

DATE IN 1-8-10	SUSPENSE	ENGINEER Jones	LOGGED IN 1-8-10	TYPE DHC	APP NO. 1000849835
-----------------------	----------	-----------------------	-------------------------	-----------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

RECEIVED OGD



API: 30-025-35118

WELL NAME: Bell Lake

Unit #021

CO: Devon Energy Prod.

Co. 6137

2010 JAN -8

ADMINISTRATIVE APPLICATION CHECKLIST

DEVON

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 _____

Mesa Verde 7 Fed #3
30-025-39444

[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.

Print or Type Name

Signature

Title

Date

Norvella Adams

Sr. Staff Engineering Technician

1/7/2010

e-mail Address

norvella.adams@dvn.com

Devon Energy Production Company, LP20 North BroadwayOklahoma City, Oklahoma 73102-8260

OperatorMesa Verde 7 Federal 3AddressN – 7-24S-32ELEA

LeaseWell No.Unit Letter-Section-Township-RangeCounty

OGRID No. 6137Property Code 30873API No. 30-025-39444Lease Type: X FederalStateFee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	UNDES,		UNDES
Pool Name	Mesa Verde Delaware		Mesa Verde Bone Springs
Pool Code	96191		96229
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8235-8308'		8584-8596'
Method of Production (Flowing or Artificial Lift)	Rod Pump		Rod Pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New zone		Producing – new zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Estimated rates Rates: 30 BO 150 MCF 81 BW	Date: Rates:	Date: 1/3/2010 Rates: 14 BO 25 MCF 31 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	OilGas % %	OilGas % %	OilGas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes X No
Yes No

Are all produced fluids from all commingled zones compatible with each other?

Yes X No

Will commingling decrease the value of production?

Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes X No

NMOCD Reference Case No. applicable to this well:

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURETITLE Sr. Staff Engineering TechnicianDATE 1/07/10

TYPE OR PRINT NAMENorvella AdamsTELEPHONE NO. (405) 552-8198

E-MAIL ADDRESSnorvella.adams@dvn.com

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-39444	Pool Code 96191	Pool Name Mesa Verde Delaware
Property Code 30873	Property Name MESA VERDE "7" FEDERAL	Well Number 3
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3584'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	24 S	32 E		330	SOUTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

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

Dedicated Acres 40	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 that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 9/22/09 Signature Date Norvella Adams Printed Name
	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. SEPTEMBER 24, 2008 Date Surveyed Signature of Surveyor Professional Surveyor W. Jones Certificate No. Gary L. Jones 7977 BASIN SURVEYS

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-39444	Pool Code 96229	Pool Name Mesa Verde Bone Spring
Property Code 30873	Property Name MESA VERDE "7" FEDERAL	Well Number 3
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3584'

Surface Location

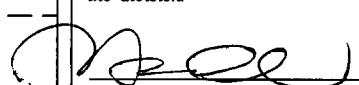
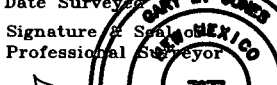
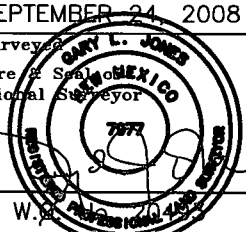
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	7	24 S	32 E		330	SOUTH	1980	WEST	LEA

Bottom Hole Location If Different From Surface

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 9/22/09 Signature Date</p> <p>Norvella Adams Printed Name</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>SEPTEMBER 24, 2008</p> <p>Date Surveyed</p> <p> Gary L. Jones Signature of State Professional Surveyor</p> <p></p> <p>W. P. Association 4000</p>
	<p>Certificate No. Gary L. Jones 7977</p>
	<p>BASIN SURVEYS</p>

SURFACE LOCATION

Lat - N32°13'32.07"
 Long - W103°42'59.62"
 SPC- N.: 446345.7
 E.: 732061.2
 (NAD-83)

Application for Downhole Commingling

Operator: Devon Energy Production Company, L.P.

OGRID No. 6137

Lease: **Mesa Verde 7 Federal 3**

API # 30-025-39444

Additional Attachment:

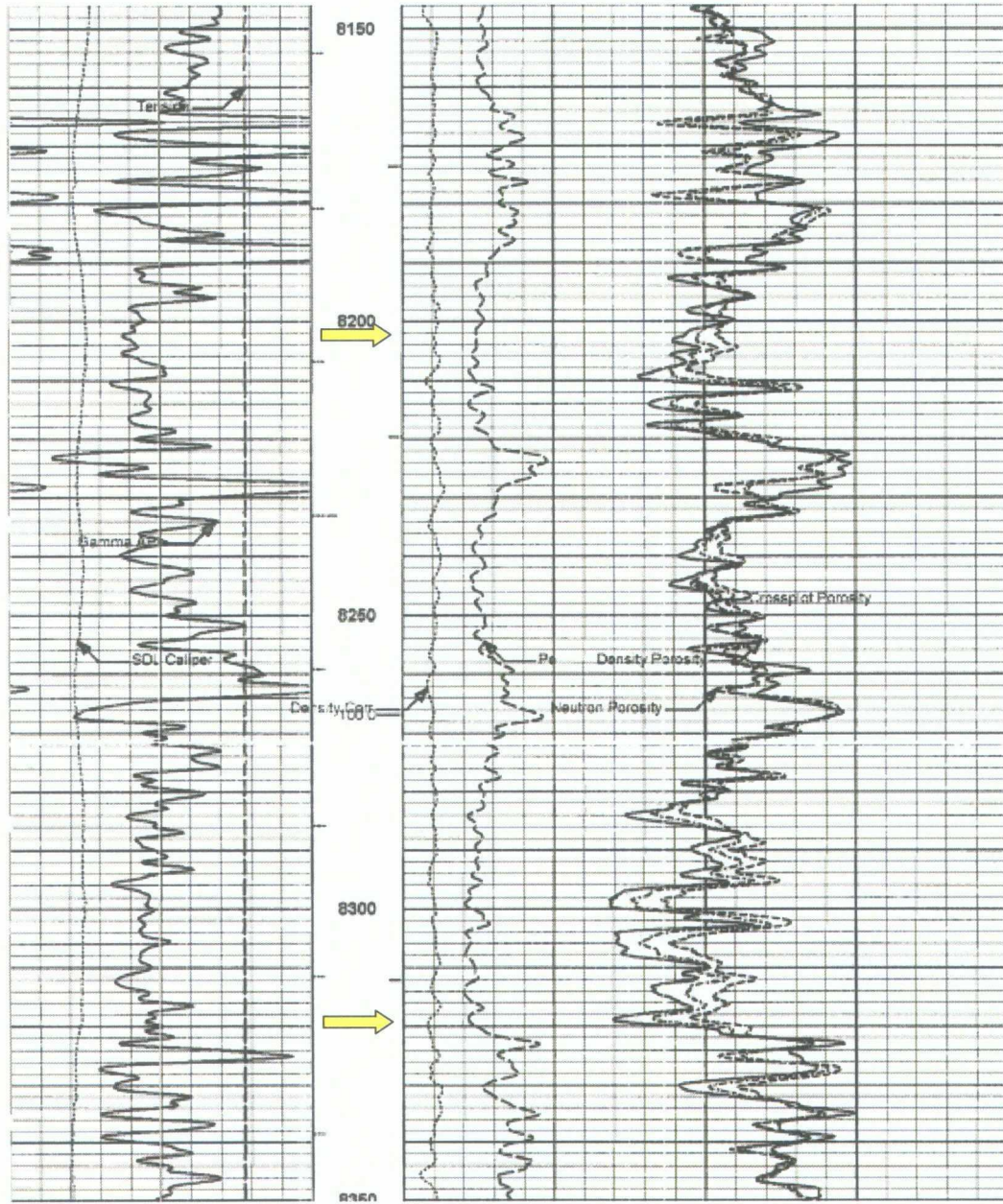
For zones with no production history, estimated production rates and supporting data:

**Offset well production history is attached from similar Bone Spring wells.
(~13 BOPD, 50 MCFD, 25 BWPD) Mesa Verde 7 Fed #2 & #7**

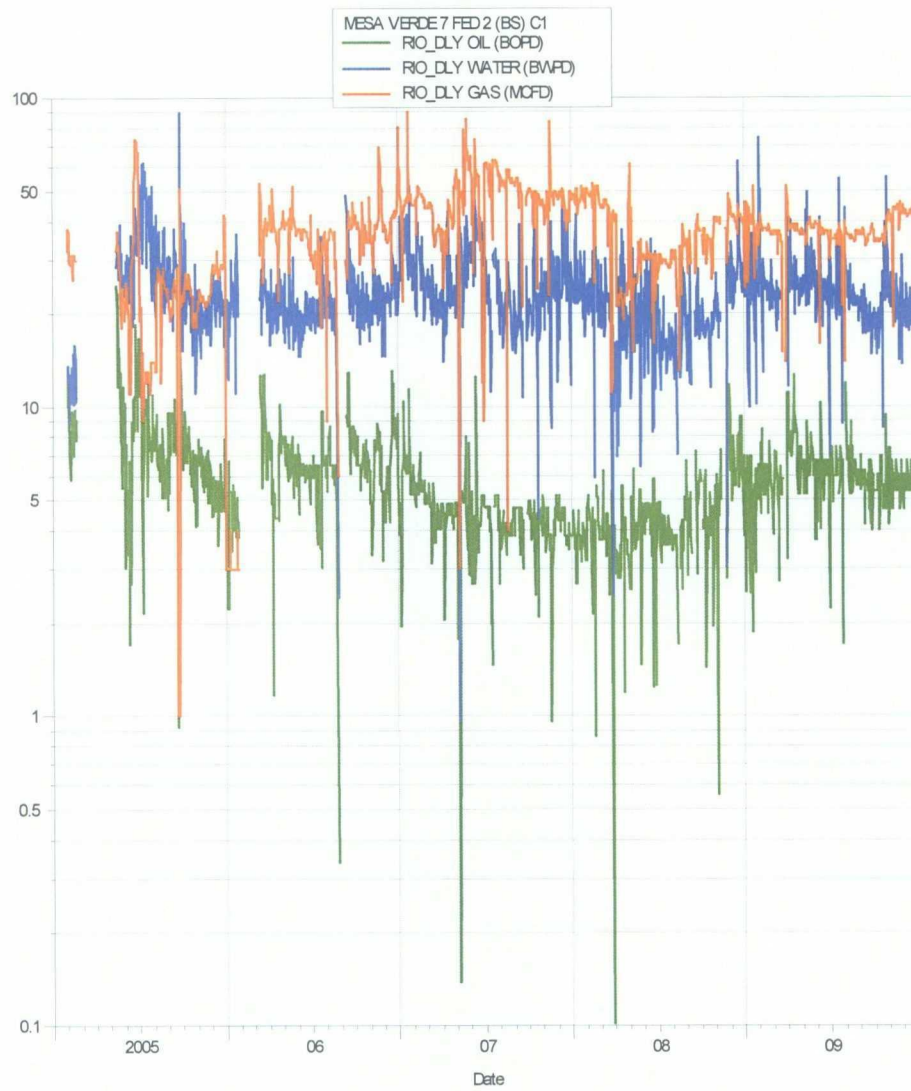
Any additional statements, data or documents required to support commingling:

The Bone Springs formation in the Mesa Verde 7 Federal #3 had a total of 13 feet of net pay. The other offsets in this area produced ~25ft of net pay. We would like to add the Brushy Canyon so that the well is economic.

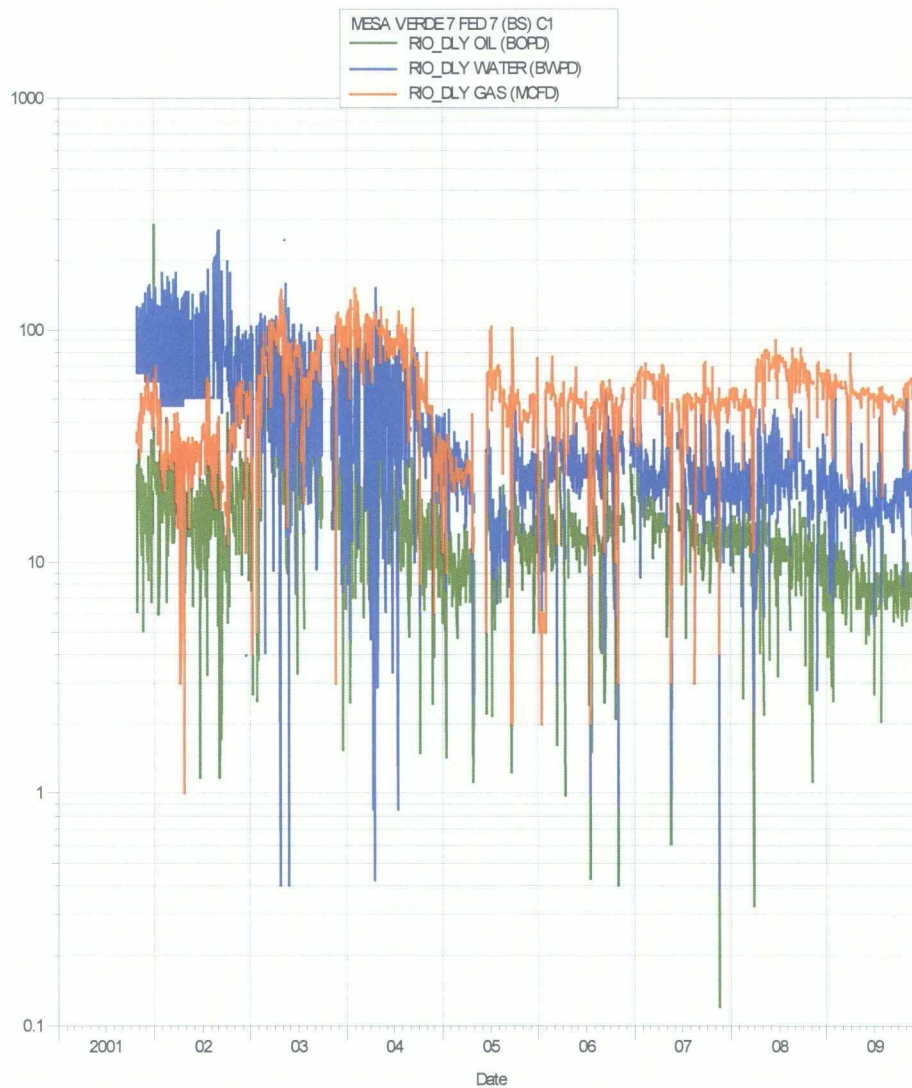
Brushy Canyon Log



Mesa Verde 7#2 Bone Spring Production



Mesa Verde 7#7 Bone Spring Production







Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

January 7, 2010

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Downhole Commingling
Mesa Verde 7 Federal 3
SE/4 SW/4 Section 7-T24S-R32E
Lea County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. regarding the ownership of the referenced well and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to downhole commingle the following pools/intervals:

Mesa Verde; Delaware - Pool Code: 96191
Mesa Verde; Bone Spring - Pool Code: 96229

If there are any questions or if additional information is required feel free to call me at (405) 552-8040.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink that reads "Katie A. McDonnell". The script is cursive and fluid.

Katie A. McDonnell
Landman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED
OMB NO. 1004-0135
EXPIRES: March 31, 2007

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

1a. Type of Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well	<input type="checkbox"/> Other _____
2. Name of Operator	DEVON ENERGY PRODUCTION COMPANY, LP		
3. Address and Telephone No.	20 North Broadway, Oklahoma City, OK 73102-8260 405-552-8198		
4. Location of Well (Report location clearly and in accordance with Federal requirements)*	330' FSL & 1980' FWL, Unit N Section 7 T24S R32E		

5. Lease Serial No.	NMNM-68084
6. If Indian, Allottee or Tribe Name	
7. Unit or CA Agreement Name and No.	
8. Well Name and No.	Mesa Verde 7 Federal 3
9. API Well No.	30-025-39444
10. Field and Pool, or Exploratory	Mesa Verde Delaware
11. County or Parish State	Lea NM

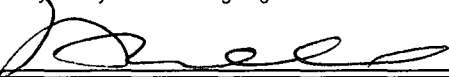
12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location 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 recompletion 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Company, LP respectfully requests approval to downhole commingle the Mesa Verde Bone Spring zone and the Mesa Verde Delaware zone. Application for approval has been filed with the New Mexico Oil Conservation Division, see Form C-107A attached.

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

Signed  Name Norvella Adams
Title Sr. Staff Engineering Technician Date 1/7/2010

(This space for Federal or State Office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

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

***See Instruction on Reverse Side**