

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator DEVON ENERGY PRODUCTION CO		6. If Indian, Allottee or Tribe Name
Contact: ERIN WORKMAN Email: Erin.workman@dnv.com		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory BILBREY
		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	Surface Commingling
	<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 a Pool/Lease Commingle, Off-Lease Measurement, Sales, & Storage for the following wells:

Bilbrey 27 Federal #1
30-025-30980
Sec. 27-T21S-R32E
Pool: 72124 Bilbrey; Morrow (Gas)
NM 063019

Bilbrey 27A Federal #1
30-025-31095
Sec. 27-T21S-R32E

HOBBS OCD

JUL 23 2013

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

PIC-381

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #161593 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 01/07/2013 (13KMS1620SE)	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE ASSOC
Signature (Electronic Submission)	Date 12/04/2012

Petroleum Engineer

KZ DEC 31 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK J.D. Whitlock	Title SUPERVISORY PET	Date 06/13/2013
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 Hobbs

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

DEC 31 2013

Additional data for EC transaction #161593 that would not fit on the form

5. Lease Serial No., continued

NMNM114819
NMNM58938
NMNM63019

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM58938	NMNM58938	BILBREY 28 FED 1	30-025-30495-00-S1	Sec 28 T21S R32E SENE 1980FNL 660FEL
NMNM63019	NMNM63019	BILBREY 27 FED 1	30-025-30980-00-S1	Sec 27 T21S R32E NWSW 1980FSL 990FWL
NMNM114819	NMNM114819	BILBREY 27A FED 1	30-025-31095-00-S2	Sec 27 T21S R32E SENW 1980FNL 1980FWL

32. Additional remarks, continued

Pool: 96407 Bilbrey; Delaware, North
NM 114819

Bilbrey 28 Federal #1
30-025-30495
Sec. 27-T21S-R32E
Pool: 72124 Bilbrey; Morrow (Gas)
NM 058938

Thank you!

HOBBS OCD

JUL 23 2013

RECEIVED

**APPLICATION FOR POOL/LEASE COMMINGLING & OFF-LEASE MEASUREMENT,
SALES, & STORAGE APPROVAL**

HOBBS OCD

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

JUL 23 2013

RECEIVED

Pool/lease commingling proposal for Bilbrey leases:

Devon Energy Production Company, LP is requesting approval to Pool/Lease Commingle, Off Lease Gas Measurement & Storage the following wells:

Federal Lease NMNM-063019 *SCH-B 12.590-2590 Royalty Rate*

Well Name	Location	API #	Pool	72124	BOPD	Oil Gravity	MCFPD	BTU
Bilbrey 27 Federal #1	Sec. 27-T21S-R32E <i>NWSW</i>	30-025-30980	Bilbrey; Morrow (Gas)	3.	52.2	925.06	1102.2	

Federal Lease NMNM-114819 *12.590*

Well Name	Location	API #	Pool	BOPD	Oil Gravity	MCFPD	BTU
Bilbrey 27A Federal #1	Sec. 27-T21S-R32E <i>SENN</i>	30-025-31095	Bilbrey; Delaware, North	5.	40.5	10.91	1639.3

Federal Lease NMNM-058938 *SCH-B 12.590-2590*

Well Name	Location	API #	Pool	BOPD	Oil Gravity	MCFPD	BTU
Bilbrey 28 Federal #1	Sec. 28-T21S-32E <i>SENE</i>	30-025-30495	Bilbrey; Morrow (Gas)	0.0	48.4	3.03	1084.6

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 27 of T21S R32E and Sec 28 of T21S-R32E. The ownership in the Bilbrey leases are not uniform; working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached certified mailing list).

Oil & Gas metering:

Each well has its own tank battery on location and will be the only well utilizing the battery at this time. These wells are going to commingle gas production at the Bilbrey 28 Federal #1 before flowing to the DCP CDP Sales Meter #76890-00 located in Sec. 21-T21S-32E. (See attached Exhibits C1, C2, and C3 for metering and flow of production)

SENE

The Bilbrey 27 Federal #1 will first flow through a stack pack, then through a check meter #390-33-005 on location, it will then flow to a header located at the Bilbrey 28 Federal #1, once through the header with the Bilbrey 27A-1, it will then commingle with the Bilbrey 28 Federal #1 and flow through a separator, before flowing to the DCP CDP #76890-00 located in Sec. 21-T21S-32E (See attached Exhibit C-1 for metering and flow of production).

SWSE

The Bilbrey 27A Federal #1 will first flow through a heater treater, then to a check meter #390-33-021 on location, it will then flow to a header located on the Bilbrey 28 Federal #1, once through the header, it will then commingle with the Bilbrey 28 Federal #1 and flow through a separator, before flowing to the DCP CDP #76890-00 located in Sec. 21-T21S-32E. (See attached Exhibit C-2 for metering and flow of production)

SWSE

The Bilbrey 28 Federal #1 will first flow through a stack pack, then through a check meter #390-33-007, commingle with the Bilbrey 27 Federal #1 and the Bilbrey 27A Federal #1, then through a separator, and flow to the DCP CDP #76890-00 located in Sec. 21-T21S-32E. (See attached Exhibit C-3 for metering and flow of production)

SWSE

DIFFERENT ROYALTY RATES

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

Process and Flow Descriptions:

Please see attached diagrams for each wells' production facility (Exhibits C1-C3). The flow of produced fluids is shown in detail along with a description of each vessel.

The benefit of the off lease gas measurement, sales, and storage is to help reduce liability with primary exposure to one facility and reduce lease road/location maintenance due to time/wear-n-tear spent at each well's location. This will also lessen the surface disturbance due to having all the gas production at one facility.

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.

Signed:



Printed Name: Erin Workman

Title: Regulatory Compliance Associate

Date: 12/02/12

HOBBS OCD

JUL 23 2013

RECEIVED

Exhibit A

Bilbrey
Lea County, NM

NMNM 116045

NMNM 094849
23

21 NMNM 113413

22

721S 832E

HOBS OCD
JUL 23 2013
RECEIVED

26

NMNM 063020

28

NMNM 058938

BILBREY
28 FED 1

LEA
COUNTY

21S - 32E

21S - 32E

BILBREY
27
FEDERAL 1

NMNM 114819

BILBREY
27A
FEDERAL 1

NEW MEXICO

NMNM 063019

NMNM 126968

NMNM 086710

33

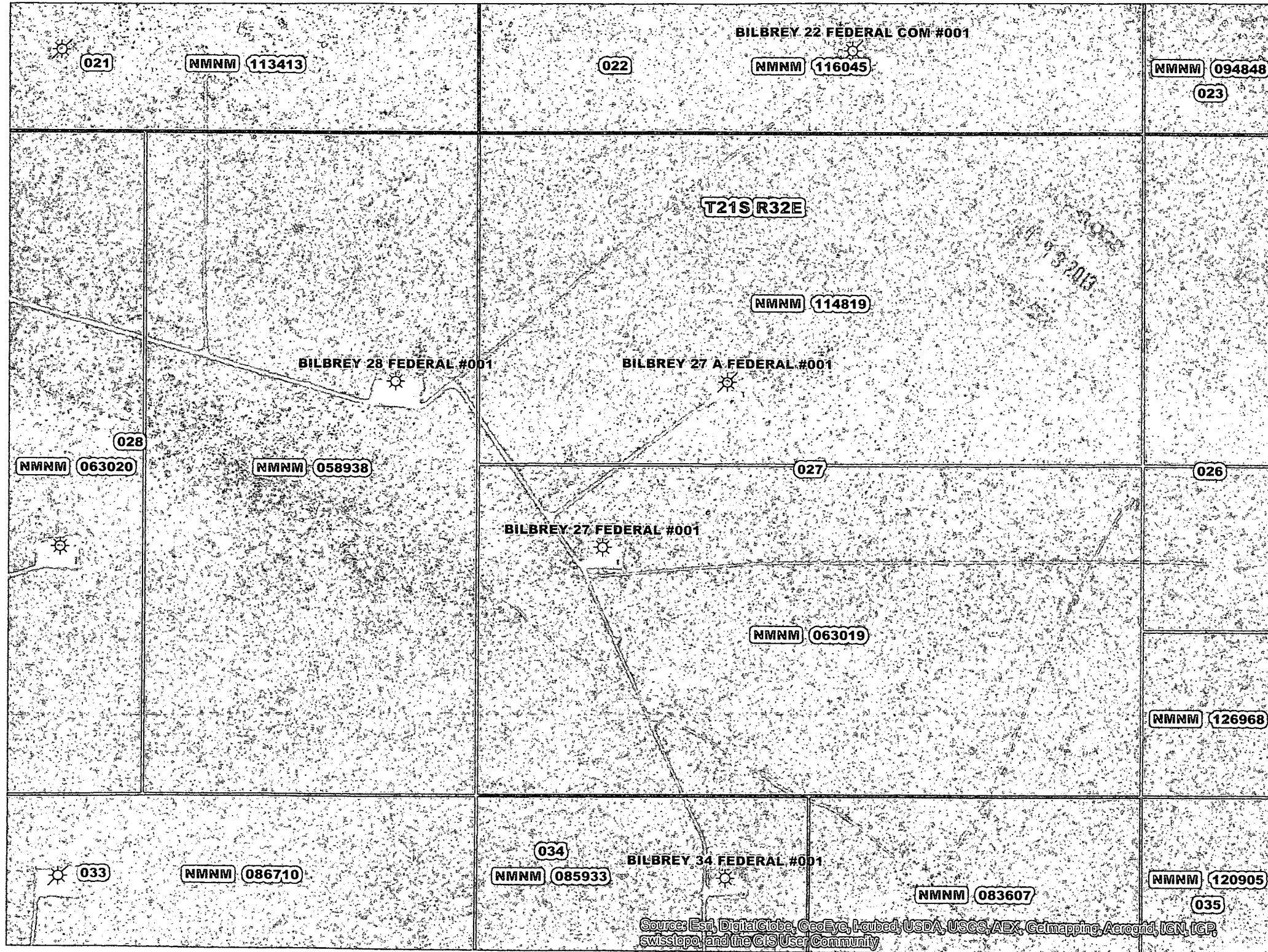
NMNM 085933

34

NMNM 083607

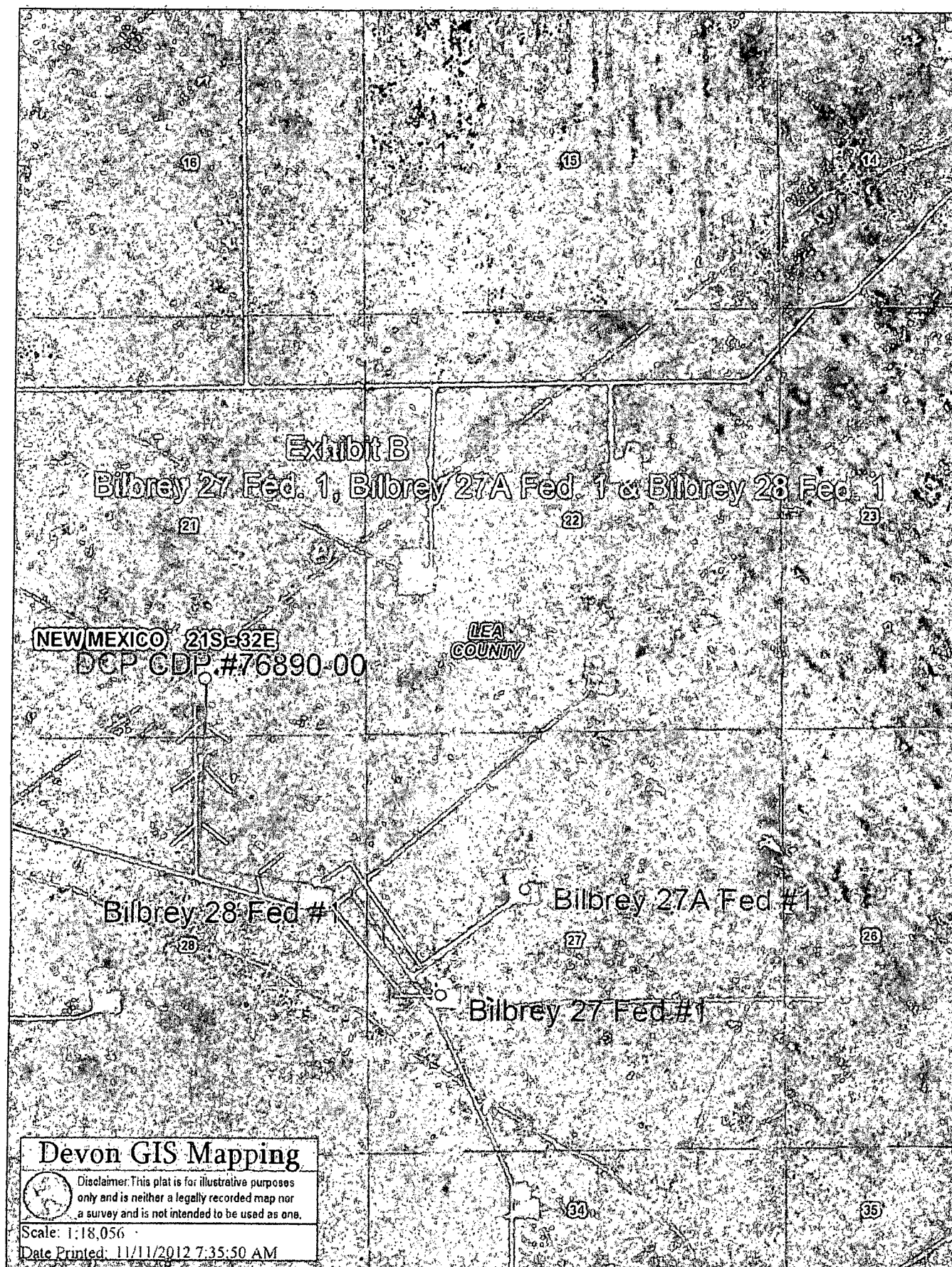
NMNM 120905

35



JUL 23 2013

RECEIVED



HOBBS OCD

JUL 23 2013

RECEIVED

NMNM 002518

021

NMNM 113413

022

NMNM 116045

023

NMNM 094848

DCP CDP #76890-00

T21S R32E

NMNM 114819

Bilbrey 28 Federal #1

Bilbery 27 A Federal #1

027

028 NMNM 063020

NMNM 058938

026

Bilbrey 27 Federal #1

NMNM 063019

NMNM 126968

033

NMNM 086710

034

Source: Esri, DigitalGlobe, GeoEye, IGN, USDA, USGS, AEX, Geomatics, Aerogrid, IGN, IGP, SwissTopo, and the GIS User Community NMNM 083607

035 NMNM 120905

EXHIBIT C-1

Bilberry 27 Federal #1
Sec. 27-T21S-R33E
1980' FSL & 990' FWL
Lea Co., NM
API#30-025-30980 Lease #NM 63019

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: Sies Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

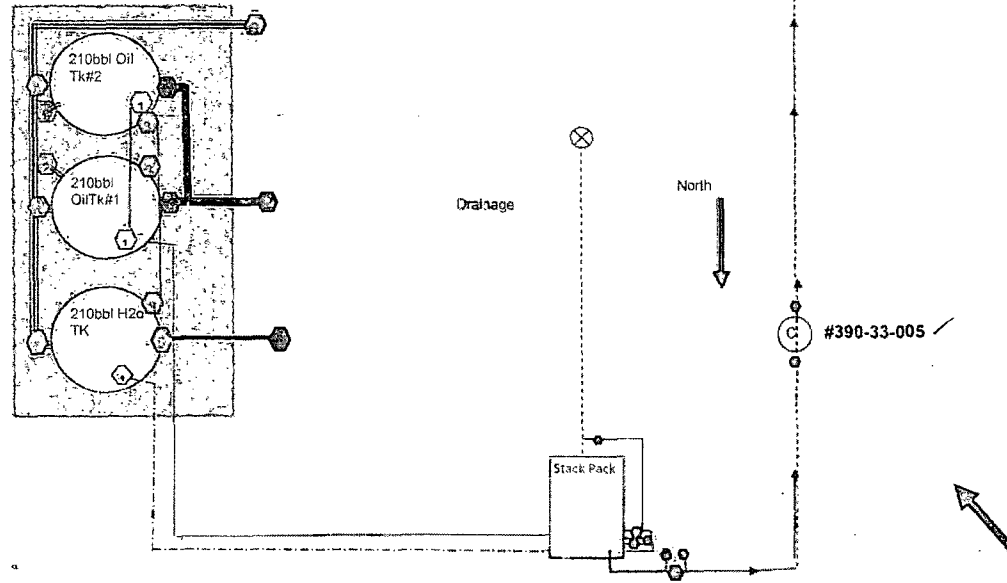
Wellhead:

Stak-pak:

Production line:

Water line:

Gas Meter



HOBBS OCD
 JUL 23 2013
 RECEIVED

EXHIBIT C-2

Bilberry 27A Federal #1 Sec: 27-T21S-R32E 1980' FNL & 1980' FWL LEA CO, NM API#30-025-31095	
Production System: <u>Open</u>	
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.	<input checked="" type="checkbox"/>
(2) Valve 3 sealed closed.	<input checked="" type="checkbox"/>
(3) Valve 4 sealed closed.	<input checked="" type="checkbox"/>
(4) Valve 5 sealed closed.	<input checked="" type="checkbox"/>
(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: <u>Production Line</u>	<input checked="" type="checkbox"/>
Valve #2: <u>Test or Roll line</u>	<input checked="" type="checkbox"/>
Valve #3: <u>Equalizer Line</u>	<input checked="" type="checkbox"/>
Valve #4: <u>Circ./Drain Line</u>	<input checked="" type="checkbox"/>
Valve #5: <u>Sles Line</u>	<input checked="" type="checkbox"/>
Valve #6: <u>BS&W Load Line</u>	<input checked="" type="checkbox"/>
Buried Lines:	
Firewall:	<input checked="" type="checkbox"/>
Wellhead:	<input checked="" type="checkbox"/>
Stak-pak:	<input checked="" type="checkbox"/>
Production line:	
Water line:	
Gas Meter	<input checked="" type="checkbox"/>

North

HOBS OGD
 JUL 23 2013
 RECEIVED

EXHIBIT C-3

Bilbrey 28 Federal #1 Sec. 28-T21S-R32E 1980' FWL & 660' FEL Lea Co., NM API# 30-025-30495 Lease#NM.58938	
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 Motor	

DCP CDP #76890-00
 Sec. 21-T21S-R32E

HOBS OCD
 JUL 23 2013
 RECEIVED



Devon Energy Production Company
333 W. Sheridan
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7970
Erin.Workman@devn.com

December 4, 2012

HOBBS OCD

JUL 23 2013

RECEIVED

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

**Re: Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage
Bilbrey 27 Federal 1, Bilbrey 27A Federal 1, & Bilbrey 28 Federal 1
Sec. 27-T21S-32E & Sec. 28-T21-32E
Lease NMNM-0630019, Lease NMNM-114819, & Lease NMNM-58938
API: 30-025-30980, 30-025-31095, & 30-025-30495
Pool: 96407 Bilbrey; Delaware, North
72124 Bilbrey; Morrow (Gas)**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103, C-107, and BLM Form 3160-5 Sundry Notice of Intent to a Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage for the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners are not uniform; parties have been notified via certified mail.

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



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.

Erin Workman		Regulatory Compliance Associate	12/03/12
Print or Type Name	Signature	Title	Date
		Erin.Workman@dvn.com	
		E-mail Address	

HOBBS OCD

JUL 23 2013

RECEIVED

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

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.

HOBBS OCD

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

JUL 23 2013

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. _____
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
72124 Bilbrey; Morrow (gas) Bilbrey 27 Fed #1	52.2/1102.2				
96407 Bilbrey; Delaware, North Bilbrey 27A Fed. #1	40.5/1639.3				
72124 Bilbrey; Morrow (gas) Bilbrey 28 Fed #1	48.4/1084.6				

- (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 ☒ Well 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 (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and B:

(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: Erin Workman TITLE: Regulatory Compliance Assoc. DATE: 11/28/12

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

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

RECEIVED

JUL 23 2013

4808 N. Michigan, Roswell, NM. 88202-8323 575-622-9874

Precision Gas Measurement, Inc.
Natural Gas Report

TR RECEIVED

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	BILBREY 27-1
Location ID	39033005
Sample Date	6/26/2012
Method Name	BTUC6+.met
Injection Date	2012-06-26 11:35:46
Report Date	2012-06-26 11:57:47

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	0.6913	0.0	0.0	0.00669	0.076
CARBON DIOXIDE	0.7461	0.0	0.0	0.01134	0.128
METHANE	91.0321	921.6	905.5	0.50423	15.469
ETHANE	4.7376	84.0	82.6	0.04919	1.270
PROPANE	1.3691	34.5	33.9	0.02084	0.378
I-BUTANE	0.2587	8.4	8.3	0.00519	0.085
N-BUTANE	0.3280	10.7	10.5	0.00658	0.104
I-PENTANE	0.1490	6.0	5.9	0.00371	0.055
N-PENTANE	0.1107	4.4	4.4	0.00276	0.040
C6+	0.5774	29.7	29.2	0.01858	0.251
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1099.4	1080.2	0.62910	17.855

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	84.5	
Flowing Pressure (psia)	102.1	
Water Mole%		1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1099.4	1080.2
Gross Heating Value (BTU / Real cu.ft.)	1102.2	1083.4
Relative Density (G), Real	0.6305	0.6306
Compressibility (Z) Factor	0.9974	0.9970
Total GPM	17.855	17.650
Wobbe Index	1388.2	1364.4

JUL 23 2013

4808 N. Michigan, Roswell, NM. 88202-8323 575-622-9874

Precision Gas Measurement, Inc.
Natural Gas Report

TR
RECEIVED

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	BILBREY 27 A 1
Location ID	39033021
Sample Date	6/26/2012
Method Name	BTUC6+.met
Injection Date	2012-06-26 11:00:30
Report Date	2012-06-26 11:09:21

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	2.0571	0.0	0.0	0.01990	0.228
CARBON DIOXIDE	0.0873	0.0	0.0	0.00133	0.015
METHANE	55.3235	560.1	550.3	0.30644	9.441
ETHANE	17.7759	315.3	309.8	0.18455	4.785
PROPANE	14.0993	355.6	349.4	0.21466	3.910
I-BUTANE	1.9619	63.9	62.8	0.03937	0.646
N-BUTANE	4.6690	152.7	150.0	0.09370	1.482
I-PENTANE	1.2345	49.5	48.6	0.03075	0.454
N-PENTANE	1.1085	44.5	43.8	0.02761	0.404
C6+	1.6830	86.5	85.0	0.05415	0.735
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1628.1	1599.8	0.97246	22.102

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	104.2	
Flowing Pressure (psia)	43.3	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1628.1	1599.8
Gross Heating Value (BTU / Real cu.ft.)	1639.3	1611.6
Relative Density (G), Real	0.9787	0.9731
Compressibility (Z) Factor	0.9932	0.9927
Total GPM	22.102	21.828
Wobbe Index	1657.0	1633.7

JUL 23 2013

4808 N. Michigan, Roswell, NM. 88202-8323 575-622-9874

Precision Gas Measurement, Inc.
Natural Gas Report

RECEIVED

TZ

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	BILBREY 28-1
Location ID	39033007
Sample Date	6/26/2012
Method Name	BTUC6+.met
Injection Date	2012-06-26 10:33:10
Report Date	2012-06-26 10:40:56

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	0.8275	0.0	0.0	0.00800	0.091
CARBON DIOXIDE	0.6321	0.0	0.0	0.00960	0.108
METHANE	92.4446	935.9	919.6	0.51205	15.707
ETHANE	3.8424	68.2	67.0	0.03989	1.030
PROPANE	1.0036	25.3	24.9	0.01528	0.277
I-BUTANE	0.2178	7.1	7.0	0.00437	0.071
N-BUTANE	0.2636	8.6	8.5	0.00529	0.083
I-PENTANE	0.1374	5.5	5.4	0.00342	0.050
N-PENTANE	0.0977	3.9	3.9	0.00243	0.035
C6+	0.5333	27.4	26.9	0.01716	0.232
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1081.9	1063.1	0.61751	17.686

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	113.7	
Flowing Pressure (psia)	90.7	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1081.9	1063.1
Gross Heating Value (BTU / Real cu.ft.)	1084.6	1066.1
Relative Density (G), Real	0.6188	0.6191
Compressibility (Z) Factor	0.9975	0.9972
Total GPM	17.686	17.484
Wobbe Index	1378.8	1354.9

OFF LEASE PRODUCTION - LEA COUNTY						
	06/01/12	07/01/12	08/01/12	09/01/12	10/01/12	11/01/12
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Bilbrey 27 Federal #001	30,010.52	30,681.24	30,468.89	29,131.79	27,607.77	27,341.62
Bilbrey 27A Federal #001	234.96	129.78	347.35	292.07	304.76	321.47
Bilbrey 28 Federal #001	1,231.53	1,073.39	1,015.55	919.13	928.92	162.92

HOBBS OCD
JUL 23 2013
RECEIVED

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

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. See Below
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, L.P.		6. State Oil & Gas Lease No.
3. Address of Operator 333 W. Sheridan, Oklahoma City, OK 73102 (405) 552-7970		7. Lease Name or Unit Agreement Name See Below
4. Well Location Unit Letter _____; _____ feet from the _____ line and _____ feet from the _____ line Section _____ See Below Township _____ Range _____ NMPM Lea Co., NM		8. Well Number See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3681' GL		9. OGRID Number 6137
		10. Pool name or Wildcat See Below

HOBS OCD
JUL 23 2013
RECEIVED

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 ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER:

☒ Pool/Lease Commingle; Off Lease Measurement Sales, & Storage

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Company, LP respectfully requests a Pool/Lease Commingle, Off Lease Measurement Sales, & Storage for the following wells:

Well	S/T/R	API	POOL	LEASE #
Bilbrey 27 Federal 1	Sec. 27- T21S-R32E	30-025-30980	72124 Bilbrey; Morrow (Gas)	NM 063019
Bilbrey 27A Federal 1	Sec. 27- T21S-R32E	30-025-31095	96407 Bilbrey; Delaware, North	NM 114819
Bilbrey 28 Federal 1	Sec. 28 -T21S-R32E	30-025-30495	72124 Bilbrey; Morrow (Gas)	NM 058938

The gas production from all three wells will commingle at the Bilbrey 28 Federal #1 location in Sec. 28-T21S-32E and will then flow to the DCP CDP Gas Sales Meter #76890-00 which is located SWSE of Sec. 21-T21S-32E in Lea County, NM. (See attached facility diagrams and Exhibit B for proposed flow line). Each well has its own tank battery and check meter on location and is the only well utilizing the tank battery at this time. ROW will or has been obtained.

The working, royalty, and overriding interest owners in the leases 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: 12/03/12

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

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____



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

405 552 7970 Phone
Erin.Workman@dvn.com

HOBBS OCD

JUL 23 2013

RECEIVED

December 3, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Pool/Lease Commingle, Off Lease Gas Measurement, Sales, & Storage
Bilbrey 27 Federal 1, Bilbrey 27A Federal 1, & Bilbrey 28 Federal 1
Sec. 27-T21S-32E & Sec. 28-T21-32E
Lease NMNM-22810, Lease NMNM-063019, & Lease NMNM-58938
API: 30-025-30980, 30-025-31095, & 30-025-30495
Pool: 96407 Bilbrey; Delaware, North
72124 Bilbrey; Morrow (Gas)

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOC") seeking approval to permit a Pool/Lease Commingle, off-lease measurement sales, & storage of production from the aforementioned leases and pools.

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

CERTIFIED MAILING LISTWell Name: **Bilbrey 27-1, 27A - 1, & 28-1****HOBBS OCD****JUL 23 2013****RECEIVED**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Penroc Oil Corporation M Y Merchant President P.O. Box 2769 Hobbs, NM 88241-2769	7010 1060 0000 0920 4909
ONRR ROYALTY MANAGEMENT PROGRAM PO BOX 25627 DEVNER CO 80225-0627	7010 1060 0000 0920 4916
OXY USA INC ATTN: JOINT INT. - DONNIE C. HALL PO BOX 27570 HOUSTON, TX 77227-7570	7010 1060 0000 0920 4923
LES R. HONEYMAN 206 SKYWOOD CIRCLE MIDLAND, TX 79705-2914	7010 1060 0000 0920 4930
KAY W. BECK 2816 WEST 67TH STREET MISSION HILLS, KS 66208	7010 1060 0000 0920 4947
BRUCE G. BUMGARNER 7320 N. ROSE LANE SCOTTSDALE, AZ 85250	7010 1060 0000 0920 4954
ANNE M. WADDILL 7307 EAST ROCKWOOD WICHITA, KS 67206	7010 1060 000 0920 4961

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

Bilbrey 27 Federal #1, Bilbrey 27 A Federal #1 and Bilbrey 28 Federal #1
3002530980, 3002531095 and 3002530495
NM63019, NM114819 and NM58938
Devon Energy Production Co.
May 28, 2013

HOBBS OCD

JUL 23 2013

**Condition of Approval
Commingle on and off lease**

RECEIVED

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 and/or check meters 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. **If any wells are added to Lease NM63019 or NM58938. If a well which is presently on one of these leases is recompleted into another zone this approval will no-longer be valid until it has been reevaluated and the royalty rate is determined to still fall under the same 12.5% in which this approval is being approved.**

The public's interest in all 3 leases has been found to be at 12.5%. This is due to Lease NM63019 and NM58938 which are under a Schedule B royalty rate never producing at a rate higher than 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.