

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
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.

Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached

8. Well Name and No.
Multiple--See Attached

9. API Well No.
Multiple--See Attached

10. Field and Pool, or Exploratory
Multiple--See Attached

11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION CO LP

Contact: ERIN WORKMAN

Email: Erin.workman@devon.com

3a. Address

333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-7970

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

Multiple--See Attached

FEB 29 2016

HOBBS OCD

RECEIVED

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 approval for a Central Tank Battery, Pool Commingle for the following wells:

Ichabod 7 Fed 1H
Sec. 7, SESE, T26S, R34E

30-025-40043

97892 WC-025 G-06 S263407P: Upper; Bone Spring
NNNM144990

Ichabod 7 Fed 4H
Sec. 7, SESE, T26S, R34E

30-025-40574

30-025-40383

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

Electronic Submission #293380 verified by the BLM Well Information System

For DEVON ENERGY PRODUCTION CO LP, sent to the Hobbs

Committed to AFMSS for processing by LINDA JIMENEZ on 05/04/2015 (15LJ1109SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE ANALYST

Signature (Electronic Submission)

Date 02/27/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK

Title TECHNICAL LPET

Date 02/23/2016

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 **

MAR 02 2016

OK

Additional data for EC transaction #293380 that would not fit on the form

5. Lease Serial No., continued

NMNM114990
NMNM114991

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM114990	NMNM114990	ICHABOD 7 FED 1H	30-025-40043-00-S1	Sec 7 T26S R34E SESE 195FSL 330FEL ✓
NMNM114990	NMNM114990	ICHABOD 7 FEDERAL 4H	30-025-40574-00-S1	Sec 7 T26S R34E SESE 108FSL 455FEL ✓
NMNM114991	NMNM114991	GREEN WAVE 20 FEDERAL 1H	30-025-40383-00-S1	Sec 20 T26S R34E SWSW 330FSL 330FWL ✓

10. Field and Pool, continued

WC-025 G09 S263504N

32. Additional remarks, continued

7310 Bradley, Delaware
NMNM144990

Green Wave 20 Fed 1H
Sec. 20, SWSW, T26S, R34E
30-025-40383
7310 Bradley, Delaware
NMNM144991

Verbal approval was given by Duncan Whitlock

The central tank battery is located on the shared pad of the Ichabod 7 Fed 1H & 4H in Sec. 7, SESE, T26S, R34E, Lea County, New Mexico. The Ichabod 7 Fed 1H & 4H production will flow through a production header with isolation lines to route each wells production. From this point one well will be on test and its production routed through the test equipment. The Green Wave 20 Fed 1H will utilize a test separator/heater treater at the Green Wave 20 Fed 1H. Tank gauge method utilized for both batteries. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Ichabod 7 Fed 1H will have three oil tanks that the Ichabod 7 Fed 1H & 4H will utilize and the Green Wave 20 Fed 1H will have three tanks at its location in Sec. 20, T26S, R34E that it will utilize and all three wells will have a common Regency CDP #57363 located northwest of the Ichabod 7 Fed 1H battery in Sec. 7, T26S R34E. The oil, gas, and water volumes from the Ichabod wells producing to the Ichabod 7 Fed 1H battery will be determined by utilizing a test separator/heater treater at the proposed facility. The oil, gas, and water volumes from the Green Wave well producing to the Green Wave battery will be determined by utilizing a test separator/heater treater at that facility.

Row has or will be sent in for approval.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Thank You

APPLICATION FOR A CENTRAL TANK BATTERY, POOL COMMINGLE**HOBBS OCD**

FEB 29 2016

RECEIVED**Proposal for Ichabod 7 Fed 1H & 4H and the Green Wave 20 Fed 1H:**

Devon Energy Production Company, LP is requesting approval for a Central Tank Battery, Pool Commingle for the following wells:

Federal Lease NMNM114991 (12.5%)

Well Name	Location	API #	Pool 7310	BOPD	OG	MCFPD	BTU
Green Wave 20 Fed 1H	Sec. 20, SWSW, T26S, R34E	30-025-40383	Bradley, Delaware	15	43.7*	28	1283.2

Federal Lease NMNM114990 (12.5%)

Well Name	Location	API #	Pool 7310	BOPD	OG	MCFPD	BTU
Ichabod 7 Fed 4H	Sec. 7, SESE, T26S, R34E	30-025-40574	Bradley, Delaware	20	43.7	36	1256.7

Federal Lease NMNM114990 (12.5%)

Well Name	Location	API #	Pool 97892	BOPD	OG	MCFPD	BTU
Ichabod 7 Fed 1H	Sec. 7, SESE, T26S, R34E	30-025-40043	WC-025 G-06 S263407P: Upper; Bone Spring	17	42.1	73	1101.2

*Proposed number, oil gravity will be provided upon receipt.

Attached is a map that displays the federal leases and well locations in Sections 7 & 20, T26S, R34E

The BLM's interest in all three wells is 12.5%

Oil & Gas metering:

The central tank battery is located on the shared pad of the Ichabod 7 Fed 1H & 4H in Sec. 7, SESE, T26S, R34E, Lea County, New Mexico. The Ichabod 7 Fed 1H & 4H production will flow through a production header with isolation lines to route each wells production. From this point one well will be on test and its production routed through the test equipment. The Green Wave 20 Fed 1H will utilize a production separator/heater treater at the Green Wave 20 Fed 1H. Oil will be sold by Tank gauge method and utilized for both batteries.

The Ichabod 7 Fed 1H & 4H will have three oil tanks that the Ichabod 7 Fed 1H & 4H will utilize. The Green Wave 20 Fed 1H will have three tanks at its location in Sec. 20, T26S, R34E that it will utilize and all three wells will have a common Regency CDP #57363 located northwest of the Ichabod 7 Fed 1H & 4H battery in SESE in Sec. 7, T26S R34E. The oil, gas, and water volumes from the Ichabod wells producing to the Ichabod 7 Fed 1H & 4H battery will be determined by utilizing a test separator/heater treater at the proposed facility. The oil, gas, and water volumes from the Green Wave well producing to the Green Wave battery will be determined by utilizing a test separator/heater treater at that facility. Both wells will utilize production equipment except during well test method, which will be conducted twice a month for a minimum of 24 hours.

The well which is on test production from the Ichabod 7 Fed 1H & 4H will flow into a two phase separator, where after separation gas combines with gas from the test FWKO and H.T. side, and is then routed to the gas test meter # 390-49-183, into the check meter #390-12-137, and to the Regency CDP #57363 located northwest of the Ichabod 7 Fed 1H & 4H battery in SESE in Sec. 7, T26S R34E. After exiting the two phase separator, the produced water and oil then flows into the FWKO, where after separation the oil flows into the horizontal heater, then into one of the 500 bbl. oil tanks where the tank gauge method is utilized to measure and allocate the test oil. The water flows into from the FWKO, then through the turbine meter, and then combines with the water from the horizontal heater, and flows into one of the 500 bbl. produced water tanks, along with the water from the other well.

The Green Wave 17 Fed 1H well will flow into its own two phase separator, where after separation gas is routed to the gas allocation meter #390-12-173, then flows to the Ichabod 7 Fed 1H & 4H battery and commingles with the gas which flows to the Regency CDP #57363 located northwest of the Ichabod 7 Fed 1H & 4H battery in SESE in Sec. 7, T26S R34E. After separation, the produced water and oil flow into the FWKO, then to the heater\treater, and into an oil production tank. The oil is then measured utilizing the tank gauge method. The water then flows to the 500 bbl. produced water tank.

Oil production will be allocated on a daily basis based on the tank gauging method for each well. The Ichabod 7 Fed 1H & 4H gas will be measured and allocated by gas meter #390-12-137 and the Green Wave 17 Fed 1H production from the Gas allocation meter #390-12-173 will commingle and flow through Regency's CDP #57363 in SESE in Sec. 7, T26S R34E. Gas production

from all three wells will be allocated on a daily basis using the gas allocation meters. 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 the enclosed Process Flow Diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: _____
Printed Name: Erin Workman
Title: Regulatory Compliance Professional
Date: 02.27.15

ATTACHED 8029

basis using the gas allocation meters. 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 the enclosed Process Flow Diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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.

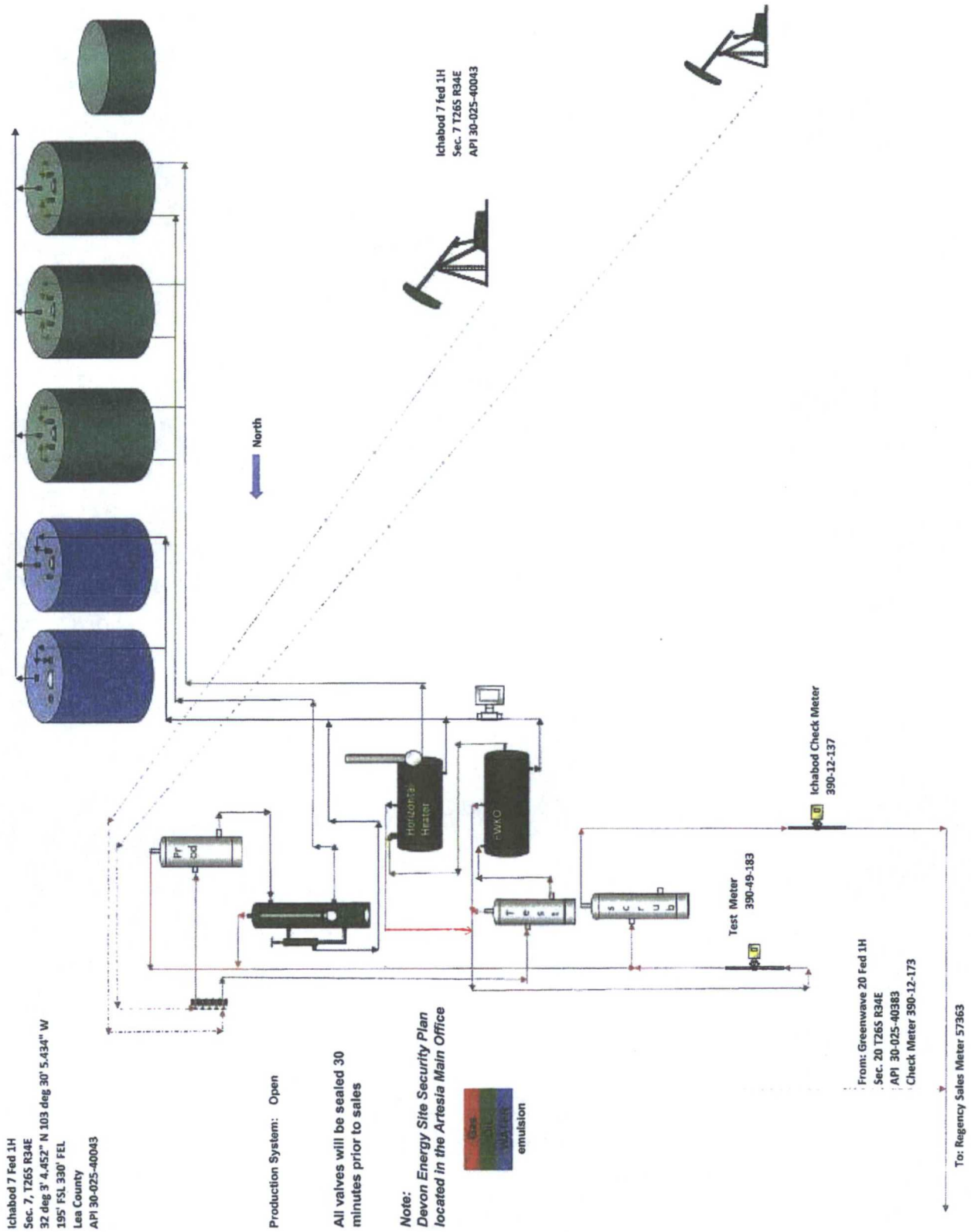
Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: *Erin Workman*
Printed Name: Erin Workman
Title: Regulatory Compliance Professional
Date: 02.27.15

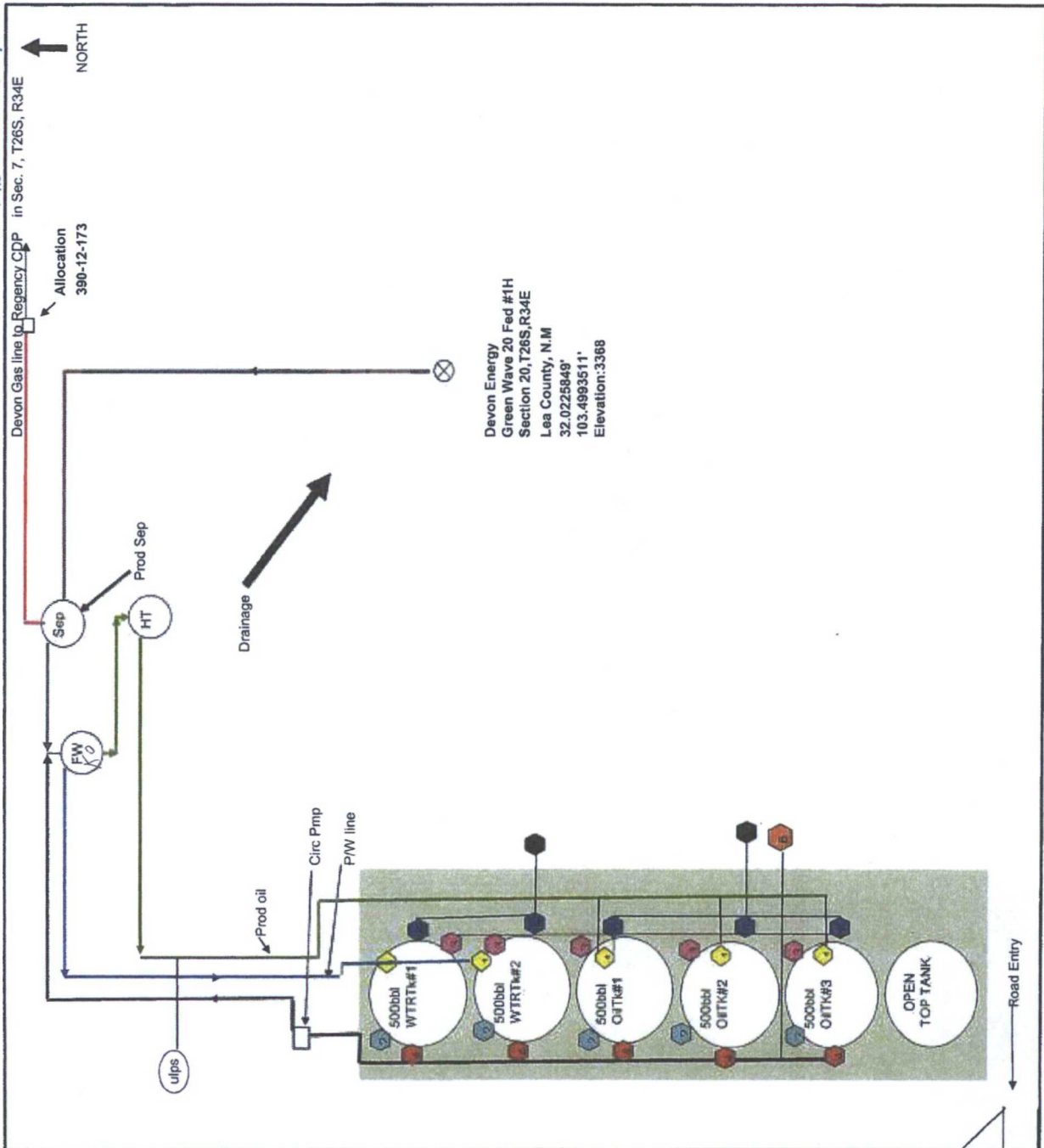
HOBBS OCD

FEB 29 2016

RECEIVED



AT THE ICHABOD 7 Fed 1444H BATTERY



Devon Energy
Green Wave 20 Fed #1H
Section 20, T26S, R34E
Lea County, N.M
32.0225949°
103.4993511°
Elevation: 3368

Green Wave 20 Fed #1H Section 20, T26S, R34E 330° FSL & 330° FWL Lea County, N.M API# 30-025-40383 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.	1
(2) Valve 3 sealed closed.	3
(3) Valve 4 sealed closed.	4
(4) Valve 5 sealed closed.	5
(5) Misc. Valves: Plugged or otherwise inaccessible.	
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>	1
Valve #2: <u>Test or Roll line</u>	2
Valve #3: <u>Equalizer Line</u>	3
Valve #4: <u>Circ./Drain Line</u>	4
Valve #5: <u>Sles Line</u>	5
Valve #6: <u>BS&W Load Line</u>	6
Buried Lines:	
Firewall:	
Wellhead:	
Stak-pak:	
Production line:	
Water line:	
Gas Meter	A M C





NMNM 112279

NMNM 110839

NMNM 094114

NMNM 113898

NMNM 092200

NMNM 113898

NMNM 119278

NMNM 119277

NMNM 114988

NMNM 114990

NMNM 124664

NMNM 110840

NMNM 066927

NMNM 0359292

NMNM 0002965A

NMNM 122621

NMNM 0002965A

NMNM 0002965A

NMNM 0002965A

NMNM 122622

NMNM 122622

NMNM 0002965A

NMNM 122626

NMNM 114991

NMNM 112941

NMNM 100569

NMNM 100568

NMNM 065

NMNM 121490

NMNM 110840

NMNM 110840

NMNM 094118

NMNM 113421

NMNM 066927

NMNM 100

NMNM 113

NMNM 113898

036

002

003

004

005

006

001

002

000

011

010

009

008

007

012

011

010

014

015

016

017

018

013

014

015

023

022

021

020

019

014

023

022

026

027

028

029

030

025

016

021

035

034

033

032

031

036

035

034

036



**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 01:53 PM

Page 1 of 2

Run Date: 01/15/2015

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres
1,241.600

Serial Number
NMNM-- - 114990

Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

HOBBS OCD
FEB 29 2016

RECEIVED

Serial Number: NMNM-- - 114990

Name & Address			Int Rel	% Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	50.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	50.000000000

Serial Number: NMNM-- - 114990

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0260S	0340E	003	ALIQ	NENE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0260S	0340E	006	ALIQ	S2NE,E2W2,SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0260S	0340E	006	LOTS	1-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0260S	0340E	007	ALIQ	E2,E2W2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0260S	0340E	007	LOTS	1-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 114990

Act Date	Code	Action	Action Remark	Pending Office
10/04/2005	299	PROTEST FILED	Forest Guardians	
10/18/2005	387	CASE ESTABLISHED	200510053;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$2484.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$341550.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$339066.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
07/13/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
08/30/2006	139	ASGN APPROVED	EFF 08/01/06;	
08/30/2006	974	AUTOMATED RECORD VERIF	ANN	
01/17/2007	140	ASGN FILED	CHESAPEAK/DEVON ENE;1	
02/26/2007	139	ASGN APPROVED	EFF 02/01/07;	
02/26/2007	974	AUTOMATED RECORD VERIF	JLV	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED		
07/10/2012	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
08/24/2012	139	ASGN APPROVED	EFF 08/01/06; CORRECT	
08/24/2012	974	AUTOMATED RECORD VERIF	JS	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/10/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/10/2013	974	AUTOMATED RECORD VERIF	ANN	
11/30/2015	763	EXPIRES		

Serial Number: NMNM-- - 114990

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 06:05 AM

Page 1 of 2

Run Date: 01/16/2015

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres
1,880.000

Serial Number
NMNM-- - 114991

Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 114991

Name & Address			Int Rel	% Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327	LESSEE	50.000000000
DEVON ENERGY CORP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	50.000000000

Serial Number: NMNM-- - 114991

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0260S	0340E	017	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0260S	0340E	020	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0260S	0340E	029	ALIQ	SENE,W2E2,W2,E2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 114991

Act Date	Code	Action	Action Remark	Pending Office
10/04/2005	299	PROTEST FILED	Forest Guardians	
10/18/2005	387	CASE ESTABLISHED	200510054;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$3760.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$470000.00;	
10/31/2005	143	BONUS BID PAYMENT RECD	\$466240.00;	
11/18/2005	298	PROTEST DISMISSED		
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	GSB	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RLTY RATE - 12 1/2%		
12/01/2005	868	EFFECTIVE DATE		
02/21/2006	963	CASE MICROFILMED		
07/13/2006	140	ASGN FILED	CHALFANT/CHESAPEAK;1	
08/30/2006	139	ASGN APPROVED	EFF 08/01/06;	
08/30/2006	974	AUTOMATED RECORD VERIF	ANN	
01/17/2007	140	ASGN FILED	CHESAPEAK/DEVON ENE;1	
02/26/2007	139	ASGN APPROVED	EFF 02/01/07;	
02/26/2007	974	AUTOMATED RECORD VERIF	JLV	
06/12/2012	643	PRODUCTION DETERMINATION	/1/GREEN WAVE 17 FED;	
06/12/2012	650	HELD BY PROD - ACTUAL	/1/GREEN WAVE 17 FED;	
06/12/2012	658	MEMO OF 1ST PROD-ACTUAL	/1/GREEN WAVE 17 FED;	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/10/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/10/2013	974	AUTOMATED RECORD VERIF	ANN	
04/23/2013	932	TRF OPER RGTS FILED	CHEVRON U/DEVON ENE;1	
07/02/2013	933	TRF OPER RGTS APPROVED	EFF 05/01/13;	
07/02/2013	974	AUTOMATED RECORD VERIF	EMR	

Serial Number: NMNM-- - 114991

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE LEASE NOTICE
0004	02/26/07 - RENTAL PAID 12/2006

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 7310

405 235 3611 Phone
www.devonenergy.com

February 27, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

HOBBS OCD

FEB 29 2016

RECEIVED

Interest Owners

Re: Request for Central Tank Battery, Pool Commingle
Ichabod 7 Fed 1H & 4H and Green Wave 20 Fed 1H
Sec 7, T26S, R34E & Sec. 20, T26S, R34E
API #30-025-40043, #30-025-40574, & 30-025-40383
Pool 97892 WC-025 G-06 S263407P: Upper; Bone Spring & 7310 Bradley, Delaware
Lease Numbers: NMNM14990 & NMNM14991
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 a Central Tank Battery, Pool Commingle of production from the following 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 Professional

Enclosure

E-CERTIFIED MAILING LIST

Commingle Mailing Reference: **Ichabod 7 Fed 1H Battery**

Repondent Name/Address:

E-Certified Mailing Number:

Chevron North America Exploration & Pro. Co.
1400 Smith Street, Room 43198
Houston, TX 77002

91 7199 9991 7030 9086 3813

BLM
620 E. Green Street
Carlsbad, NM 88220-6292

91 7199 9991 7030 9086 3820

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 29 2016

RECEIVED

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
 Print or Type Name

Signature

Regulatory Compliance Prof
 Title

02.25.15
 Date

Erin.Workman@dmv.com
 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

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.

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.
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
Wildcat, Bone Spring - Ichabod 7 Fed 1H	42.1			
Bradley, Delaware - Ichabod 7 Fed 4H & Green Wave 20 Fed 1H	43.7			

- (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 & Tank Gauging
(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 (Tank Gauging)

(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 Professional DATE: 02.27.15

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

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

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

HOBBS OCD

FEB 29 2016

RECEIVED

**Ichabod 7 Fed 1H, Ichabod 7 Fed 4H and Green Wave 20 Fed 1H
3002540043, 3002540574, 3002540383
Leases: NM114990, NM114991**

**Devon Energy Production Co.
February 22, 2016**

Condition of Approval

Pool Commingling of lease production on the Ichabod 7 Fed 1H & 4H, (Delaware and Bone Springs), Commingling of gas from the Ichabod 7 Fed 1H & 4H with the Green Wave 20 Fed 1H. Off lease sales of gas for the Green Wave 20 Fed 1H at the Ichabod 7 Fed 1H & 4H battery.

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. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. 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.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.