

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 \_\_\_\_\_

- LTB 763  
 - Devon Energy Production Company, LP  
 6137 well  
 - Beehive # 4H  
 30-015-39232  
 - Beta L Geuse Fedem # 7H  
 30-015-42032  
 - Beta L Geuse Fedem # 8H  
 30-015-41902  
 - Beehive # 3H  
 30-015-39231  
 P001  
 - Hackberry Bone Springs, NMLD  
 30-015-7022

- [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 Professional 07.31.15  
 Print or Type Name Signature Title Date

Erin.Workman@dvn.com  
 E-mail Address



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010

405 552-7970 Phone  
Erin.workman@dvn.com

July 31, 2015

RECEIVED OCD

2015 AUG -5 P 1: 25

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

**Re: Lease Commingle**  
**Beetle Juice 19 Fed 3H & 4H and Betelgeuse 19 Fed 7H & 8H**  
**API: 30-015-39231, 30-015-39232, 30-015-42032, & 30-015-41900**  
**Pool: Hackberry; Bone Spring, NW**  
**Lease: NMNM 90534**  
**County: Eddy Co., NM**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B and the BLM Approved 3160-5 Sundry Notice of Intent for a Lease Commingle for the aforementioned wells.

The working interest, royalty interest and overriding royalty interest owners are not identical; notification has been sent via certified mail (see attached).

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 552-7970.

Sincerely,

  
Erin Workman  
Regulatory Compliance Professional

Enclosures

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

(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)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

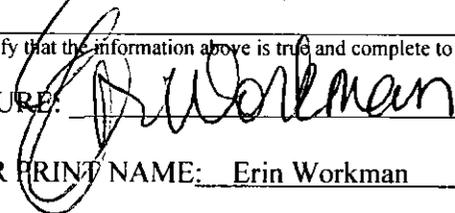
**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(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:  TITLE: Regulatory Compliance Prof. DATE 07.31.15

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

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

**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
1000 Rio Brazos Rd., Artec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-39231</b>	<sup>2</sup> Pool Code <b>97020</b>	<sup>3</sup> Pool Name <b>Hackberry, Bone Spring, NW</b>
<sup>4</sup> Property Code <b>38505</b>	<sup>5</sup> Property Name <b>BETLE JUICE "19" FEDERAL</b>	
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>6</sup> Well Number <b>3H</b>
		<sup>9</sup> Elevation <b>3397.0</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>19</b>	<b>19 S</b>	<b>31 E</b>		<b>220</b>	<b>NORTH</b>	<b>1500</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>N</b>	<b>19</b>	<b>19 S</b>	<b>31 E</b>		<b>330</b>	<b>SOUTH</b>	<b>2040</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

<p>1500'</p> <p>SURFACE LOCATION</p> <p>220'</p> <p>NW CORNER SEC. 19 LAT. = 32.6531030°N LONG. = 103.9169475°W NMSP EAST (FT) N = 601564.85 E = 669485.12</p> <p>BEETLE JUICE "19" FEDERAL #3H ELEV. = 3397.0' LAT. = 32.6525150°N (NAD83) LONG. = 103.9120752°W NMSP EAST (FT) N = 601356.78 E = 670985.92</p>	<p>NE CORNER SEC. 19 LAT. = 32.6531625°N LONG. = 103.9000245°W NMSP EAST (FT) N = 601607.32 E = 674694.79</p>	<p><b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>[Signature]</i> 07.31.15 Signature: _____ Date: _____ Printed Name: <b>Erin Workman</b></p>
		<p>SW CORNER SEC. 19 LAT. = 32.6385944°N LONG. = 103.9169644°W NMSP EAST (FT) N = 596284.86 E = 669500.63</p> <p>BOTTOM OF HOLE LAT. = 32.63947316°N LONG. = 103.9103495°W NMSP EAST (FT) N = 596630.45 E = 671539.75</p> <p>330'</p> <p>2040'</p> <p>BOTTOM OF HOLE</p>

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

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

Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>539232</b>	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>HACKBERRY; BONE SPRING, NW</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>BEETLE JUICE "19" FEDERAL</b>	<sup>6</sup> Well Number <b>4H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3398.0</b>

<sup>10</sup> Surface Location

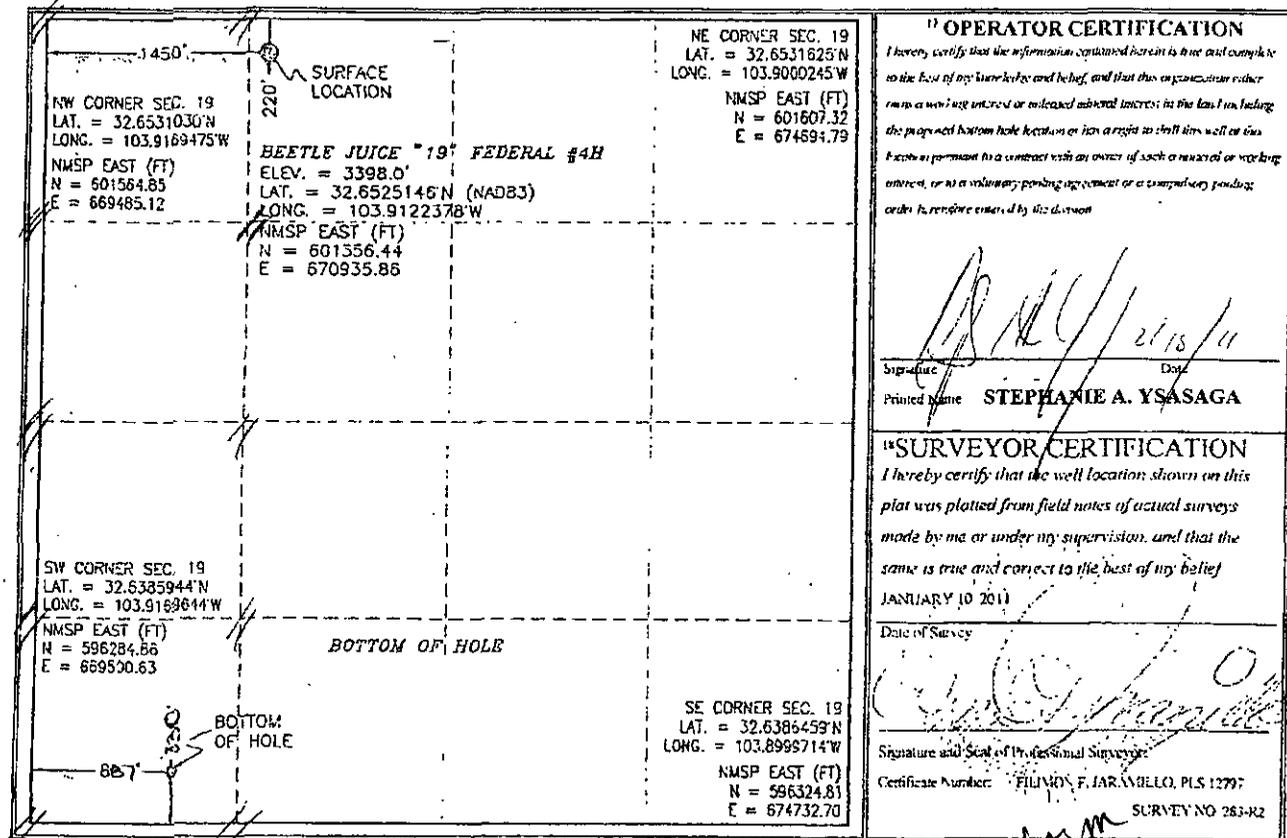
U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>19</b>	<b>19 S</b>	<b>31 E</b>		<b>220</b>	<b>NORTH</b>	<b>1450</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>19</b>	<b>19 S</b>	<b>31 E</b>		<b>380</b>	<b>SOUTH</b>	<b>387</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a well, lease interest or released mineral interest in the land on which the proposed bottom hole location or has a right to drill this well or has executed a permit to a contract with an owner of such a mineral or working interest, or is a voluntary pending agreement or a compulsory pooling order to produce energy by this document.

*[Signature]*  
Signature: **STEPHANIE A. YSASAGA**  
Date: **2/15/11**

<sup>18</sup> 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.  
JANUARY 10 2011

Date of Survey: \_\_\_\_\_  
*[Signature]*  
Signature and Seal of Professional Surveyor:  
Certificate Number: **FILIPINO F. JARABELLO, PLS 12797**  
SURVEY NO 263-R2

**PENETRATION POINT: 258' FNL & 145' FWL**

PRODUCING AREA     PROJECT AREA

*Complete form prior to submittal*

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 293-6100 Fax: (575) 393-0720

District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1253 Fax: (575) 748-9720

District III  
1000 Rio Orazco Road, Aztec, NM 87410  
Phone: (505) 334-6175 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-42032</b>		Pool Code <b>97202</b>		Pool Name HACKBERRY; BONE SPRING, NW	
Property Code <b>40305</b>		Property Name <b>BETELGEUSE 19 FEDERAL</b>			Well Number <b>7H</b>
OCRID No. <b>6137</b>		Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>			Elevation <b>3411.2</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	19 S	31 E		2350	SOUTH	265	WEST	EDDY

**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
3	19	19 S	31 E		1750	SOUTH	340	WEST	EDDY

Dedicated Acres <b>158.26</b>	Joint or Infill	Consolidation Code	Order No. <b>1-28</b> <b>13116</b>
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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, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: **7/25/13**

Printed Name: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

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**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.

MAY 13 2013

Date of Survey: **12797**

Signature and Seal of Professional Surveyor: *[Signature]*

Certificate Number: **PHILIP F. JARAMILLO, PLS 12797**

SURVEY NO. 1837

District I  
1625 N. French Dr., Hobbs, NM 88249  
Phone: (575) 393-6161 Fax: (575) 393-0720

District II  
511 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-0720

District III  
1000 Rio Bravo Road, Aztec, NM 87410  
Phone: (505) 334-6175 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 176-3460 Fax: (505) 476-3462

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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-05-41900</b>		Well Code <b>91000</b>		Pool Name HACKBERRY; BONE SPRING, NW	
Property Code <b>40506</b>		Property Name <b>BETELGEUSE 19 FEDERAL</b>			Well Number <b>8H</b>
OGRID No. <b>6137</b>		Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>			Elevation <b>3409.0</b>

10 Surface Location

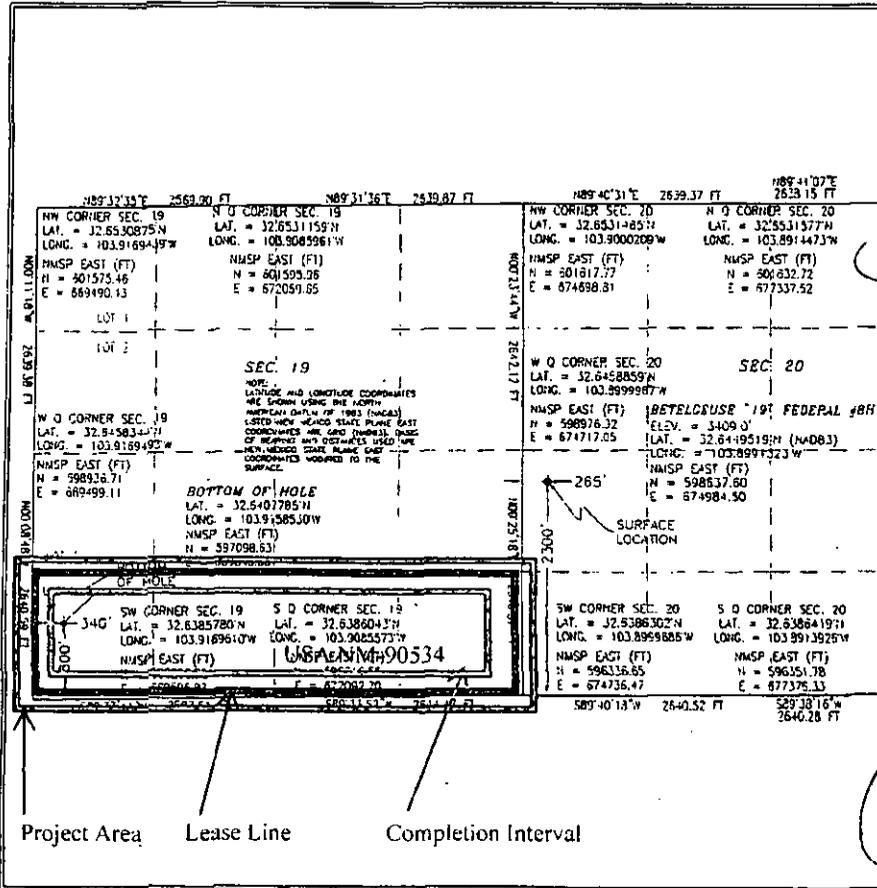
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>20</b>	<b>19 S</b>	<b>31 E</b>		<b>2300</b>	<b>SOUTH</b>	<b>265</b>	<b>WEST</b>	<b>EDDY</b>

11 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
<b>4</b>	<b>19</b>	<b>19 S</b>	<b>31 E</b>		<b>800</b>	<b>SOUTH</b>	<b>340</b>	<b>WEST</b>	<b>EDDY</b>

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
<b>158.43</b>			

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.



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order as before entered by the division.

Signature: *[Signature]* Date: **7/25/13**

Printed Name: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**18 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.

Date of Survey: **MAY 18, 2013**

Signature: *[Signature]*  
Certificate Number: **FILED IN N.M.P.L.S. 12797**  
SURVEY NO. 1338

Project Area      Lease Line      Completion Interval



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

July 31, 2015

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

**Re: Lease Commingle**  
**Beetle Juice 19 Fed 3H & 4H and Betelgeuse 19 Fed 7H & 8H**  
**API: 30-015-39231, 30-015-39232, 30-015-42032, & 30-015-41900**  
**Pool: Hackberry; Bone Spring, NW**  
**Lease: NMNM 90534**  
**County: Eddy Co., NM**

To whom it may concern:

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 for a Lease Commingle for the above mentioned wells.

A copy of our application submitted to the Division is attached, along with the BLM approval.

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 Professional

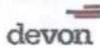
Enclosure

**E-CERTIFIED MAILING LIST**Commingle Mailing Reference: **Beetle Juice 19**

<b><u>Repondent Name/Address:</u></b>	<b><u>E-Certified Mailing Number:</u></b>
Durango Production Corporation P.O. Box 4848 Wichita Falls, TX 76308	9171999991703450766426
Cannon Exploration Company 3608 South County Road #1184 Midland, TX 79706	9171999991703450766433
Cimarex Energy Company 600 N. Marienfeld St., Suite 600 Midland, TX 79701	9171999991703450766440
BLM NM State Office Oil & Gas Division 600 N. Greene Street Carlsbad, NM 88220	9171999991703450766457
Khody Land & Minerals Company 210 Park Avenue, Suite 900 Oklahoma City, OK 73102	9171999991703450766464
Todd M. Wilson 3608 South County Road #1184 Midland, TX 79706	9171999991703450766471
Roger & Holly Elliott Family Trust 3910 Tanforan Avenue Midland, TX 79707	9171999991703450766488



**BETELGEUSE 19  
WELL LOCATIONS**  
Eddy Co., New Mexico



This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

GCS North American 1927  
Datum: North American 1927; Units: Degree  
Created by: philj3  
Map is current as of 1/15/2015



Feet  
0 270 540 1,080  
1 in. = 1,041.7 feet

**Well Location**

- Surface
- Bottom
- Tank Battery
- Central Delivery Point

- Flow Line
- Comm Agreement
- Project Area

- USA LC-063642-A
- USA NMNM 90534

Beetle Juice 19 Fed 3H  
 Section 19, T19S,R31E  
 220 FNL & 1500 FWL  
 API 30-015-39231  
 Eddy, County NM

Production System: Closed

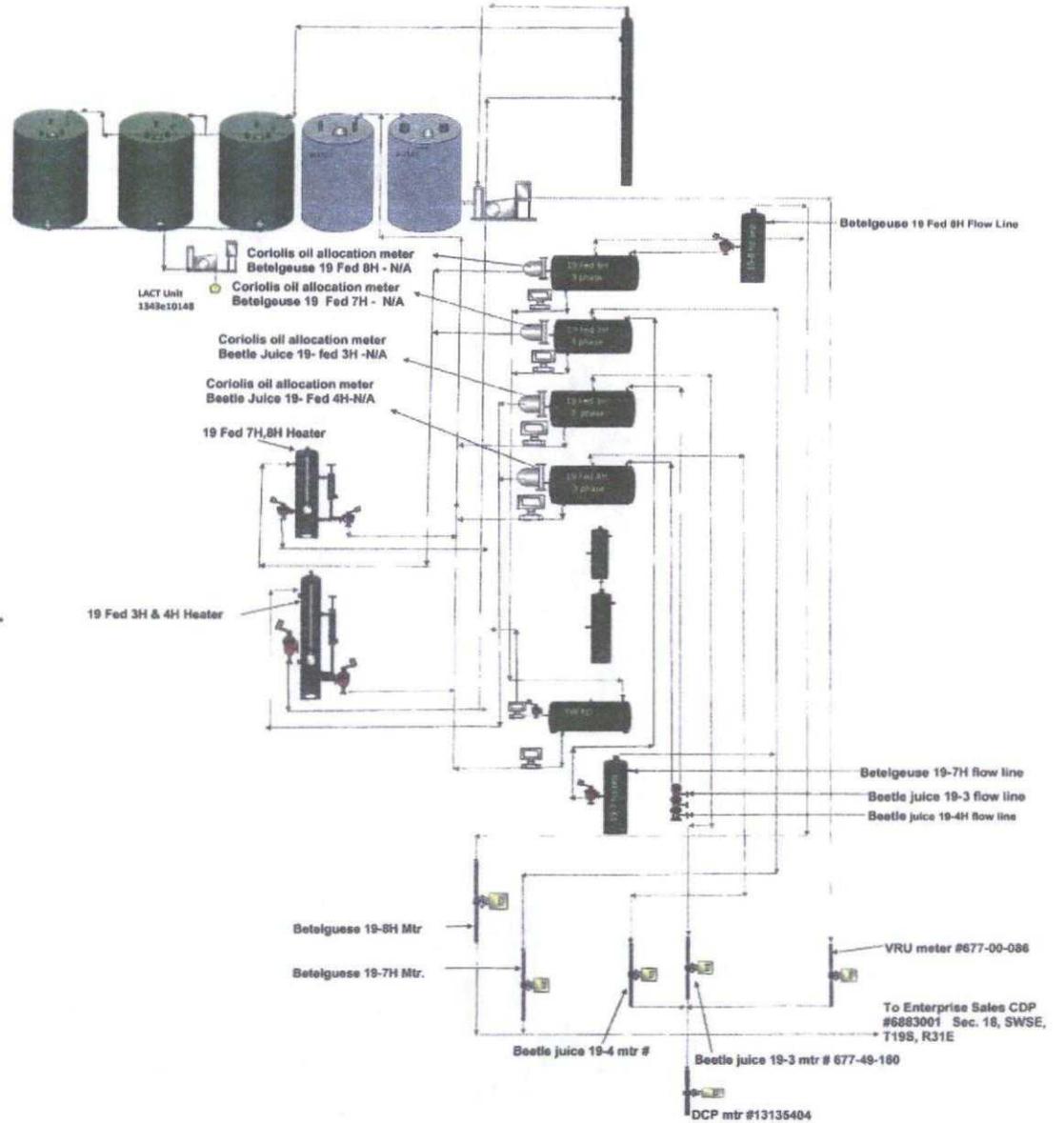
NORTH  


Devon Energy Beetle Juice  
 19 Fed #3 Section  
 19, T19S, R31E  
 220FNL & 1500FWL Eddy  
 County, N.M Lat-32  
 6525150' Lat-103 9120752'



Note:  
 Note: Devon Energy Site Security Plan  
 located in Artesia Main Office

Devon Energy  
 Beetle Juice 19 Fed #4  
 Section 19, T19S, R31E  
 220FNL & 1500FWL  
 Eddy County, N.M  
 Lat-32 6525150'  
 Lat-103 9120752'

FLOW LINE CHART

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

# OPERATOR'S COPY

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.*

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. NMNM90534
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. BEETLE JUICE 19 FED 3H	
2. Name of Operator DEVON ENERGY	Contact: ERIN WORKMAN E-Mail: Erin.workman@dvn.com	9. API Well No. 30-015-39231
3a. Address 333 WEST SHERIDAN AVENUE OKC, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	10. Field and Pool, or Exploratory HACKBERRY BS, NW
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T19S R31E 220FNL 1500FWL		11. County or Parish, and State EDDY 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other

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 recomplete 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 recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, LP respectfully requests to and approval for a lease commingle of the following wells:

Beetle Juice 19 Fed 3H  
Sec. 19, NENW, T19S, R31E  
30-015-39231  
Hackberry BS, NW  
NMNM90534

Beetle Juice 19 Fed 4H

**RECEIVED**

JUL 30 2015

REGULATORY DEPT.  
MID-CONTINENT DIVISION

*ALL WELL ON THE SAME LEASE / NOT COMMINGLING FOR FEDERAL*

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #290464 verified by the BLM Well Information System For DEVON ENERGY sent to the Carlsbad Committed to AFMSS for processing by DUNCAN WHITLOCK on 06/24/2015 ()	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 02/04/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>J.D. Whitlock</i>	Title LPEY	Date 7/30/15
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 CFO	

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 \*\***

**Additional data for EC transaction #290464 that would not fit on the form**

**32. Additional remarks, continued**

Sec. 19, NENW, T19S, R31E  
30-015-39232  
Hackberry BS, NW  
NMNM90534

Betelgeuse 19 Fed 7H  
Sec. 20, NWSE, T19S, R31E  
30-015-42032  
Hackberry BS, NW  
NMNM90534

Betelgeuse 19 Fed 8H  
Sec. 20, NWSE, T19S, R31E  
30-015-41900  
Hackberry BS, NW  
NMNM90534

The central tank battery is located on the shared pad of the Beetle Juice 19 Fed 3H & 4H in Sec. 19-T19S-R31E, Eddy County, New Mexico. The Beetle Juice 19 Fed 3H & 4H and the Betelgeuse 19 Fed 7H & 8H production will flow through their own three phase separators with Micro Motion Coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Beetle Juice 19 Fed 3H battery will have three oil tanks that all four wells will utilize and a common Duke Energy CDP #1315404 on location in Sec.19, T19S, R31E. Oil, gas, and water volumes from these wells producing to this battery will be determined by utilizing a test separator/heater treater at the proposed facility. Oil sold through a common LACT meter using a Smith Meter 1343e10148.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Thank You!

# APPLICATION FOR COMMINGLING FOR A LEASE COMMINGLE

## Proposal for Beetle Juice 19 Fed 3H & 4H and Betelgeuse 19 Fed 7H & 8H

Devon Energy Production Company, LP is requesting approval for a Lease Commingle for the following wells:

### Federal Lease NMNM NMNM90534 (12.5%)

Well Name	Location	API #	Pool 97020	BOPD	OG	MCFPD	BTU
Beetle Juice 19 Fed 3H	Sec. 19, NENW, T19S, R31E	30-015-39231	Hackberry BS, NW	20	40.7	39	1243.5
Beetle Juice 19 Fed 4H	Sec. 19, NENW, T19S, R31E	30-015-39232	Hackberry BS, NW	45	39.7	91	1264.1
Betelgeuse 19 Fed 7H	Sec. 20, NWSE, T19S, R31E	30-015-42032	Hackberry BS, NW	20	40.7	39	1243.5*
Betelgeuse 19 Fed 8H	Sec. 20, NWSE, T19S, R31E	30-015-41900	Hackberry BS, NW	45	39.7	91	1264.1*

\*All of these numbers are proposed production numbers, will provide amendment upon receipt of this information.

Attached is a map that displays the federal leases and well locations in Sections 19 & 20, T19S, R31E

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

### Oil & Gas metering:

The central tank battery is located on the shared pad of the Beetle Juice 19 Fed 3H & 4H in Sec. 19-T19S-R31E, Eddy County, New Mexico. The Beetle Juice 19 Fed 3H & 4H and the Betelgeuse 19 Fed 7H & 8H production will flow through their own three phase separators with Micro Motion Coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Beetle Juice 19 Fed 3H battery will have three oil tanks that all four wells will utilize and a common Duke Energy CDP #1315404 on location in Sec. 19, T19S, R31E. Oil, gas, and water volumes from these wells producing to this battery will be determined by utilizing a test separator/heater treater at the proposed facility. Oil sold through a common LACT meter using a Smith Meter 1343e10148.

The Beetle Juice 19 Fed 3H well will flow into its own three phase test separator, where after separation gas is routed to the gas test meter # 677-49-160, then to the DCP CPD #13135404 on location on the Northwest side of the facility in Sec. 19-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 3H & 4H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Beetle Juice 19 Fed 4H well will flow into its own three phase test separator, where after separation gas is routed to the gas test meter (**number will be supplied upon receipt**), then to the DCP CPD #13135404 on location on the Northwest side of the facility in Sec. 19-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 3H & 4H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Betelgeuse 19 Fed 7H well will flow into its own two phase separator, then into its own three phase test separator, where after separation gas is routed to the gas test meter (**number will be supplied upon receipt**), then combines with the Betelgeuse 19 Fed 8H, and then to the Enterprise CDP #6883001 Sec. 18, SWSE-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 7H & 8H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows into the FWKO to the 500 bbl. produced water tank, along with the water from the other wells.

The Betelgeuse 19 Fed 8H well will flow into its own two phase separator, then into its own three phase test separator, where after separation gas is routed to the gas test meter (**number will be supplied upon receipt**), then combines with the Betelgeuse 19 Fed 8H, and then to the Enterprise CDP #6883001 Sec. 18, SWSE-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 7H & 8H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows into the FWKO to the 500 bbl. produced water tank, along with the water from the other wells.

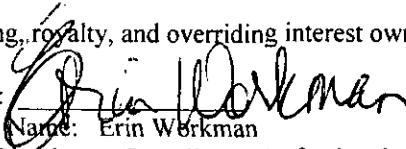
Oil production will be allocated on a daily basis based on the Coriolis Test meter located downstream of the three phase separator. The Coriolis meter will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production from these wells will be allocated on a daily basis using the gas allocation meter. The Beetle Juice 19 Fed 3H & 4H gas production from each of the test gas meters will commingle and flow through Duke Energy CDP #13135404. Gas production from the Betelgeuse 19 Fed 7H & 8H wells will be allocated on a daily basis using the gas allocation meters. The gas production from the test gas meter will commingle and flow through Enterprise CDP #6883001. The gas off the VRU allocation meter will flow to the Duke Energy CDP #13135404. 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 facility 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:   
Printed Name: Erin Workman  
Title: Regulatory Compliance Professional  
Date: 07.31.15