
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *X* *Steve E. Olson* ☒ Agent ☐ Addressee
- B. Received by (Printed Name) *Steve E. Olson* ☐ Date of Delivery *6-13-07*
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JOINT VENTURE MANAGER
OXY USA WTP LP
P O BOX 50250
MIDLAND TX 79710-0250

- A. Signature *X* *Steve E. Olson* ☒ Agent ☐ Addressee
- B. Received by (Printed Name) *Steve E. Olson* ☐ Date of Delivery *6-13-07*
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:
3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

7002 2030 0001 3840 5021

2. Article Number
(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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. NMNM54112
6. If Indian, Allottee or Tribe Name
CCD-ARTESIA, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY, LP

3a. Address
20 NORTH BROADWAY, STE 1500
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
(405)-552-7802

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NWNE 1300' FNL & 1750' FEL
SEC 7-T19S-R31E

7. If Unit of CA/Agreement, Name and/or No.
NM 106850

8. Well Name and No.
Strawberry 7 Federal 2

9. API Well No.
30-015-32375

10. Field and Pool or Exploratory Area
Atoka

11. Country or Parish, State
Eddy, NM

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

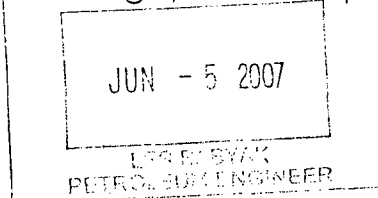
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Atoka Plugback - No economic reserves.
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

05/09/07 - 05/24/07:

RU. ND tree, NU BOP. TOOH w/jts, tbg & SN. RU WL. TIH w/gauge ring. RIH w/CIBP, set @ 11,790' + 35' cmt on top. New PBTD @ 11,755'. RD WL. Ld hole w/2% KCL. Swab. Perf Atoka @ 11,352' - 11364'; (4SPF) 48 holes. Set Arrowset pkr @ 11,270'. Pumped out plug, swab. Acidize w/59 bbls of 15% HCL acid & 66 bbls of 2% KCL wtr + 72 ball slrs. Swab. NU BOP, rls pkr. TOOH w/tbg & pkr. TIH w/CIBP. Set CIBP @ 11,300' + 35' cmt on top. New PBTD @ 11,265'. No economic reserves.

Note: Plans to move uphole to Bone Springs. Initial permit covers Atoka & Bone Springs.



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

Name (Printed/Typed)

Stephanie A. Ysasaga

Title Sr. Staff Engineering Technician

Date: 05/24/07

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instructions on page 2)

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32375	Pool Code	Pool Name BONE SPRINGS
Property Code	Property Name STRAWBERRY "7" FEDERAL	Well Number 2
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., LP	Elevation 3492'

Surface Location

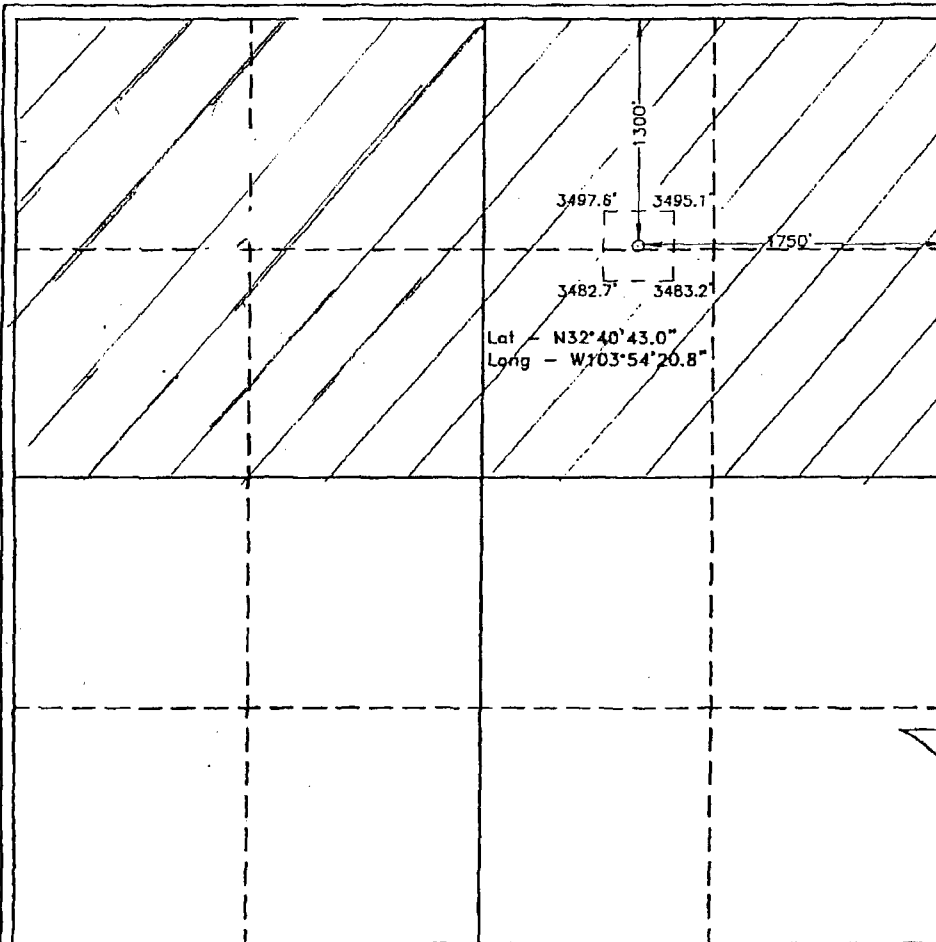
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	19 S	31 E		1300	NORTH	1750	EAST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

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



OPERATOR CERTIFICATION

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

[Signature]
Signature
Jim L. Linville, Jr.
Printed Name
Sr. Operations Engineer
Title
4/17/02
Date

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.

APRIL 08, 2002

Date Surveyed
Signature
Professional Seal of
Professional Surveyor
NEW MEXICO
7977
W.S. No. 24764
Certificate No. 7977
Professional Surveyor
DASH SURVEYS

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

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

DISTRICT III
1000 Rio Drazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised February 10, 1994

Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED
MAR 03 2005
OIL-ADTEC

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-31876	Pool Code	Pool Name N: Hackberry, Bone Spring
Property Code 28309	Property Name STRAWBERRY "7" FEDERAL COM.	Well Number 1
OGRID No. 6137	Operator Name Devon Energy Production Company, LP	Elevation 3457'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	7	19-S	31-E		660	NORTH	1750	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code Com	Order No.						

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

<p>LOT 1 36.64 AC 1750' 3454.7' 3470.7' 3450.6' 3463.1' LOT 2 36.80 AC 3450.6' 3463.1' LOT 3 36.96 AC LOT 4 37.12 AC</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Ronnie Slack</i> Signature Ronnie Slack Printed Name Engineering Technician Title 3-1-05 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 26, 2001</p> <p>Date Surveyed AWB Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 01-11-0387 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>	

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, August 08, 2007 8:54 AM
To: 'Ysasaga, Stephanie'
Cc: Ezeanyim, Richard, EMNRD; Arrant, Bryan, EMNRD; Reno, Carmen, EMNRD
Subject: Devon: North Hackberry Hills; Bone Spring Pool Strawberry 7 Federal Well No. 2

Hello Stephanie:

I see in this well file that Devon plugged back from the Morrow to the Atoka, but it was unsuccessful and Devon may be intending to plugback to the Bone Spring Oil and that prompted your application to commingle the two wells, with both producing from the Bone Spring.

Today, I checked again and still see no NSL application pending for this well, but will release the CTB permit today anyway, the CTB has been pending for sometime and was actually ready to release a month ago. If you don't need it, you don't have to use it.

Our Artesia office will not allow oil to be sold from this well without an NSL or an 80 acre NSP or voluntary Com agreement - several ways to go for your Landman here.

Take Care,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

-----Original Message-----

From: Ysasaga, Stephanie [mailto:Stephanie.Ysasaga@dmn.com]
Sent: Thursday, July 05, 2007 3:23 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2)

I am not seeing one in the file, but my Landman is out of the office until next week. I've left him an e-mail, but that is the best I can do for now.

Stephanie A. Ysasaga
Sr. Staff Engineering Technician
(405)-552-7802 Phone (405)-721-7689 Cell
(405)-552-8113 Fax
Corporate Tower 03.056
Stephanie.Ysasaga@dmn.com

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, July 05, 2007 12:17 PM
To: Ysasaga, Stephanie
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2)

Hello Stephanie:

Am working on this permit and will get it ready for release. I noticed that June 18 is the last date that any of the affected parties received their notice, so 20 days from there is July 8. However, we received your original application June 12, So I could possibly release this today.

One issue is whether Strawberry 7 Federal #2 has a non-standard location permit allowing

production from the Bone Spring. Please let me know what happened there? I can't find an NSL order allowing this, but those are hard for us to find sometimes.

If you reply by the end of today, I can prepare this permit for release. Otherwise, I will be out until July 17, and I can read your correspondence at that time and we can go from there.

Thanks,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

-----Original Message-----

From: Ysasaga, Stephanie [mailto:Stephanie.Ysasaga@dvn.com]
Sent: Monday, July 02, 2007 7:10 AM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; Wesley_Ingram@nm.blm.gov
Subject: CTB/Lease Commingle application: North Hackberry Hills;Bone Spring (Strawberry 7 Federal Well No.s 1 and 2)

Good Morning Will,

Not sure if you are in the office today. Our field guys went back and created the documents that you were requiring to finish processing this application. The revised word document attached explicitly outlines how oil and gas will be metered separately for the 1 & 2 locations.

The "proposed facilities" diagram for the Strawberry 7 Federal 1, clearly denotes the gas test meter for the Strawberry 7 Federal 2 and the EFM Total Gas Production Meter for the Strawberry 7 Federal 1 & 2.

Also attached are the "current facilities" that are on location for the both the Strawberry 7 Federal 1 and the Strawberry 7 Federal 2.

Also, is the past graphed production for the Strawberry 7 Federal 1 & Strawberry 7 Federal 2. Please let me know if there is anything additional that you require. I will provide this information to the Specialist at the BLM, so they have a complete packet of the information that I've provided to the OCD Santa Fe Office.

Thanks! :)

Stephanie A. Ysasaga
Sr. Staff Engineering Technician
(405)-552-7802 Phone (405)-721-7689 Cell
(405)-552-8113 Fax
Corporate Tower 03.056
Stephanie.Ysasaga@dvn.com

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wednesday, June 27, 2007 5:03 PM
To: Ysasaga, Stephanie
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: CTB/Lease Commingle application: North Hackberry Hills;Bone Spring (Strawberry 7 Federal Well No.s 1 and 2)

Hello Stephanie:

Hard to say what you can do to get this done administratively because I don't have a current site security diagram/drawing and don't know if one of these wells is new or they are both old wells.

However, in general, if Devon will continuously meter oil AND gas from both wells before the oil and gas is commingled for sales, then this would work OK. Your engineer or production foreman would know how to get this done. It may involve setting another separator and tank?

The OCD would prefer for Devon to think of an inexpensive way to continuously meter oil and gas from both wells separately, since these are diversely owned. That being said, Santa Fe is not such a bad place to visit and Devon should not be afraid of the hearing process.

Let me know,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

-----Original Message-----

From: Ysasaga, Stephanie [mailto:Stephanie.Ysasaga@dmn.com]
Sent: Wednesday, June 27, 2007 3:26 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD
Subject: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2

Will,

What could we do in lieu of a hearing to get this administratively approved? Use two meters? Your thoughts and recommendations? I am hoping we don't have to completely start at square one. At least when I talk to my engineer and field superintendent I can convey any other alternatives.

Also, noted your other needs for future surface commingles. If there is an alternative we could go with, I could probably pull production plot and send to you.

Let me know. :) Thanks for your quick review.

Stephanie

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wed 6/27/2007 3:57 PM
To: Ysasaga, Stephanie
Cc: Ezeanyim, Richard, EMNRD
Subject: CTB/Lease Commingle application: North Hackberry Hills; Bone Spring (Strawberry 7 Federal Well No.s 1 and 2

Hello Ms. Ysasaga:

We talked a day or so ago about the classification of this proposed surface commingle.

Anyway, after reviewing the proposed method of measuring and allocating oil and gas from these diversely owned wells, it appears that this is beyond the scope of an administrative application and should be debated at an examiner hearing. Devon's proposal to use one test meter to periodically test each diversely owned well is the type of surface commingle normally handled after notice and hearing.

Please have your attorney set this matter for hearing and alert your engineer that testimony may be needed in Santa Fe.

On future surface commingles, be sure and show a schematic of the production/gathering site(s) as they currently exist and before the proposed commingle. Also production plots

of each well to be commingled, properly labeled and with easy to read scales would help the examiner determine if production is relatively good or stripper.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

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