

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.  
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec. 4, T18S, R27E

5. Lease Designation and Serial No.  
NM-033825, NM-025530, NM-29278, LC-055465, & LC-055383-A

6. If Indian, Allottee or Tribe Name  
NA

7. If Unit or CA, Agreement Designation  
NA

8. Well Name and No.  
Hondo Federal

9. API Well No.

10. Field and Pool, or Exploratory Area  
Red Lake (Q-GB-SA)

11. County or Parish, State  
Eddy County, NM

CHECK APPROPRIATE BOX(S) 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"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Commingling at surface</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Devon Energy Corporation (Nevada) requests approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following wells:

- |                      |                      |
|----------------------|----------------------|
| Hondo Federal #1     | Kite "4E" Federal #1 |
| Hondo Federal #2     | Kite "4E" Federal #2 |
| Hondo Federal #3     | Kite "4F" Federal #3 |
| Hondo Federal #4     | Kite "4F" Federal #4 |
| Hondo Federal #5     | Kite "5I" Federal #1 |
| Hondo Federal #6     | Kite "5B" Federal #2 |
| Hondo "B" Federal #1 |                      |
| Hondo "B" Federal #2 |                      |

NEW MEXICO  
OIL CONSERVATION DIVISION  
EXHIBIT 3C  
CASE NO. 11847

RECEIVED  
SEP 27 1 48 PM '96  
OIL CONSERVATION DIVISION

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

Signed E.L. Buttross, Jr. Title District Engineer Date 9/16/96

(This space for Federal or State office use)

Approved by David A. Elmer Title PETROLEUM ENGINEER Date SEP 30 1996

Conditions of approval, if any:

# APPLICATION FOR SURFACE COMMINGLING, OFF LEASE STORAGE AND MEASUREMENT APPROVAL

To: Bureau of Land Management  
620 E. Greene Street  
Carlsbad, New Mexico 88220

Devon Energy Corporation requests approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following wells on Federal Lease No. NM-033825;

Lease Name: Hondo Federal:

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
2	A	4	18S	27E	Grayburg-San Andres
3	A	4	18S	27E	Grayburg-San Andres
4	B	4	18S	27E	Grayburg-San Andres
5	B	4	18S	27E	Grayburg-San Andres

with hydrocarbon production from the following wells on Federal Lease No. NM-025530;

Lease Name: Hondo "B" Federal:

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
1	H	4	18S	27E	Grayburg-San Andres
2	H	4	18S	27E	Grayburg-San Andres

with hydrocarbon production from the following wells on Federal Lease No. NM-29278;

Lease Name: Hondo Federal:

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
1	G	4	18S	27E	Grayburg-San Andres
6	G	4	18S	27E	Grayburg-San Andres

with hydrocarbon production from the following wells on Federal Lease No. LC-055465-A;

Lease Name: Kite "4" Federal:

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
1	E	4	18S	27E	Grayburg-San Andres
2	E	4	18S	27E	Grayburg-San Andres
3	F	4	18S	27E	Grayburg-San Andres
4	F	4	18S	27E	Grayburg-San Andres

with hydrocarbon production from the following wells on Federal Lease No. LC-055383-A;

Lease Name: Kite "5" Federal:

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
1	I	5	18S	27E	Grayburg-San Andres
2	I	5	18S	27E	Grayburg-San Andres

Production from the wells involved is as follows:

<u>Well</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Hondo Federal #1	5	38	10
Hondo Federal #2	4	38	10
Hondo Federal #3	<b>TO BE DRILLED. TEST TO FOLLOW.</b>		
Hondo Federal #4	<b>TO BE DRILLED. TEST TO FOLLOW.</b>		
Hondo Federal #5	<b>TO BE DRILLED. TEST TO FOLLOW.</b>		
Hondo Federal #6	<b>COMPLETING. TEST TO FOLLOW.</b>		
Hondo "B" Federal #1	4	38	10
Hondo "B" Federal #2	<b>TO BE DRILLED. TEST TO FOLLOW.</b>		
Kite "4E" Federal #1	<b>TO BE DRILLED. TEST TO FOLLOW.</b>		
Kite "4E" Federal #2	<b>COMPLETING. TEST TO FOLLOW.</b>		
Kite "4E" Federal #3	<b>TO BE DRILLED. TEST TO FOLLOW.</b>		
Kite "4E" Federal #4	<b>COMPLETING. TEST TO FOLLOW.</b>		
Kite "5I" Federal #1	<b>COMPLETING. TEST TO FOLLOW.</b>		
Kite "5I" Federal #2	<b>COMPLETING. TEST TO FOLLOW.</b>		

Exhibit I is a schematic which shows the equipment that will be utilized to determine well production from each lease. A map (Exhibit II) is enclosed that shows the lease numbers and location of all leases and wells that will contribute production to the proposed commingled facility.

The storage and measuring facility will be located in UL G in SW/4 NE/4 Sec. 4, T18S, R27E on lease No. NM-29278, Eddy County, New Mexico. The BLM will be notified if there is any future change in the facility location.

**Process and Flow Description:** Under the proposed flow system, gas will be flowed out the casing from each well and will be tested at the well using an orifice well tester. Oil and water will be pumped out the tubing and will go through a flowline to a header at the battery. Wells will be tested by switching into the test treater which will separate the oil and water, and allow the oil to be measured in a test tank and the water by means of a meter.

**Production Allocation:** Production allocation will be based on periodic well tests as described above. Allocation of total gas recorded by the Sales Gas Meter will be based on these tests.

The overriding royalty owners, working interest owners, and NMOCD have been notified of this proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for hydrocarbon development and operation on the above referenced Federal leases.

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 have submitted an application for the necessary right-of-way approvals to the BLM's Realty Section.

Signed: E. L. Buttross Jr.  
Name: E. L. Buttross, Jr.  
Title: District Engineer  
Date: September 26, 1996

Devon Energy Corporation (Nevada)  
20 N. Broadway, Suite 1500  
Oklahoma City, OK 73102



**HONDO FEDERAL BATTERY**

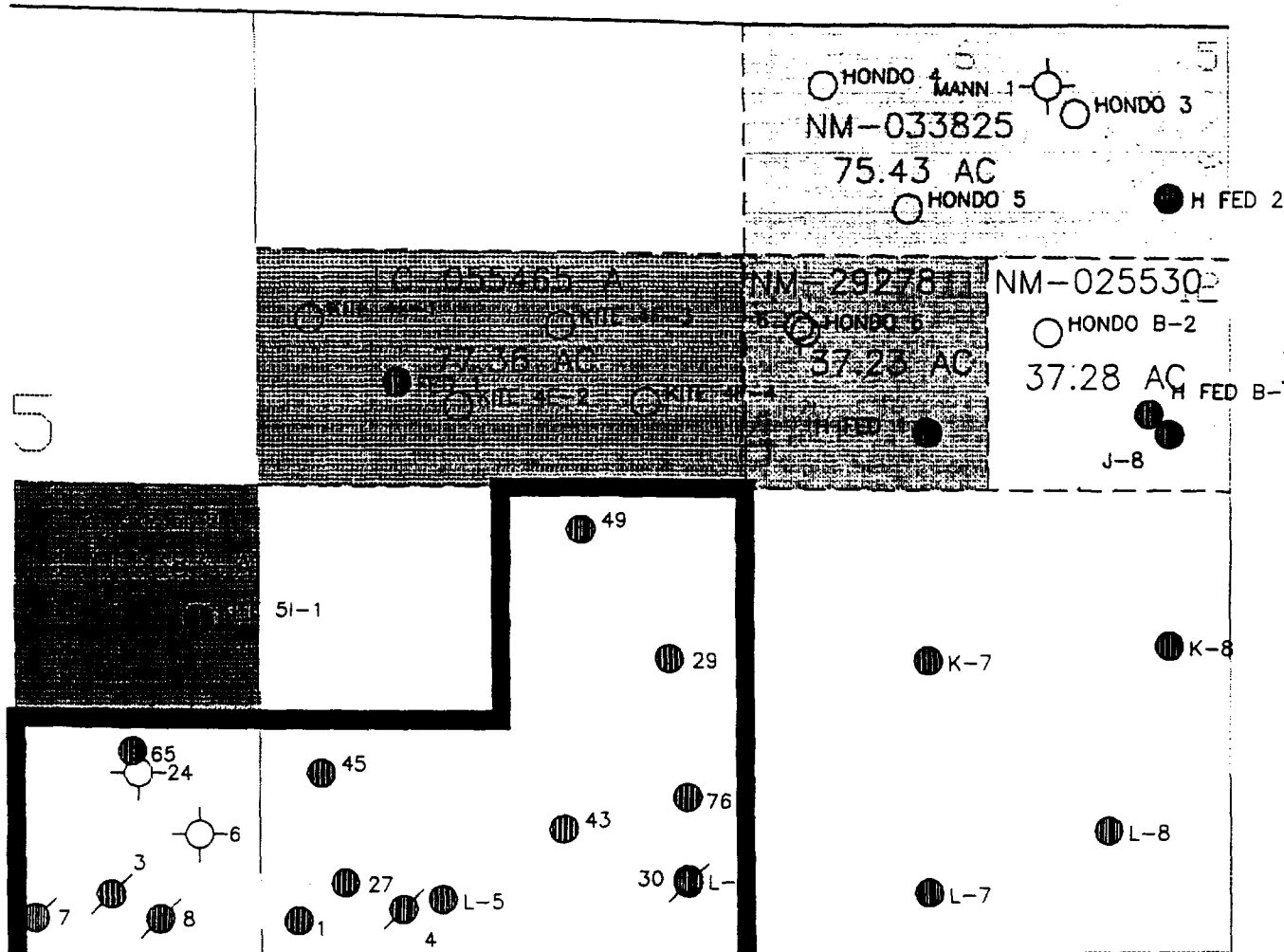
**RED LAKE AREA**  
**EDDY COUNTY, NEW MEXICO**

**FLOW DIAGRAM**  
**ULG, SEC.4, T1B5, R27E**

**F. CORNELI**

96/8

R 27 E



T  
18  
S

devon

## RED LAKE FIELD

EDDY COUNTY, NEW MEXICO

LEASE MAP  
HONDO FEDERAL,  
HONDO "B" FEDERAL & KITE FEDERAL  
EXHIBIT II

Scale in Feet  
500 0 500 1000 1500 2000

E. BUTTROSS

9/86

Bureau of Land Management  
Roswell District  
2909 West Second Street  
Roswell, New Mexico 88201  
505-627-0272

**Off-Lease Measurement, Storage, and Surface Commingling  
Conditions of Approval**

Approval of surface commingling and off-lease storage and/or measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the facility.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.