

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 HOBBS OCD**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

FEB 05 2013

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM43564
2. Name of Operator DEVON ENERGY PRODUCTION CO., LP Contact: ERIN WORKMAN Email: ERIN.WORKMAN@DVN.COM		6. If Indian, Allottee or Tribe Name
3a. Address 333 W. SHERIDAN AVE OKC, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T22S R34E 375FSL 375FWL		8. Well Name and No. GAUCHO 21 FEDERAL 2H
		9. API Well No. 30-025-40626
		10. Field and Pool, or Exploratory WC-025G-05S223421M; DELAWA
		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 CO., LP RESPECTFULLY REQUEST APPROVAL TO HAVE A CENTRAL TANK BATTERY, POOL COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE FOR THE FOLLOWING WELLS:

GAUCHO 21 FEDERAL 1
API: 30-025-34266
S/T/R: SEC. 21-T22S-R34E
POOL: 96665 OJO CHISO; MORROW WEST (GAS)
LEASE: NMNM43564

GAUCHO 21 FEDERAL 2H
API: 30-025-40626
S/T/R: SEC. 21-T22S-R34E

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

PC - 1254

14. Thereby certify that the foregoing is true and correct. Electronic Submission #151524 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 10/24/2012 ()	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE ASSOC.
Signature (Electronic Submission)	Date 09/24/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. W. Littlejohn</i>	Title <i>SPE 7</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>	<i>KD</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 #151524 that would not fit on the form

32. Additional remarks, continued

POOL: 97946 WC-025 G-05 S223431M; DELAWARE
LEASE: NMNM43564

There will be a central tank battery located on the Gaucho 21 Federal 2H location for both Gaucho wells. The production from both wells will come to a common production header with isolation lines to route each wells production. The header is located on the southeast side of the facility at the Gaucho 21 Federal 2H location. The produced gas will flow through out test meter #390-49-196 and allocation meter #390-12-195 and then through a BTA gathering line into DCP's CDP #727867-00 located in Sec. 35-T21S-R34E. The Coriolis Test Method will be used for the wells allocation. ROW has or will be obtained.

The working, royalty, and overriding interest owners are not identical; parties have been notified via certified mail (see attached).

APPLICATION FOR CENTRAL TANK BATTERY, POOL COMMINGLE, OFF-LEASE GAS MEASUREMENT, SALES, & STORAGE

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

Proposal for Gaucho 21 Federal 1 and Gaucho 21 Federal 2H:

Devon Energy Production Company, LP is requesting approval for the Central Tank Battery, Pool Commingle, Off --Lease Gas Measurement, Sales and Storage for the following wells:

Federal Lease NM-43564

Well Name	Location	API #	Pool 96665	MCFPD	BTU
Gaucho 21 Federal 1	Sec. 21-T22S-R34E	30-025-34266	Ojo Chiso; Morrow West (GAS)	20	1361.3

SEE COAS
MISSING OIL
GRAVITY
FOR WELLS

Federal Lease NM-43564

Well Name	Location	API #	Pool 97946	MCFPD	BTU
Gaucho 21 Federal 2H	Sec 21-T22S-R34E	30-025-40626	WC-025 G-05 S223421M; Delaware	125	1429.1

Exhibit A map shows the federal leases and well locations in Section 21-T22S-R34E. Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

SEE COAS

Gaucho 21 Federal 1 has been recomplected to the Bone Spring. Will provide production once confirmed. Presently gas is being flared on both wells.

Oil & Gas metering:

The Gaucho 21 Federal 2H has a tank battery that both wells will utilize and they have a common DCP CDP which is located north of the Gaucho 21 Federal 2H location.

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility so that one well is always producing through the testing equipment. Oil and water production will be allocated on a daily basis based on the Coriolis Test (will submit meter numbers on receipt). Gas production will be allocated on a daily basis based on the gas meter #390-49-196.

The BLM's interest in 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:

The flow of produced fluids is shown in detail on Exhibit B along with a description of each vessel. The commingling of 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 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.

A central tank battery is located at the Gaucho 21 Federal 2H location of Sec. 21-T22S- R34E on federal lease NM- 43564 in Lea County, New Mexico. The production from both wells will come to a common production header with isolation line to route each wells production. This header is located on the east side of the facility. From this point one well is on test and its production leaves the production header, through the test separator .

The testing well's oil and water production is metered at the coriolis meter (will submit meter numbers on receipt). This fluid then flows to the test heater treater (HT), where the oil and water is separated. The water from the well

on test flows to the 500 bbl. produced water tank, along with the water from the well that was not on test. The oil from the well on test flows to the ultra-low pressure separator (ULPS) along with the other well's oil. A vapor recovery unit (VRU) compressor pulls the free gas off this ULPS and sends the gas through the VRU meter (will submit meter number on receipt). This gas will be allocated to each well's production based on the daily oil allocation for each well. The combined oil flows to one of the 500 bbl. oil tanks.

The testing well's gas from the Test Separator and Test Heater Treater (HT) leaves the device and flows through the Gaucho 21 Federal 2 gas test meter #390-49-196 which measures gas from the well on test. The gas from the VRU and the gas from the well not on test, then routes to the allocation meter #390-12-195 where total gas for the facility is metered and the custody transfer is made. Once through the allocation meter it connects to BTA's gathering line and then to DCP's CDP #727867-00 located in Sec. 35 - T21S - R34E (Exhibit C).

Signed:


Printed Name: Erin Workman

Title: Regulatory Compliance Associate

Date: 09/20/12

**Gaucha 21 Fed #1 &
Gaucha 21 Fed 2H
Lea County, New Mexico**

17

15

Gaucha
UT 6
DEVON
★

8817 JV-P Grama C 1
BTA OIL
PRODUCERS LLC
★

NMMN-43564

22S - 34E

21

22

20

LEA

GAUCHO 21
FEDERAL 2H
DEVON ENERGY PROD

Gaucha
21 Fed 1
DEVON
★

GAUCHO 21
FEDERAL 2H
DEVON ENERGY PROD
□

FEDERAL 28 #11
PETROGULF CORP
○

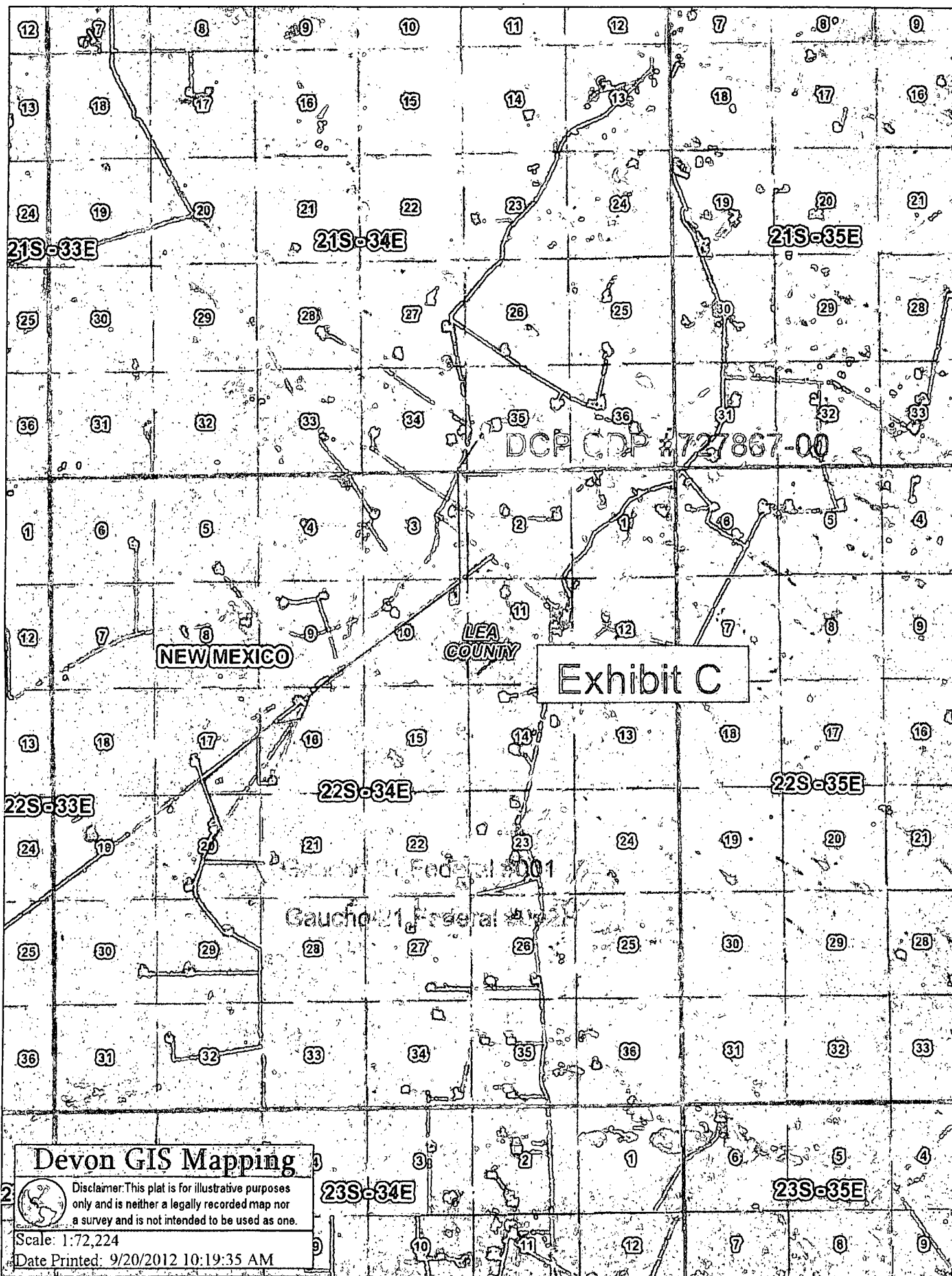
29

28

27

Legend

- Devon Lease
- ▨ Devon Minerals



Gaucha 21 Fed #2H
Section 21,T22S,R34E
375FSL&375FWL
Lea County, N.M
API#





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.

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: Equalizer Line 

Valve #4: Circ./Drain Line 

Valve #5: Sles Line 

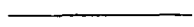
Valve #6: BS&W Load Line 

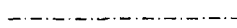
Buried Lines: 

Firewall: 

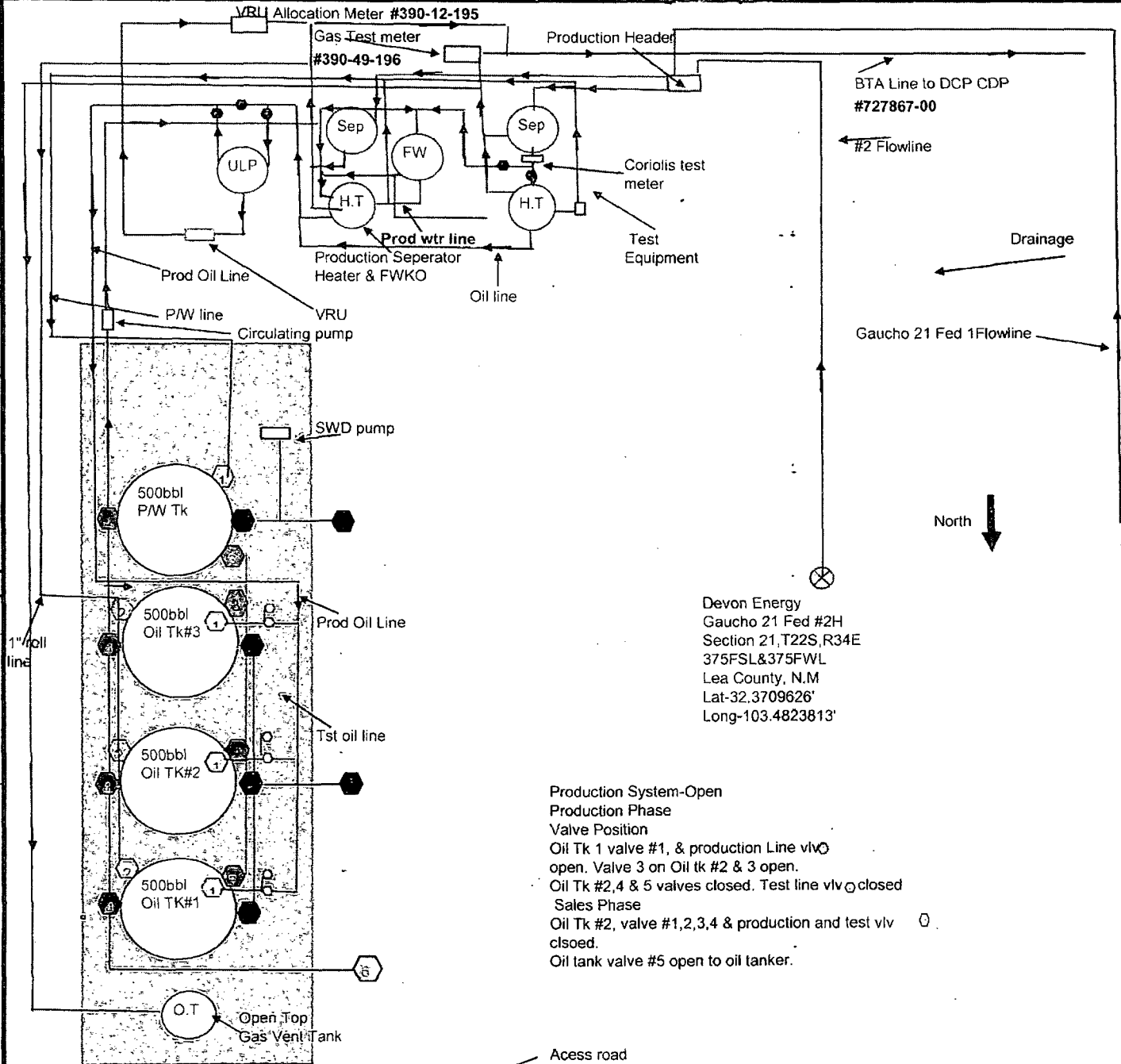
Wellhead: 

Stak-pak: 

Production line: 

Water line: 

Gas Meter   



Devon Energy
Gaucha 21 Fed #2H
Section 21,T22S,R34E
375FSL&375FWL
Lea County, N.M
Lat-32.3709626'
Long-103.4823813'

Production System-Open

Production Phase

Valve Position

Oil Tk 1 valve #1, & production Line vlv open. Valve 3 on Oil tk #2 & 3 open.

Oil Tk #2,4 & 5 valves closed. Test line vlv closed

Sales Phase

Oil Tk #2, valve #1,2,3,4 & production and test vlv closed.

Oil tank valve #5 open to oil tanker.

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	GAUCHO 21 FED 2 H
Location ID	39049196
Sample Date	9/5/2012
Method Name	BTUC6+.met
Injection Date	2012-09-10 08:08:16
Report Date	2012-09-10 08:20:36

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	5.6175	0.0	0.0	0.05433	0.621
CARBON DIOXIDE	0.2639	0.0	0.0	0.00401	0.045
METHANE	62.5107	632.8	621.8	0.34625	10.649
ETHANE	14.1100	250.3	245.9	0.14649	3.792
PROPANE	9.7224	245.2	240.9	0.14802	2.692
I-BUTANE	1.2787	41.7	41.0	0.02566	0.420
N-BUTANE	3.2763	107.1	105.3	0.06575	1.038
I-PENTANE	0.9291	37.3	36.6	0.02314	0.341
N-PENTANE	0.9291	37.3	36.7	0.02314	0.338
C6+	1.3623	70.0	68.8	0.04383	0.594
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1421.7	1397.0	0.88063	20.532

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	116.0	
Flowing Pressure (psia)	39.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1421.7	1397.0
Gross Heating Value (BTU / Real cu.ft.)	1429.1	1404.8
Relative Density (G), Real	0.8848	0.8807
Compressibility (Z) Factor	0.9949	0.9944
Total GPM	20.532	20.283
Wobbe Index	1519.2	1497.0

Precision Gas Measurement, Inc.
Natural Gas Report

*RECOMPLETE
 COMING AT 21-24*

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	GAUCHO 21-1
Location ID	39033092
Sample Date	9/13/2012
Method Name	BTUC6+.met
Injection Date	2012-09-14 10:48:40
Report Date	2012-09-14 10:53:31

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.)
NITROGEN	1.4551	0.0	0.0	0.01407	0.161
CARBON DIOXIDE	0.6369	0.0	0.0	0.00968	0.109
METHANE	70.9909	718.7	706.2	0.39322	12.085
ETHANE	13.5977	241.2	237.0	0.14117	3.652
PROPANE	7.9946	201.6	198.1	0.12172	2.212
I-BUTANE	1.1026	35.9	35.3	0.02213	0.362
N-BUTANE	2.4846	81.2	79.8	0.04986	0.787
I-PENTANE	0.5879	23.6	23.2	0.01465	0.216
N-PENTANE	0.5398	21.7	21.3	0.01345	0.196
C6+	0.6099	31.4	30.8	0.01962	0.266
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1355.3	1331.7	0.79956	20.045

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	64.0	
Flowing Pressure (psia)	44.0	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1355.3	1331.7
Gross Heating Value (BTU / Real cu.ft.)	1361.3	1338.2
Relative Density (G), Real	0.8028	0.8000
Compressibility (Z) Factor	0.9956	0.9952
Total GPM	20.045	19.805
Wobbe Index	1519.3	1496.1

OFF LEASE PRODUCTION

	03/01/12	04/01/12	05/01/12	06/01/12	07/01/12	08/01/12
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Gacuho 21 Federal 1	293.76	263.79	702.37	264.66	83.6	0.
Gaucha 21 Federal 2H	N/A	N/A	N/A	N/A	N/A	0.



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

September 20, 2012

HOBBS OCD

FEB 05 2013

RECEIVED

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

**Re: Request for a Pool Commingle/Off-Lease Gas Measurement, Sales, & Storage
Gaucho 21 Fed 1 & Gaucho 21 Fed 2H
Sec.21-T22S-R34E
API # 30-025-34266 & 30-025-40626
96665 OjoChiso; Murrow West (GAS), 97946 WC-025 G-05 S223421M; Delaware
Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103, C-107B and BLM Form 3160-5 Sundry Notice of Intent to Pool Commingle/Off Lease Gas Measurement, Sales & Storage the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners are not uniformed; notification has been sent via certified mail (see attached).

BLM sundry approval and BLM conditions of approval 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

RECEIVED

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.

<u>Erin Workman</u>	<u><i>Erin Workman</i></u>	<u>Regulatory Compliance Associate</u>	<u>09/20/12</u>
Print or Type Name	Signature	Title	Date
		<u>Erin.Workman@dvn.com</u>	
		E-mail Address	

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

FEB 05 2013

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

RECEIVED

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 Commingling)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
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
96665 Ojo Chiso; Murrow West (GAS)	42/1361.3				
97946 WC-025 G-05 S223421M; Delaware	42.9/1429.1				

- (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 ☒ Other (Coriolis Test 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 (Coriolis Test Method)

(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 attach 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:  TITLE: Regulatory Compliance Assoc. DATE: 09/20/12

TYPE OR PRINT NAME: Erin Workman

TELEPHONE NUMBER: 405-552-7970

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

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED
MAY 05 2013

WELL API NO.

See Below

5. Indicate Type of Lease

FED ☒ STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

See Below

7. Lease Name or Unit Agreement Name

See Below

8. Well Number

See Below

9. OGRID Number

6137

10. Pool name or Wildcat

See Below

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.)

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

2. Name of Operator

Devon Energy Production Company, LP

3. Address of Operator

333 W. Sheridan Ave. Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location (See Below)

Unit Letter _____ feet from the _____ line and _____ feet from the _____ line

Section SEE BELOW Township _____ Range _____ NMPM Lea County New Mexico

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
n/a

Pit or Below-grade Tank Application ☐ or Closure ☐

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: Central Tank Battery/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 approval for the Central Tank Battery, Pool Commingle, Off Lease Gas Measurement, Sales, & Storage for the following wells:

API	Sec. - T - R	Pool	Lease #	
Gaucha 21 Federal 1	30-025-34266	Sec. 21-T22S-R34E	96665 Ojo Chiso; Murrow West (GAS)	NMNM-43564
Gaucha 21 Federal 2H	30-025-40626	Sec. 21-T22S-R34E	97946 WC-025 G-05 S223421M; Delaware	NMNM-43564

There will be a central tank battery located on the Gaucha 21 Federal 2H location for both Gaucha wells. The production from both wells will come to a common production header with isolation lines to route each wells production. The header is located on the southeast side of the facility at the Gaucha 21 Federal 2H Location. The produced gas will flow through our test meter #390-49-196 and allocation meter #390-12-195 and then through a BTA gathering line into DCP's CDP #727867-00 Located in Sec. 35, T21S, R34E. The Coriolis Test Method will be used for the wells allocation. ROW has or will be obtained.

The working, royalty, and overriding interest owners are not identical; parties have been notified 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 Compliance Associate DATE: 09/20/12

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

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

September 20, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

**Re: Request for a Pool Commingle/Off-Lease Gas Measurement, Sales, & Storage
Gaucho 21 Fed 1 & Gaucho 21 Fed 2H
Sec.21-T22S-R34E
API # 30-025-34266 & 30-025-40626
96665 OjoChiso; Murrow West (GAS), 97946 WC-025 G-05 S223421M; Delaware
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 the above wells.

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.

A handwritten signature in black ink that reads "Erin Workman". The signature is written in a cursive, flowing style.

Erin Workman
Regulatory Compliance Associate

Enclosure

Chris M. Morpew
4912 North Midkiff Rd.
Midland, TX 79701

Certified Mailing Number: 7011 2000 0002 5058 6582

BTA Oil Producers
104 South Pecos
Midland, TX 79701

Certified Mailing Number: 7011 2000 0002 5058 6599

Axis Energy Corporation
P.O. Box 2107
Roswell, NM 88202-2107

Certified Mailing Number: 7011 2000 0002 5058 6605

Michael R. Abbott
P.O. Box 3876
Lubbock, TX 79423

Certified Mailing Number: 7011 2000 0002 5058 6612

Cinco Oil Company
7822 Orlando
Lubbock, TX 79423

Certified Mailing Number: 7011 2000 0002 5058 6629

Wildcat Energy, LLC
P.O. Box 13323
Odessa, TX 79768

Certified Mailing Number: 7011 2000 0002 5058 6636

Joe Jack Reynolds
4010 82nd St., Suite 260
Lubbock, TX 79423-1933

Certified Mailing Number: 7011 2000 0002 5058 6643

James G. Morris
1500 Broadway, Suite 1101
Lubbock, TX 79401

Certified Mailing Number: 7011 2000 0002 5058 6650

David H. Pace
P.O. Box 4546
Midland, TX 79704-4546

Certified Mailing Number: 7011 2000 0002 5058 6667

Gerald J. Brockman
15071 Golf Dr.
Whitney, TX 76692

Certified Mailing Number: 7011 2000 0002 5058 6674

Giles M. Forbes
P.O. Box 31
Lubbock, TX 79408

Certified Mailing Number: 7011 2000 0002 5058 6681

NMNM 043564

017

NMNM 092781

016

015

NMNM 116047

NMNM 116047

NMNM 116047

NMNM 098247

020

NMNM 043564

021

022

NMNM 043565

NMNM 092781

NMNM 096050

029

NMNM 116047

NMNM 116047

028

NMNM 116047

NMNM 043564

027

NMNM 061360

NMNM 043565 NMNM 043564

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

**Devon Energy Productin Co.
Gaucho 21 Federal #1 & 2H
NM43564**

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. Surface commingling of production from different formation is approved for the Morrow and Delaware formation. If a well is recompleted in a different formation a new request will be required.
12. Submit information on oil Gravity and BBIs produced per month within 30 days.

The public's interest in this lease 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.