

DATE IN 9.2.11	SUSPENSE 9/23/11	ENGINEER WVT	LOGGED IN 9.2.11	TYPE DHC 4470	PTG-W APP NO. 1124541937
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



KELLER 4 STATE
CO: Devon Energy Prod.
Co. 6137

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-36643

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]

RECEIVED OGD
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- [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.

Print or Type Name	Signature	Title	Date
SPENCE LAIRD		REGULATORY ANALYST	8/3/11
e-mail Address			

District I
1625 N. Franch Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Devon Energy Production Company, LP 20 N. Broadway, Oklahoma City, OK 73102
Operator Address
NM-101610 Keller 4 State 1 Unit K of Sec 4 T23S R35E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 6137 Property Code 29408 API No. 30-025-36643 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE WILDCAT Delaware OIL	INTERMEDIATE-ZONE UNITS SOUTH ROCK Bone Spring OIL	LOWER ZONE LAKE
Pool Name			
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8584' - 8722' Perforated	9938' - 9952' Perforated	
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	Old Zone (reopening)	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 7/28/2010 Rates: 4 bod 10 mcf 32 bwd	Date: 9/6/2007 Rates: 3 bod 30 mcf 15 bwd	
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Allocation % at a later date	Oil Gas Allocation % at a later date	Oil Gas %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes No
Will commingling decrease the value of production? Yes No
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No
NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Spence Laird TITLE Regulatory Analyst DATE 8/8/2011
TYPE OR PRINT NAME Spence Laird TELEPHONE NO. (405) 228-8973
E-MAIL ADDRESS spence.laird@dvn.com

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87605

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088.

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36643	Pool Code	Pool Name BONE SPRING
Property Code	Property Name KELLER "4" STATE	Well Number 1
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3541'

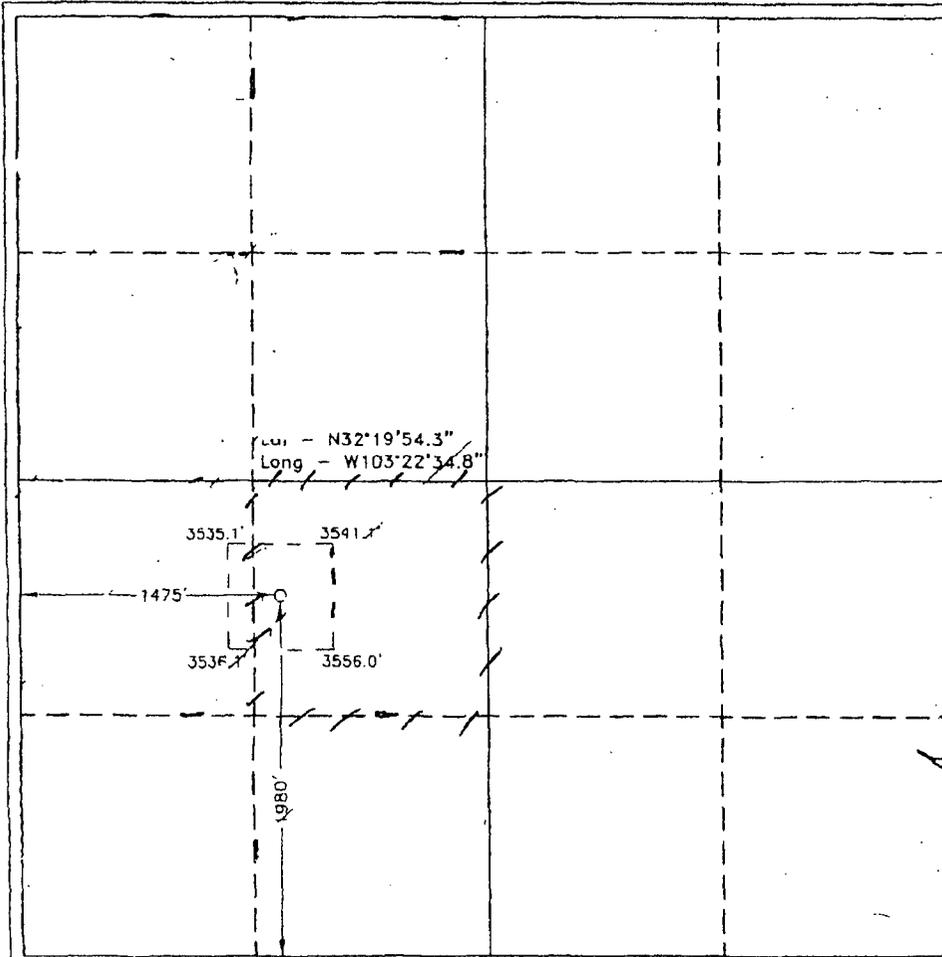
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	4	23 S	35 E		1980	SOUTH	1475	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
<table border="1"> <tr> <td>Dedicated Acres 40</td> <td>Joint or Infill</td> <td>Consolidation Code</td> <td>Order No.</td> </tr> </table>										Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.										

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Spence Laird
Signature
SPENCE LAIRD
Printed Name
REGULATORY ANALYST
Title
8/3/11
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

FEBRUARY 3, 2005
Date Surveyed
GARY L. JONES
Signature & Seal of
Professional Surveyor
W.O. No. 5077
Certificate No. Gary L. Jones 7977
BASIN SURVEYS

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87605

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36643	Pool Code 97663	Pool Name Wildcat Delaware
Property Code 29408	Property Name KELLER "4" STATE	Well Number 1
OCRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3541'

Surface Location

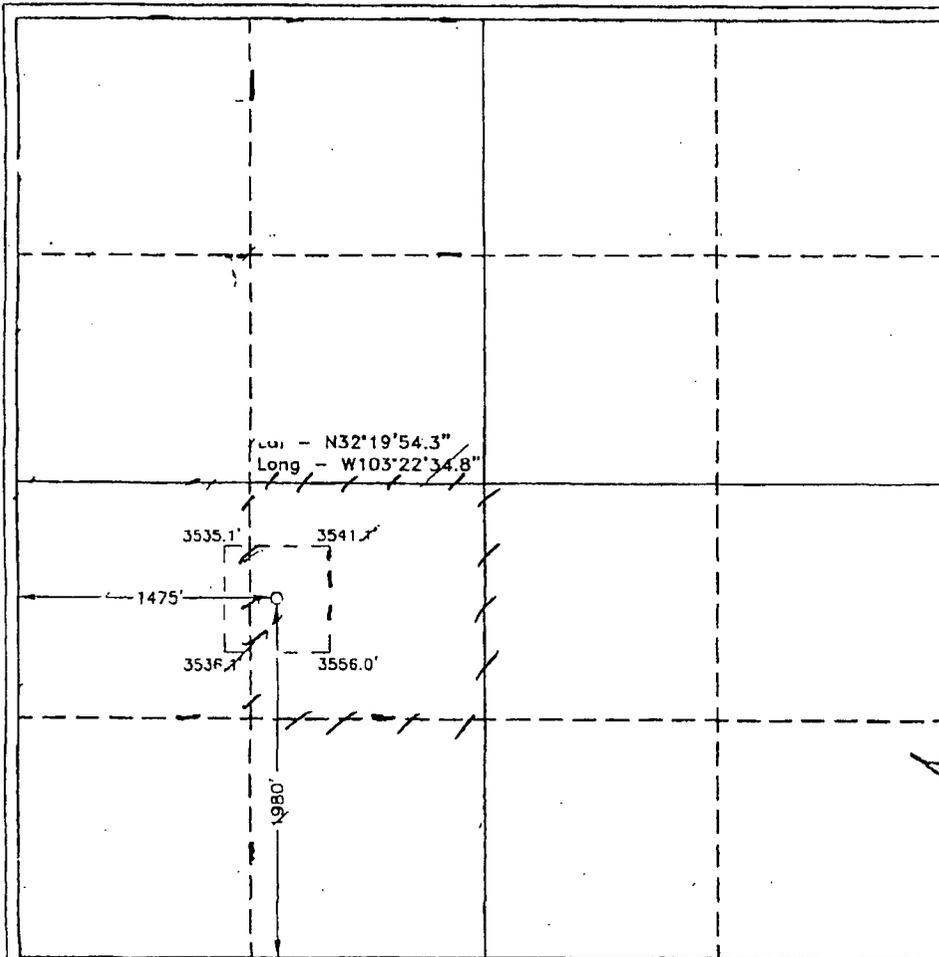
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	4	23 S	35 E		1980	SOUTH	1475	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSL-5670-A
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Norvella Adams
Signature
Norvella Adams
Printed Name
Sr Staff Eng. Tech.
Title
July 27, 2007
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

FEBRUARY 3, 2005
Date Surveyed
Signature & Seal of
Professional Surveyor
GARY L. JONES
Professional Surveyor
W.O. No. 507
Certification No. Gary L. Jones 7977
BASIN SURVEYS



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

August 25, 2011

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Downhole Commingling
Keller 4 State #1
NWSW Section 4-T23S-R35E
Lea County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. regarding the ownership of the referenced well and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to downhole commingle the following pools/intervals:

Wildcat Delaware - Pool Code: 97663
Rock Lake Bone Spring South - Pool Code: 52769

If there are any questions or if additional information is required feel free to call me at (405) 552-8040.

Yours very truly,

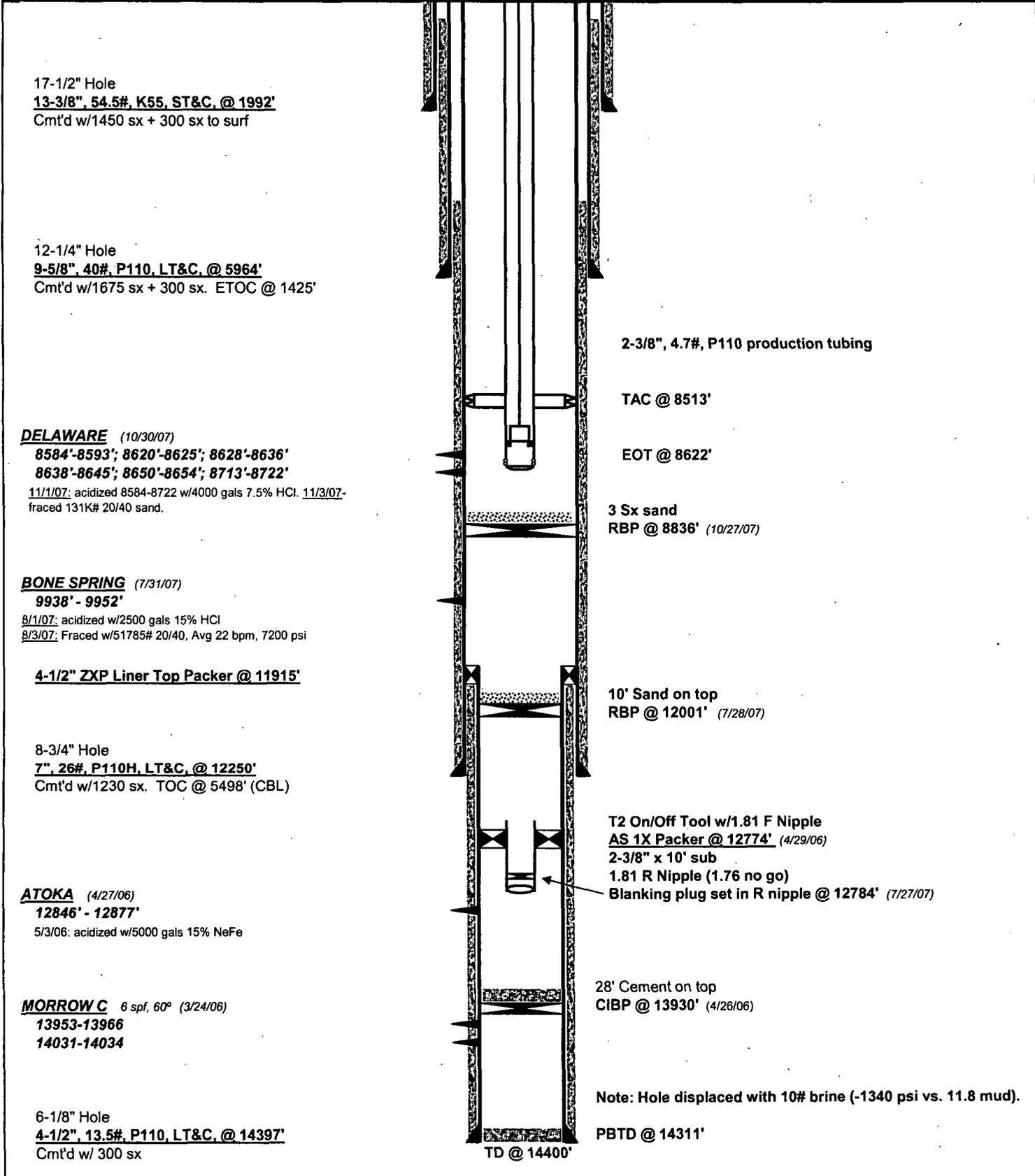
DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in cursive script that reads "Katie A. McDonnell".

Katie A. McDonnell
Landman

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: KELLER 4 STATE #1		Field: GAUCHO AREA UNASSIGNED	
Location: 1980' FSL & 1475' FWL; SEC 4-23S-35E		County: LEA	State: NM
Elevation: 3564' KB; 3541' GL		Spud Date: 12/25/05	Compl Date: Date
API#: 30-025-36643	Prepared by: Ronnie Slack	Date: 11/14/07	Rev:



17-1/2" Hole
13-3/8", 54.5#, K55, ST&C, @ 1992'
 Cmt'd w/1450 sx + 300 sx to surf

12-1/4" Hole
9-5/8", 40#, P110, LT&C, @ 5964'
 Cmt'd w/1675 sx + 300 sx. ETOC @ 1425'

DELAWARE (10/30/07)
8584'-8593'; 8620'-8625'; 8628'-8636'
8638'-8645'; 8650'-8654'; 8713'-8722'
 11/1/07: acidized 8584-8722 w/4000 gals 7.5% HCl. 11/3/07-
 fraced 131K# 20/40 sand.

BONE SPRING (7/31/07)
9938' - 9952'
 8/1/07: acidized w/2500 gals 15% HCl
 8/3/07: Fraced w/51785# 20/40, Avg 22 bpm, 7200 psi

4-1/2" ZXP Liner Top Packer @ 11915'

8-3/4" Hole
7", 26#, P110H, LT&C, @ 12250'
 Cmt'd w/1230 sx. TOC @ 5498' (CBL)

ATOKA (4/27/06)
12846' - 12877'
 5/3/06: acidized w/5000 gals 15% NaFe

MORROW C 6 spf, 60° (3/24/06)
13953-13966
14031-14034

6-1/8" Hole
4-1/2", 13.5#, P110, LT&C, @ 14397'
 Cmt'd w/ 300 sx

2-3/8", 4.7#, P110 production tubing

TAC @ 8513'

EOT @ 8622'

3 Sx sand
 RBP @ 8836' (10/27/07)

10' Sand on top
 RBP @ 12001' (7/28/07)

T2 On/Off Tool w/1.81 F Nipple
AS 1X Packer @ 12774' (4/29/06)
 2-3/8" x 10' sub
 1.81 R Nipple (1.76 no go)
 Blanking plug set in R nipple @ 12784' (7/27/07)

28' Cement on top
 CIBP @ 13930' (4/26/06)

Note: Hole displaced with 10# brine (-1340 psi vs. 11.8 mud).

PBTD @ 14311'

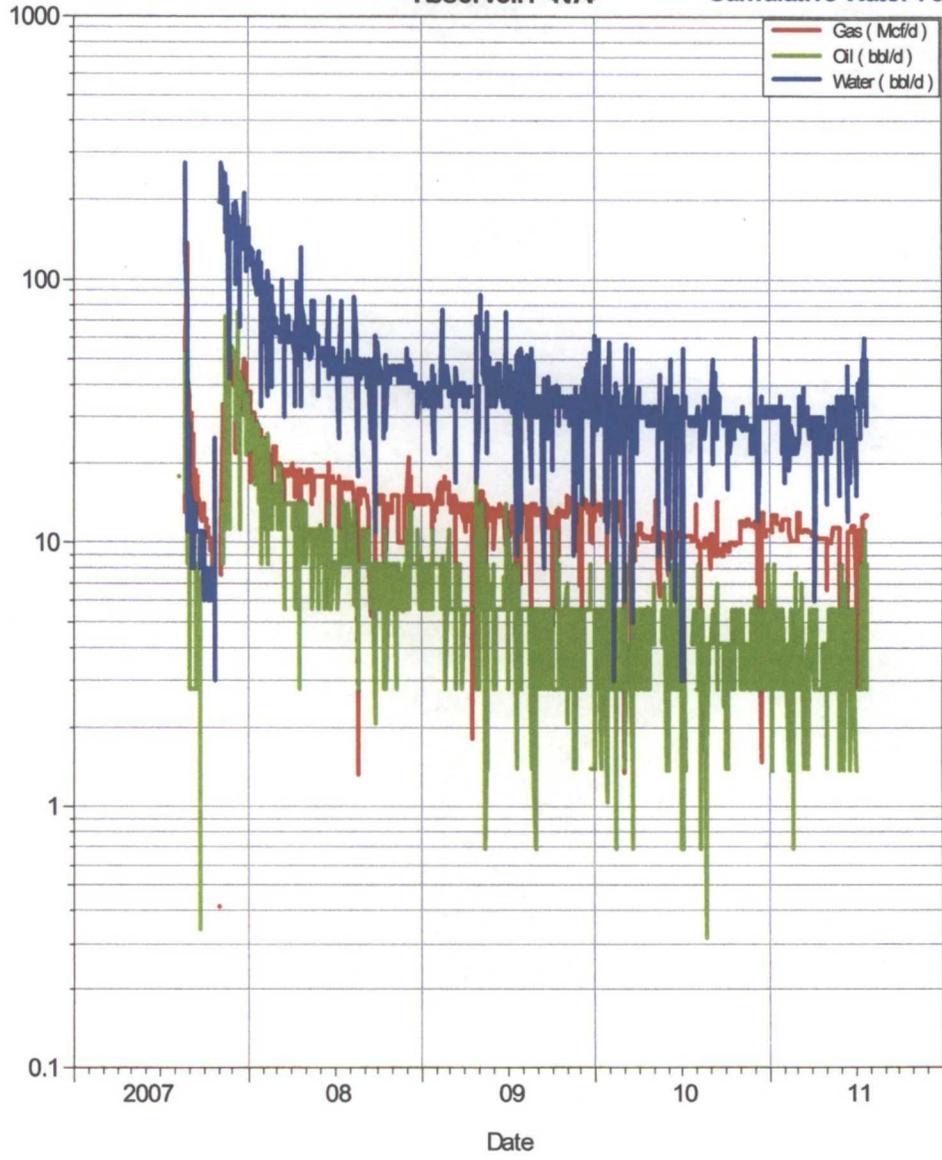
TD @ 14400'

Keller 4 St #1

Status: PRODUCING
Prod Method: ROD PUMP
Reservoir: <NA>

KELLER 4 STATE 1 (DELAWARE)

Cumulative Gas : 19.70 MMcf
Cumulative Oil : 10.79 Mbbl
Cumulative Water : 60.56 Mbbl



Well's current 30 day avg in the Delaware is 4 BO, 10 MCF, & 32 BW

Delaware perms: 8584-8722

Keller 4 State 1 - Bone Spring test numbers

Pmp test to battery

8-22-07 tst, 15-0-182

8-23-07, 19-13-274

8-24-07, 53-54-170

8-25-07, 45-58-179

8-26-07, 47-115-72

8-27-07, 53-136-28

8-28-07, 42-72-63

8-29-07, 8-50-11

8-30-07, 14-43-30

8-31-07, 6-32-28, well was pumped off, 100' cover over pump

9-1-07, 3-31-14

9-2-07, 3-31-17

9-3-07, 3-29-14

9-4-07, 3-29-14

9-5-07, 3-31-8

9-6-07, 3-26-14, shot fluid level, pumped dn, level at seat nipple. Final report

Average for the Bone Spring would be 3 BO, 30 MCF, & 15 BW

Bone Spring perms: 9938 - 9952

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State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

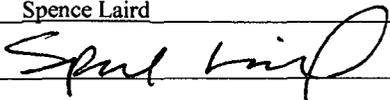
1.
Operator: Devon Energy Production Co., LP OGRID #: 6137
Address: 20 North Broadway OKC, OK 73102-8260
Facility or well name: Keller 4 State #1
API Number: 30-025-36643 OCD Permit Number: _____
U/L or Qtr/Qtr NESW Section 4 Township 23S Range 35E County: Lea County, NM
Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.3.103 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CRI Disposal Facility Permit Number: R9166
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Spence Laird Title: Regulatory Analyst
Signature:  Date: 8/3/2011
e-mail address: Spence.Laird@dvn.com Telephone: (405)-228-8973

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations:

Site Reclamation (Photo Documentation)

Soil Backfilling and Cover Installation

Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____



Commitment Runs Deep



Design Plan
Operation & Maintenance Plan
Closure Plan
Workover Operations

SENM
July 2008

I. Design Plan

Above ground steel tanks will be used for the management of all workover fluids.

II. Operations and Maintenance Plan

Devon will operate and maintain all of the above ground steel tanks involved in workover operations in a prudent manner to prevent any spills. If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. During an upset condition the source of the spill is isolated and addressed as soon as it is discovered. Free liquids will be removed and loose topsoil will be used to stabilize the spill. The contaminated soil will be either bio-remediated or excavated and taken to an agency approved disposal facility.

III. Closure Plan

All workover fluids will go to above ground steel tanks and will be hauled by various trucking companies to an agency approved disposal facility.

Impacted areas which will not be used for future service or operations will be reclaimed and reseeded as stated in the APD.