

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

FEB 05 2013

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM34850
2. Name of Operator DEVON ENERGY PRODUCTION CO., LP		6. If Indian, Allottee or Tribe Name
3a. Address 333 W. SHERIDAN AVE OKC, OK 73102		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405-552-7970		8. Well Name and No. MALACHITE 22 FEDERAL 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T19S R33E 330FNL 330FWL		9. API Well No. 30-025-40318
		10. Field and Pool, or Exploratory TONTON; BONE SPRING
		11. County or Parish, and State LEA COUNTY, 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, LP respectfully requests to Pool Commingle, Off Lease Measurement, Sales & Storage the Malachite 22 Federal 1H with the following well:

Amethyst 22 Federal 1
30-025-30928
22-T19S-R33E
77370 Gem; Morrow (Gas)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

The gas production from the Malachite 22 Federal 1H and Amethyst 22 Federal 1 wells will be the only production commingled, measured, and sold off lease. A common Frontier CDP Gas Sales Meter #6045001 is located approximately 1 mile northeast of the Amethyst 22 Federal 1 well in the NWSW Sec. 14-T19S-R33E. The Malachite 22 Federal 1H well will have an allocation meter known as the

PLC - 372

14. Thereby certify that the foregoing is true and correct.	
Electronic Submission #156816 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO., LP, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 11/09/2012 ()	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE ASSOC.
Signature (Electronic Submission)	Date 10/30/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J.D.W. Littlejohn</i>	Title <i>SPEET</i>	Date <i>2/2/13</i>
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 <i>CFO</i>

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

APR 23 2013

Additional data for EC transaction #156816 that would not fit on the form

32. Additional remarks, continued

Malachite Allocation Gas Meter #677-33-162 located at the Malachite 22 Federal 1H location. The subtraction method will be used for the Amethyst 22 Federal 1 well. These will be the only two wells utilizing the Frontier CDP Gas Sales Meter #6045001 at this time. The Malachite 22 Federal 1H & Amethyst 22 Federal 1 wells will each have their own tank battery on location and at this time no other wells are associated with either tank battery.

The ownership in the Malachite 22 Federal 1H & Amethyst 22 Federal 1 is not identical; notifications have been sent via certified mail (see attached).

FEB 05 2013

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

RECEIVED

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

Pool Commingle, Off-Lease Gas Measurement & Sales proposal:

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

Federal Lease NM-34850

Well Name	Location	API #	Pool	BOPD	Oil Gravities	MCFPD	BTU
Malachite 22	22-T19S-R33E	30-025-40318	59475 – Tonto;	88	41.5	160.29	1368.2
Federal 1H			Bone Spring				

Federal Lease NM-34850 - CA NM 91050

Well Name	Location	API #	Pool	BOPD	Oil Gravities	MCFPD	BTU
Amethyst 22	22-T19S-R33E	30-025-30928	77370 Gem	0	0	7.81	1213
Federal 1			Morrow (gas)				

THIS WELL IS NOT PROD. IN PAYING QUANTITIES

Exhibit A shows the Federal leases and well locations in Section 22-T19S-R33E. The ownership in the Malachite 22 Federal 1H & Amethyst 22 Federal 1 is not identical; notifications have been sent to the interest owners via certified mail (see attached).

Gas metering:

The gas production from the Malachite 22 Federal 1H and Amethyst 22 Federal 1 wells will be the only wells commingled, measured and sold off-lease. A common Frontier CDP Gas Sales Meter #6045001 is located approximately 1 mile northeast of the Amethyst 22 Federal 1 well in the NWSW Section 14-T19S-R33E Lea County, NM this is shown on the GIS map Exhibit B. The Malachite 22 Federal 1H well will have an allocation meter #677-33-162 located at the Malachite 22 Federal 1H location. The subtraction method will be used for the Amethyst 22 Federal 1 well. These will be the only two wells utilizing the Frontier CDP Gas Sales Meter #6045001 at this time. The Malachite 22 Federal 1H has its own tank battery and at this time no other well is associated with that tank battery. The Amethyst 22 Federal 1 well has its own tank battery on location, but the gas will be the only thing commingled.

The Amethyst 22 Federal 1 well has a previously approved application for Off Lease Gas Measurement, Sales, & Storage, OLM-43 (see attached).

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

Process and Flow Descriptions:

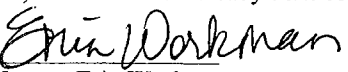
Please see Exhibit C for the current Amethyst 22 Federal 1 tank battery and Exhibit D for the Malachite 22 Federal 1H tank battery. The flow of produced fluids is shown in detail, along with a description of each vessel.

The commingling of gas production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. Additionally, Devon Energy Production

SEE
COAs

Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Signed: 

Printed Name: Erin Workman

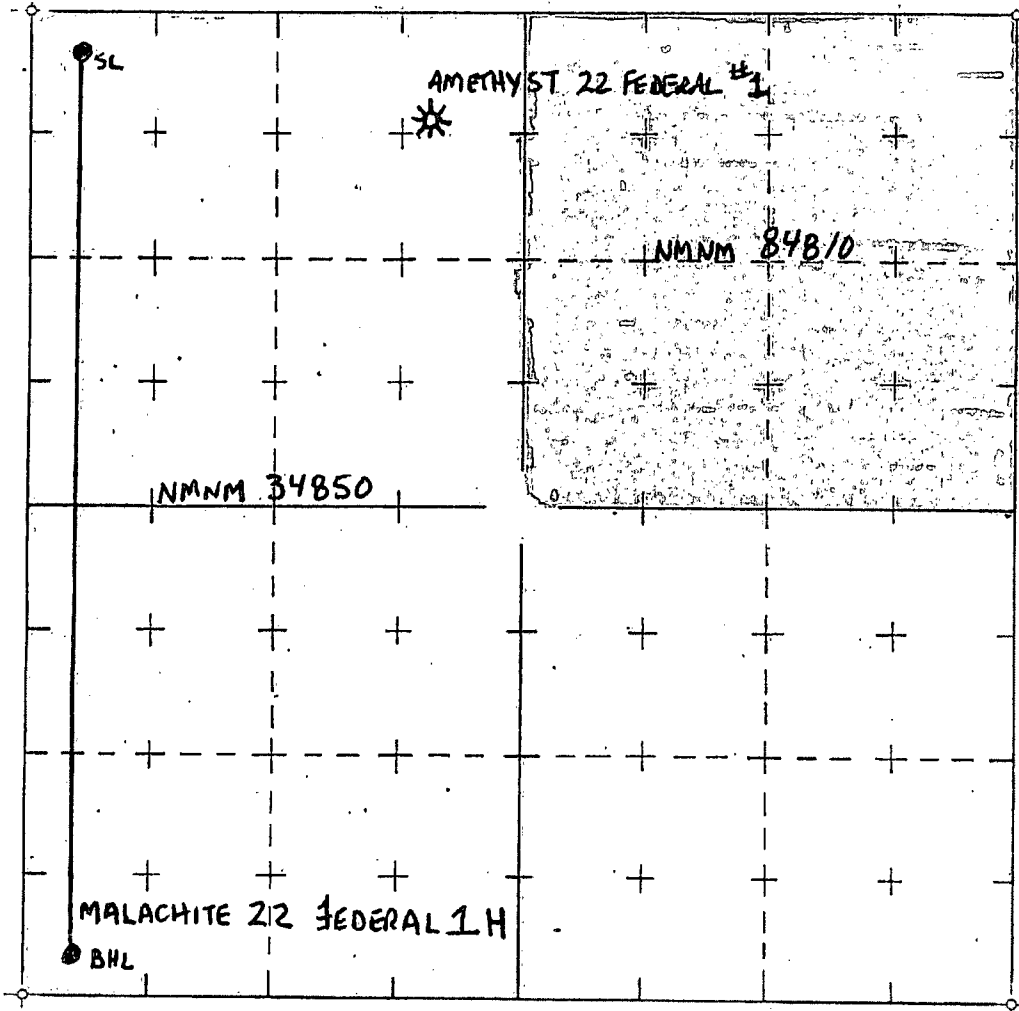
Title: Regulatory Compliance Associate

Date: 10/29/12

LEASE NO.

DEAL NO.

EXPIRATION DATE



SECTION **22** TOWNSHIP **19S** RANGE **33E**

COUNTY **LEA** STATE **NM**

SCALE 1" = 1000'

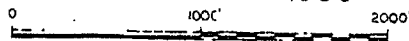
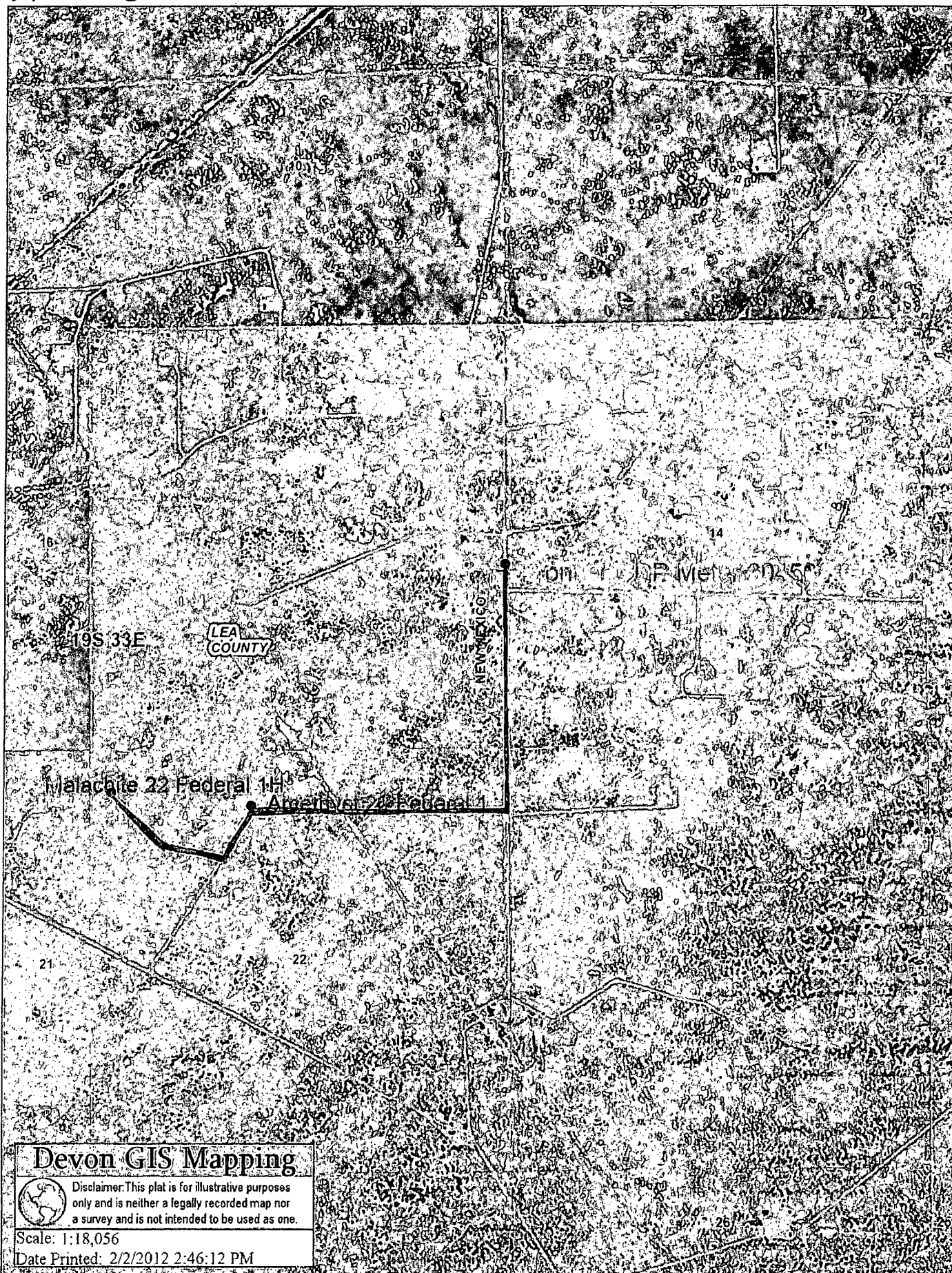
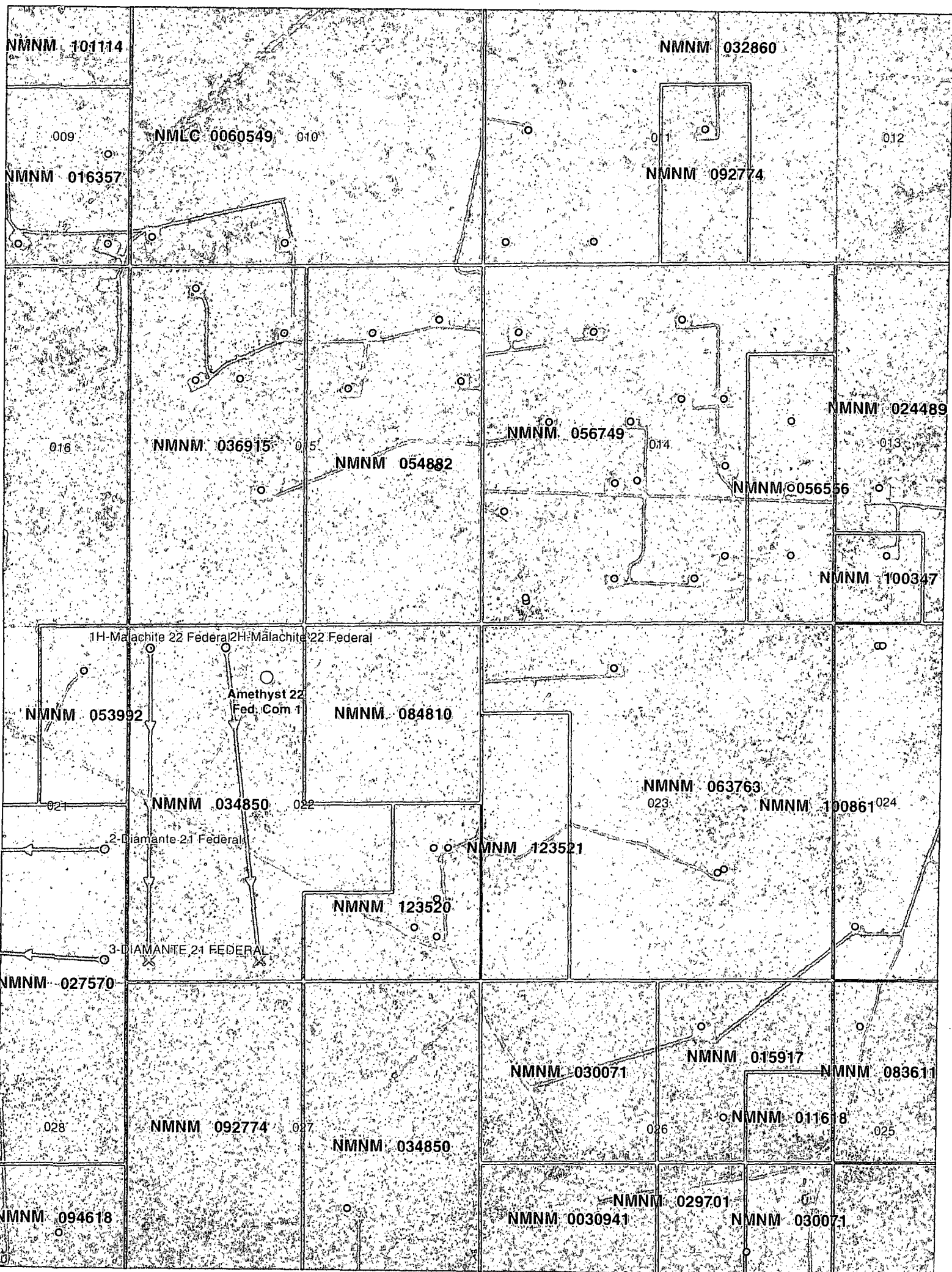
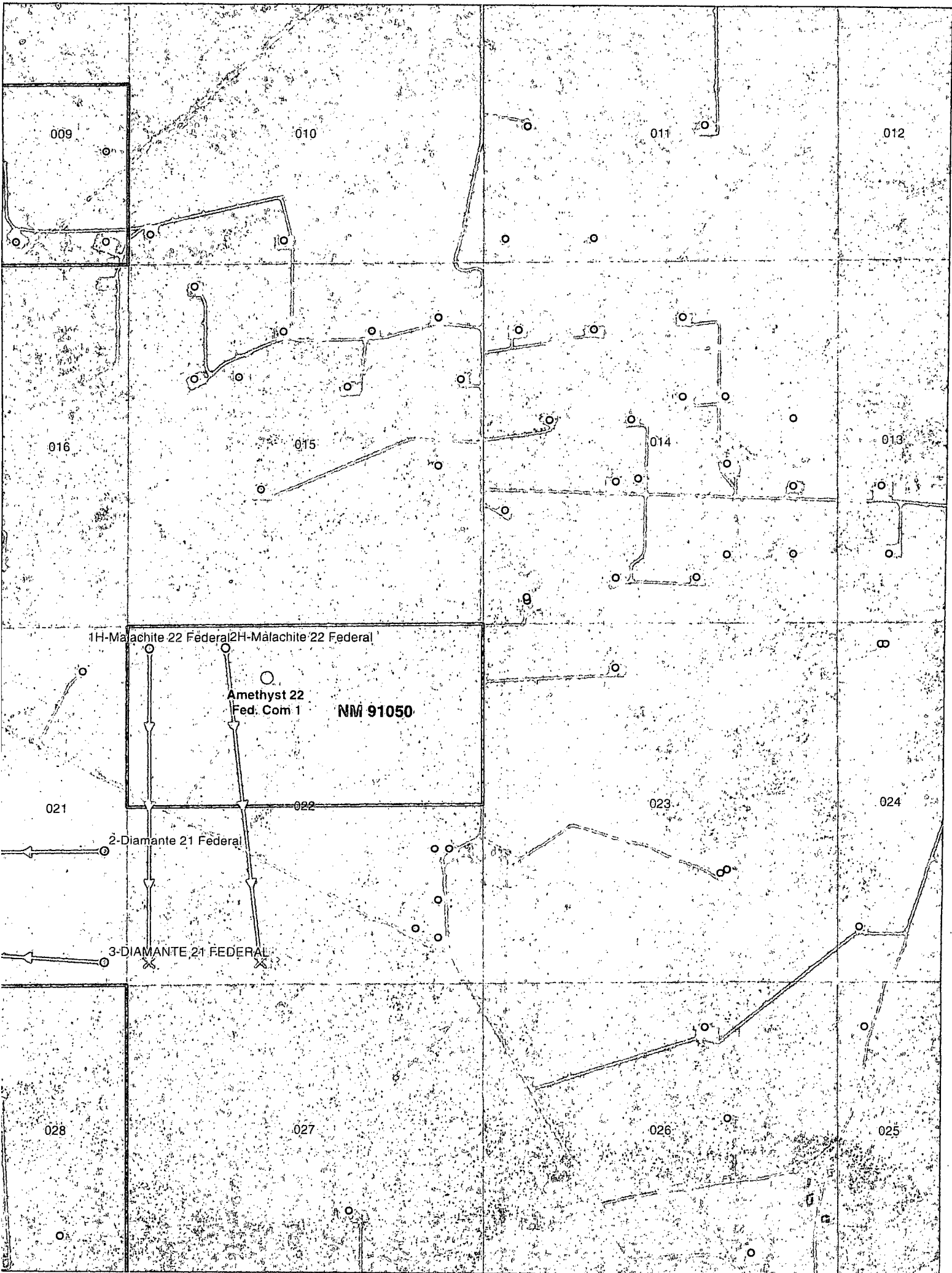


Exhibit B







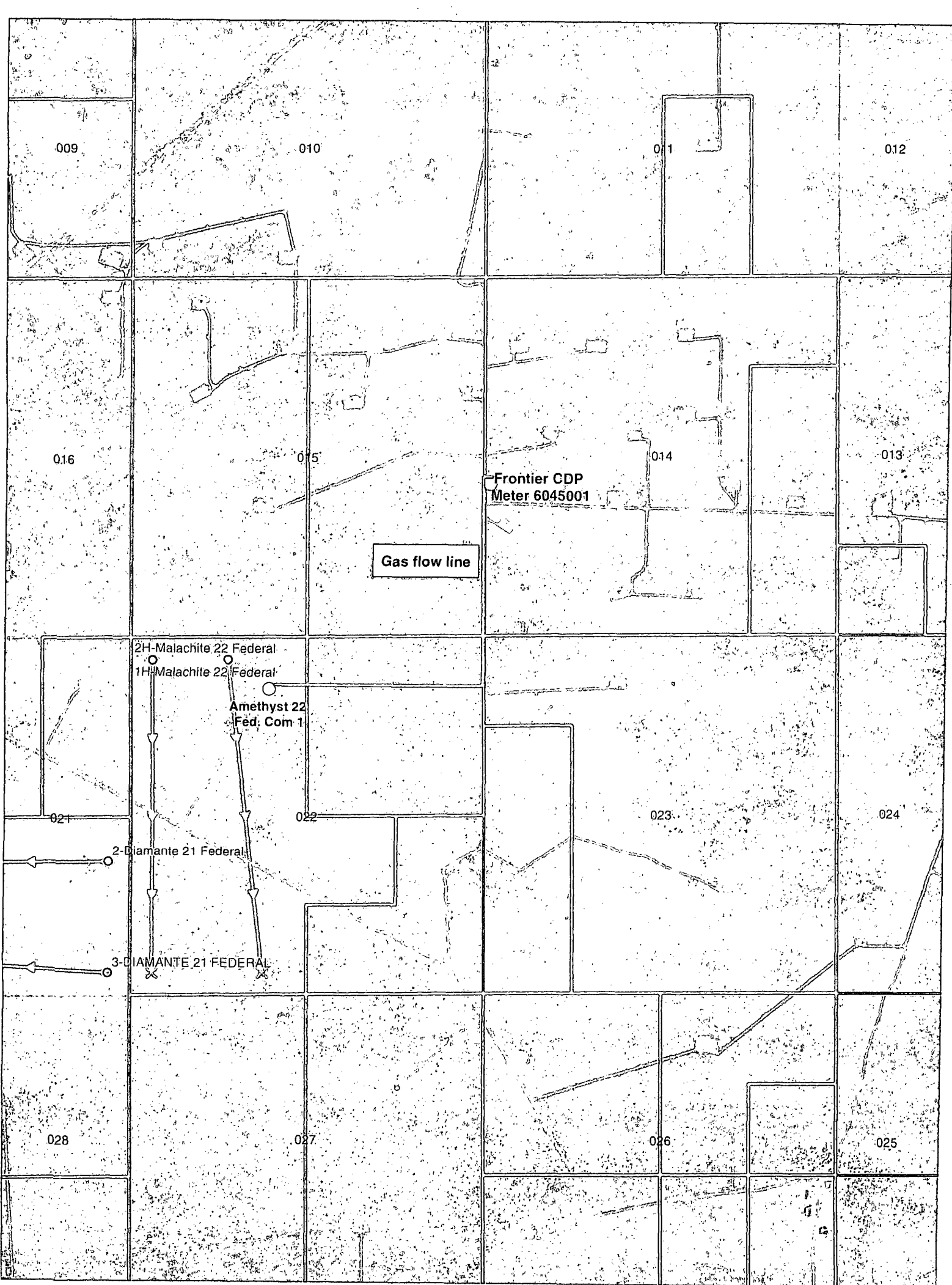


Exhibit C

Devon Energy
Amethyst 22 Federal #1
Sec-22, T19S, R33E
70FNL&2080FWL
API#30-025-30928

Production System: Open

1) Oil sales by tank gauge to tank truck.

2) Seal requirements:
A. Production Phase: On all Tanks.
{1} All valves 5 sealed closed.
{2} Valves 3 open
{3} Valves 2 & 4 sealed closed
{4} Valves 1 open on tk prouddcing Into.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed.

(2) Valve 3 sealed closed.

(3) Valve 4 sealed closed.

(4) Valve 5 sealed closed.

{5} Misc. Valves: Plugged or otherwise unaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

Valve #1: Production Line

Valve #2: Test or Roll line

Valve #3: Equilizer Line

Valve #4: Circ./Drain Line

Valve #5: Sles Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

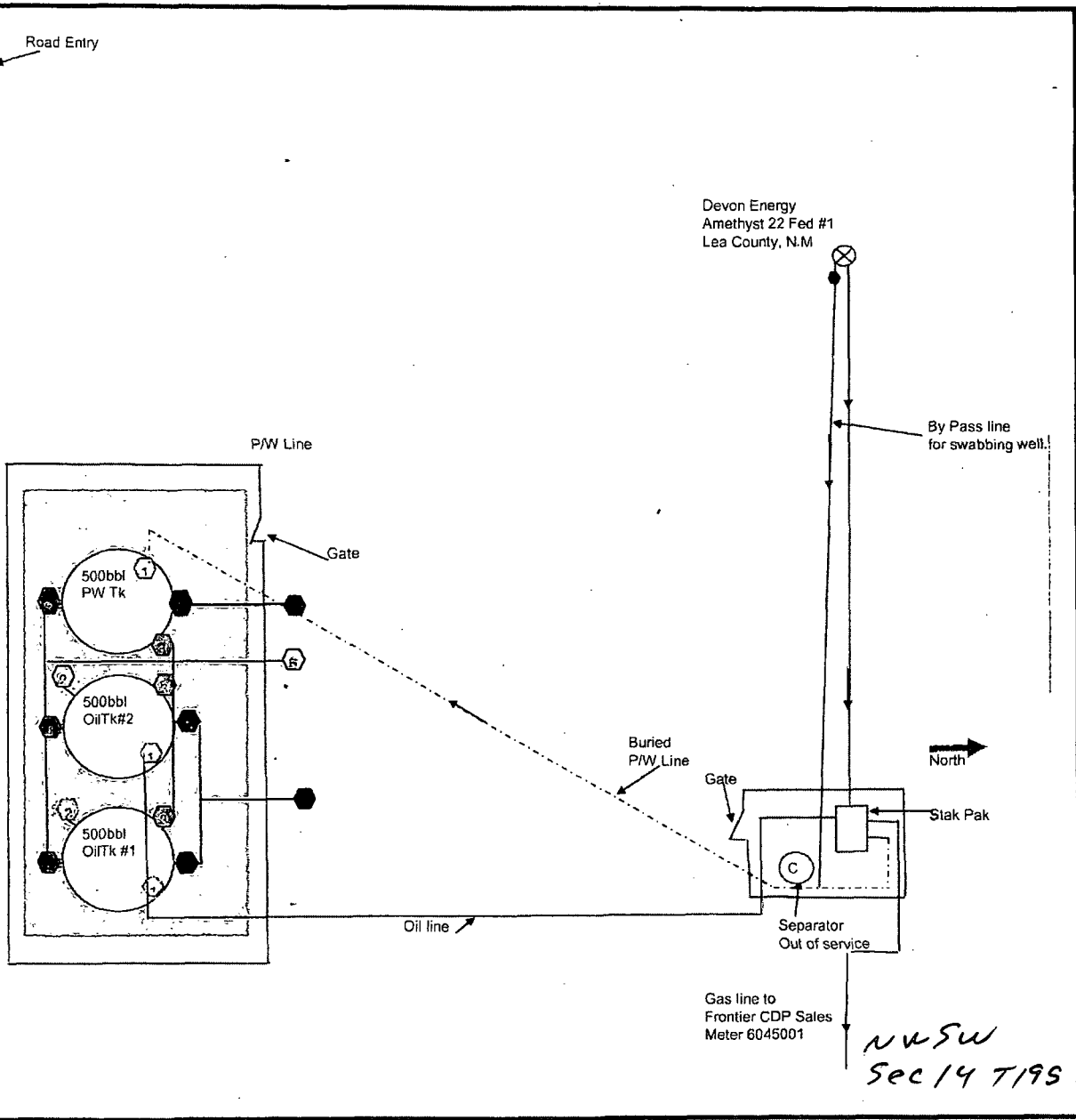
Wellhead:

Stak-pak:

Production line:

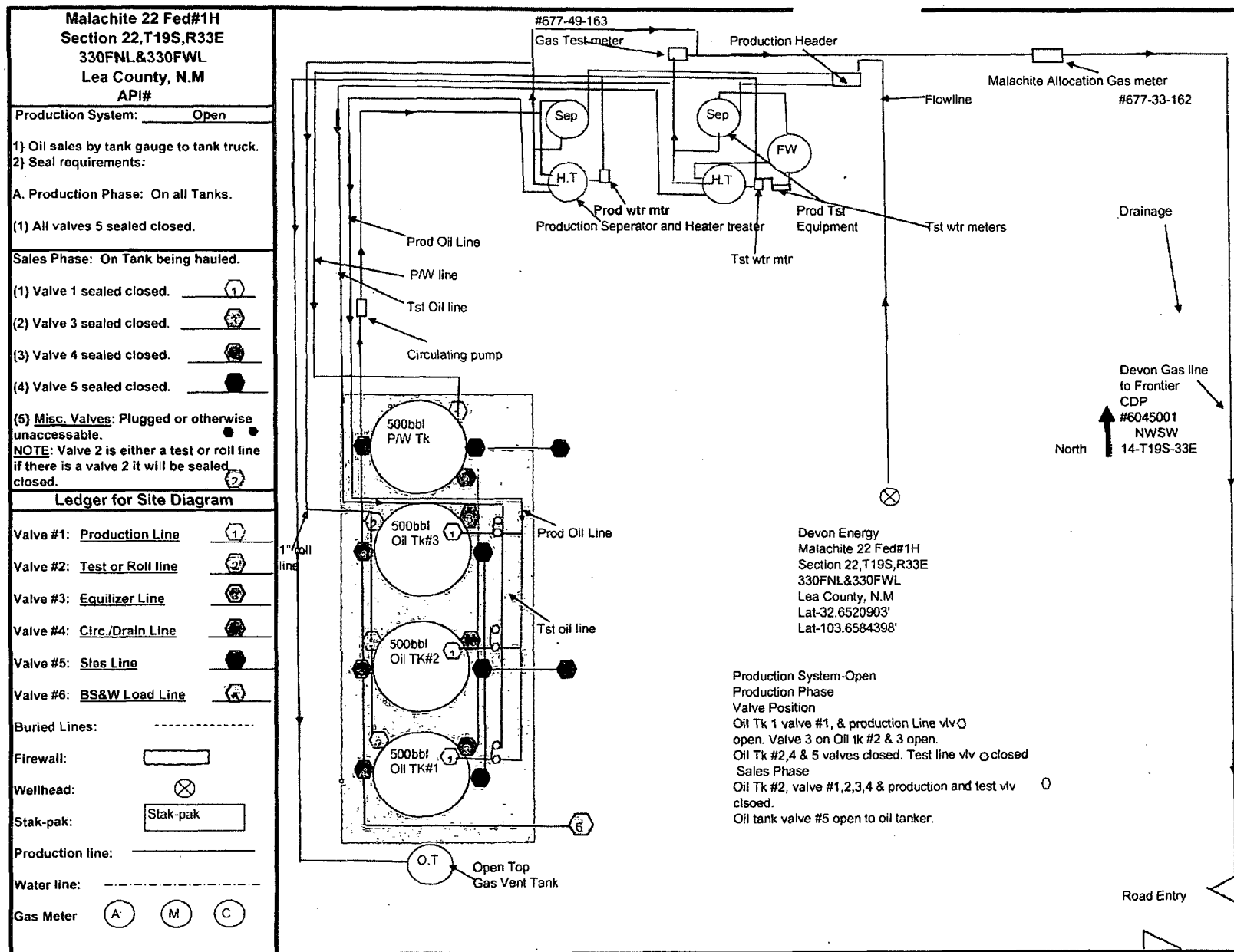
Water line:

Gas Meter



NW SW
Sec 14 T19S R33E

Exhibit D





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

October 23, 2012

HOBBS OCD

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

FEB 05 2013

RECEIVED

**Re: Pool Commingle, Off Lease Gas Measurement, Sales, & Storage
Amethyst 22 Federal 1 & Malachite 22 Federal 1H
Sec 22-T19S-R33E
NM - 34850
API 30-025-30928 & 30-025-40318
Gem; Morrow (gas) Pool Code: 77370
Tonto; Bone Spring Pool Code: 59475
Lea County, New Mexico**

Dear Mr. Ezeanyim:

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

This is an amendment to the current Administrative Order OLM-43.

The working interest, royalty interest and overriding royalty interest owners in both leases are not identical; notifications have been sent via certified mail (see attached).

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7970.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Erin Workman
Regulatory Compliance Associate

Enclosures

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



HOBBS OCD

FEB 05 2013

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 **RECEIVED**

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.

Erin Workman
 Print or Type Name

Erin Workman
 Signature

Regulatory Compliance Associate
 Title

10/29/12
 Date

Erin.workman@dmv.com
 E-mail Address

HOBBS OCD

FEB 05 2013

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION RECEIVED
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Devon Energy Production Co., LP

OPERATOR ADDRESS: 333 W. Sheridan Avenue, Oklahoma City, OK 73102

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. OLM - 43
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
77370 - Gem; Morrow (gas)	0 / 1278.4				
59475 - Tonto; Bone Spring	41.5 / 1374.8				

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☐ Metering ☒ Subtraction Method
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☒ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Erin Workman TITLE: Regulatory Compliance Associate DATE: 10/29/12

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

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

Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	AMETHYST 22 FED 1
Location ID	
Sample Date	10/24/2012
WATER	
Method Name	BTUH2S.met
Injection Date	2012-10-25 12:35:31

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
H2S	0.0049	0.0	0.0	0.00006	0.001
NITROGEN	3.7287	0.0	0.0	0.03606	0.410
CARBON DIOXIDE	2.3097	0.0	0.0	0.03510	0.394
METHANE	69.8915	703.7	691.4	0.38713	11.830
ETHANE	12.2406	215.9	212.2	0.12708	3.268
PROPANE	6.9838	175.2	172.1	0.10633	1.921
I-BUTANE	0.8021	26.0	25.5	0.01610	0.262
N-BUTANE	2.2250	72.4	71.1	0.04465	0.700
I-PENTANE	0.5565	22.2	21.8	0.01386	0.203
N-PENTANE	0.5789	23.1	22.7	0.01442	0.210
C6+	0.6783	34.7	34.1	0.02182	0.294
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1273.2	1250.9	0.80261	19.492

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.650	
Flowing Temperature (Deg. F)	76.0	
Flowing Pressure (psia)	35.0	
Water Mole%		1.7502
Gross Heating Value (BTU / Ideal cu.ft.)	1273.2	1250.9
Gross Heating Value (BTU / Real cu.ft.)	1278.4	1256.6
Relative Density (G), Real	0.8056	0.8027
Compressibility (Z) Factor	0.9959	0.9955
Total GPM	19.492	19.259
Wobbe Index	1424.4	1402.5

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	MALACHITE 22 FED 1 H
Location ID	67733162
Sample Date	5/2/2012
Method Name	BTUC6+.met
Injection Date	2012-05-04 14:09:30
Report Date	2012-05-04 14:20:09

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
NITROGEN	2.9296	0.0	0.0	0.02834	0.324
CARBON DIOXIDE	2.5975	0.0	0.0	0.03947	0.445
METHANE	64.5675	653.6	642.3	0.35764	10.996
ETHANE	14.8035	262.6	258.0	0.15369	3.977
PROPANE	9.1864	231.7	227.6	0.13986	2.542
I-BUTANE	1.0086	32.9	32.3	0.02024	0.332
N-BUTANE	2.6854	87.8	86.3	0.05389	0.851
I-PENTANE	0.6325	25.4	24.9	0.01576	0.232
N-PENTANE	0.6642	26.7	26.2	0.01655	0.242
C6+	0.9248	47.5	46.7	0.02976	0.403
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1368.2	1344.4	0.85519	20.345

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	115.0	
Flowing Pressure (psia)	36.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1368.2	1344.4
Gross Heating Value (BTU / Real cu.ft.)	1374.8	1351.5
Relative Density (G), Real	0.8590	0.8553
Compressibility (Z) Factor	0.9952	0.9947
Total GPM	20.345	20.099
Wobbe Index	1483.4	1461.4

*Downloaded TO
TEST + ALLOC.
5-17-12
JTB*

OFF LEASE PRODUCTION - EDDY COUNTY

	04/01/12	05/01/12	06/01/12	07/01/12	08/01/12	09/01/12
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Malachite 22 Federal 1H	3,590.	3,962.1	5,681.	5,487.4	4,650.	4,054.5
Amethyst 22 Federal 1	39.66	55.8	117.5	172.51	215.06	187.35

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

HOBBS OCD

FEB 05 2013

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-40318
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, LP		6. State Oil & Gas Lease No. NM-34850
3. Address of Operator 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102 (405) 552-7970		7. Lease Name or Unit Agreement Name Malachite 22 Federal
4. Well Location Unit Letter <u>D</u> : <u>330</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>22</u> Township <u>19S</u> Range <u>33E</u> NMPM Lea County New Mexico		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3936.4		9. OGRID Number 6137
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: Pool Commingle, Off Lease Gas Measurement, Sales & Storage ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LP respectfully requests to Pool Commingle, Off Lease Gas Measurement, Sales & Storage the Malachite 22 Federal 1H with the following well:

Amethyst 22 Federal 1
22-T19S-R33E
30-025-30928
Pool: 77370 Gem; Morrow (Gas)
Previously Approved OLM-43 (see attached).

The gas production from the Malachite 22 Federal 1H and Amethyst 22 Federal 1 wells will be the only production commingled, measured, and sold off lease. A common Frontier CDP Gas Sales Meter #6045001 is located approximately 1 mile northeast of the Amethyst 22 Federal 1 well in the NWSW Sec 14-T19S-R33E. The Malachite 22 Federal 1H well will have an allocation meter known as the Malachite Allocation Gas Meter #677-33-162 located at the Malachite 22 Federal 1H location. The subtraction method will be used for the Amethyst 22 Federal 1 well. These will be the only two wells utilizing the Frontier CDP Gas Sales Meter #6045001 at this time. The Malachite 22 Federal 1H and Amethyst 22 Federal 1 wells will each have their own tank battery on location and at this time no other wells are associated with either tank battery. The ownership in the Malachite 22 Federal 1H & Amethyst 22 Federal 1 is not identical; notifications have been sent via certified mail (see attached).

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE: Erin Workman TITLE: Regulatory Analyst DATE: 10/29/12

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

APPROVED BY: [Signature] TITLE _____ DATE _____

Conditions of Approval (if any):



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

HOBBS OCD

October 30, 2012

FEB 05 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED

Interest Owners

Re: Request for Pool Commingling, Off Lease Gas Measurement, Sales, & Storage
Amethyst 22 Federal 1 & Malachite 22 Federal 1H
Sec 22-T19S-R33E
API # 30-025-30928 & 30-025-04318
Pool 77370 Gem; Morrow (gas)
Pool 59475 Tonto; Bone Spring
Lea County, New Mexico

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval to permit pool commingling, off lease gas measurement, sales, & storage of production from the following lease and pool.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-7970 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

Erin Workman
Regulatory Compliance Associate

Enclosure

Nortex Corporation
1415 Louisiana, Ste 3100
Houston, TX 77002

Certified Mailing
Number: 7010 1060
000 0920 4473

ONRR
Royalty Management Program
PO Box 25627
Denver, CO 80225-0627

Certified Mailing
Number: 7010 1060
000 0920 4480

Wills Royalty Inc.
PO Box 1658
Carlsbad, NM 88221-1658

Certified Mailing
Number: 7010 1060
000 0920 4497

Mary Spencer
4760 South Highland Dr. #244
Salt Lake City, UT 84117

Certified Mailing
Number: 7010 1060
000 0920 4503

McDaniels Family Trust; Sandy L
McCullough & Diane M Ignation, Co-trustee
3 Montacnais TC
Cherokee Vlg, AR 72529

Certified Mailing
Number: 7010 1060
000 0920 4510

Nancy Seaton Widener Liv Trust, Nancy Seaton
Widner Trustee, Trust Dated May 2, 1985
Po Box 47836
Phoenix, AZ 85068-7836

Certified Mailing
Number: 7010 1060
000 0920 4527

Elizabeth Bate Brady
5860 Fitzpatrick Rd
Hidden Hills, CA 91302

Certified Mailing
Number: 7010 1060
000 0920 4534

Occidental Permian Limited Partnership
PO Box 4294
Houston, TX 77210

Certified Mailing
Number: 7010 1060
000 0920 4541

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

**Devon Energy Production Co.
Malachite 22 Federal 1H and Amethyst 22 Federal 1
Lease NM34850 and CA NM91050
February 2, 2013**

**Condition of Approval
Commingle and Off Lease Sales**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.
11. Amethyst 22 Federal 1 is not producing in paying quantities submit justification for not plugging this well within 30 days.

The public's interest in these leases and CA has been found to be identical for all wells 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each well will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.