

DATE IN 4/1/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 4/1/09	TYPE DHC	APP NO. PKAA0909155346
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 APR 1 PM 12:20 South St. Francis Drive, Santa Fe, NM 87505

NORTHEAST BLANCO UNIT #302



30-039-2356D  
NE Blanco Unit #302

Devon  
6137

**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.**

Mike Pippin		Petroleum Engineer	March 31, 2009
Print or Type Name	Signature	Title	Date
		mike@pippinllc.com	
		e-mail Address	

DEVON ENERGY PRODUCTION COMPANY, L.P.

Mike Pippin  
3104 N. Sullivan Avenue  
Farmington, NM 87401  
505-327-4573 (phone) mike@pippinllc.com

March 31, 2009

NMOCD  
c/o Will Jones  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**RE: Application for Downhole Commingling - C-107A**  
Northeast Blanco Unit #302 – API#: 30-039-23560  
Unit Letter "1" Section 30 T31N R06W  
Rio Arriba County, New Mexico

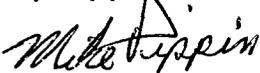
Dear Mr. Jones:

Devon Energy Production Company, L.P. would like to commingle the existing Basin Dakota interval with the existing Laguna Seca Gallup interval in the referenced well. Both the Dakota and Gallup sides of this gas well were completed on 9/26/84 and were 1<sup>st</sup> delivered in June 1985. The initial rates of this dual completed well were about 650 MCF/D for the Dakota and about 170 MCF/D for the Gallup. Their current rates are down to about 80 MCF/D and 8 MCF/D, respectively. Attached is the C-107A along with the necessary supporting data. All working, royalty, and overriding interest owners have been notified by certified mail.

The allocation of production was calculated as follows. The two zones have produced separately since their 1<sup>st</sup> delivery in June 1985. Both zones are now declining at the same exponential decline rate of 2.8%. Therefore, the production forecast for each interval was utilized to determine a constant allocation for each interval. See the attached decline curves and calculations.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin PE  
Petroleum Engineer

Enclosures

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

District II  
1361 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Artesia, 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, L.P.** c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401  
Operator Address

**Northeast Blanco Unit #302** I SEC. 30 T31N R06W **DAE-4177**  
Lease Well No. Unit Letter-Section-Township-Range **Rio Arriba** County

OGRID No. 06137 Property Code 19641 API No. 30-039-23560 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE ✓	INTERMEDIATE ZONE	LOWER ZONE ✓
Pool Name	<b>Laguna Seca Gallup</b>		<b>Basin Dakota</b>
Pool Code	79870		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7046'-7360'		7926'-8064'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure <small>(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.)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: November 2008 Rates: 8 MCF/D	Date: Rates:	Date: November 2008 Rates: 80 MCF/D
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil      Gas 0%      9%	Oil      Gas %      %	Oil      Gas 100%      91%

**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   
 NMOC 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 Mike Pippin TITLE Petroleum Engineer - Agent DATE March 31, 2009  
 TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. ( 505 ) 327-4573  
 E-MAIL ADDRESS mike@pippinllc.com

DEVON ENERGY PRODUCTION COMPANY, L.P.  
Northeast Blanco Unit #302 Gal/DK  
I Section 30 T31N R06W  
3/31/09

## Commingle Allocation Calculations

### OIL

Since this gas well was 1<sup>st</sup> delivered in June 1985, neither pool has made any oil. However, since the Basin Dakota pool does produce oil and the Laguna Seca Gallup pool does not, we allocate any future oil to the Dakota pool.

### GAS

Both the Laguna Seca Gallup pool and the Basin Dakota pool are currently declining at the same 2.8% exponential decline rate. See attached production curves. Using the decline rate of 2.8%, the forecast from the attached curves indicates a Gallup producing rate of 8 MCF/D and the Dakota rate of 80 MCF/D at the end of 2008.

Total gas is  $8 + 80 = 88$  MCF/D

$$\% \text{ GALLUP} = \frac{8}{88} = 9\%$$

$$\% \text{ DAKOTA} = \frac{80}{88} = 91\%$$

# NORTHEAST BLANCO UNIT #302

Current - 3/31/09

Dakota / Gallup / API#: 30-039-23560

(I), Section 30, T-31-N, R-6-W, Rio Arriba County, NM

Today's Date: 3/31/09

Spud: 9/26/84

Comp: : 10/22/84

Elevation: 6471' GL

12-1/4" Hole

9-5/8" 32.3# H-40 @ 326'  
324 cf cmt  
(Circ. 10 bbls cmt to Surf.)

TOC behind 4-1/2" @ 1792' calc 75%

8-3/4" Hole

7" 23# K-55 @ 3731'  
Cmtd with 1026 cf cmt  
(Circ 25 bbls cmt to Surface)

2-3/8" 4.7# tbg @ 8020'  
(2-3/8" tbg above pkr & 2-1/16" below pkr)

Gallup @ 7132'

Gallup Perfs @ 7046'-7360'. Fraced w/88,000# 20/40 sand in slick water

Dakota @ 7924'

PKR on end 2-3/8" tbg @ 7388'

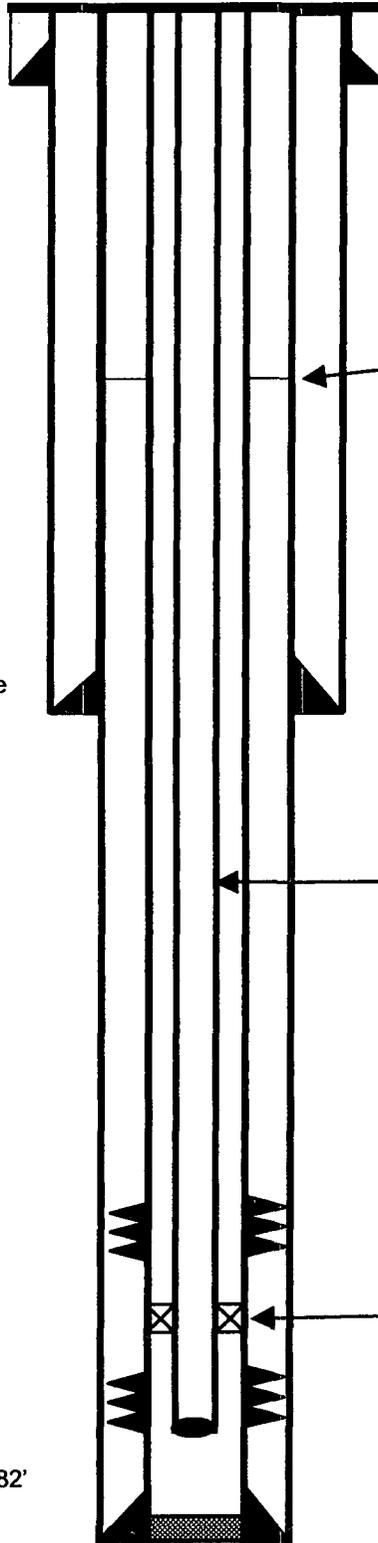
Dakota Perfs @ 7926'-8064'. Fraced w/50,000# 40/60 & 38,000# 20/40 sand in 40# gel

PBTD @ 8082'

4-1/2" 11.6# K-55 @ 8124'  
Cmtd with 887 cf cmt

6-1/4" Hole to TD

TD 8124'



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 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-23560	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code 19641	<sup>5</sup> Property Name Northeast Blanco Unit	
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name Devon Energy Production Company, L.P.	<sup>6</sup> Well Number 302
		<sup>9</sup> Elevation 6471' GL

<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
I	30	31-N	6-W		1850'	SOUTH	1190'	EAST	Rio Arriba

<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
<sup>12</sup> Dedicated Acres 320-E/2	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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 heretofore entered by the division.</p> <p>Signature: <i>Mike Pippin</i> Date: 3/31/09</p> <p>Mike Pippin Printed Name</p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.</p> <p>8/8/84 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Allison L. Kroeger</p> <p>7922 Certificate Number</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 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-23560		<sup>2</sup> Pool Code 79870		<sup>3</sup> Pool Name Laguna Seca Gallup (Gas)	
<sup>4</sup> Property Code 19641		<sup>5</sup> Property Name Northeast Blanco Unit			<sup>6</sup> Well Number 302
<sup>7</sup> OGRID No. 6137		<sup>8</sup> Operator Name Devon Energy Production Company, L.P.			<sup>9</sup> Elevation 6471' GL

<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
I	30	31-N	6-W		1850'	SOUTH	1190'	EAST	Rio Arriba

<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

<sup>12</sup> Dedicated Acres 160-SE/4	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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 heretofore entered by the division.</p> <p>Signature: <i>Mike Pippin</i> Date: 3/31/09</p> <p>Mike Pippin Printed Name</p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.</p> <p>8/8/84 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Allison L. Kroeger</p> <p>7922 Certificate Number</p>

Devon Energy Production Company, L.P.  
Mike Pippin  
3104 N. Sullivan Avenue  
Farmington, NM 87401  
505-327-4573 (phone) mike@pippinllc.com

March 31, 2009

**RE: Permit to Down-Hole Commingle**  
Northeast Blanco Unit #302 – API#: 30-039-23560  
Unit Letter "I" Section 30 T31N R06W  
Rio Arriba County, New Mexico

VIA CERTIFIED MAIL

To all Working Interest Owners:

In accordance with the New Mexico Oil Conservation Division Rule 303.C governing down hole commingling, you are hereby notified that Devon Energy Production Company, L.P., as operator of the above-captioned well, intends to down-hole commingle production from the Laguna Seca Gallup and Basin Dakota gas pools.

The Gallup and Dakota were completed dual in June 1985 and are being tested simultaneously to establish a production potential. The production from the Gallup and the Dakota will be allocated on a production trend based formula.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,  
DEVON ENERGY PRODUCTION COMPANY, L.P.



Mike Pippin  
Petroleum Engineer

Enclosures

# Rate/Time Graph

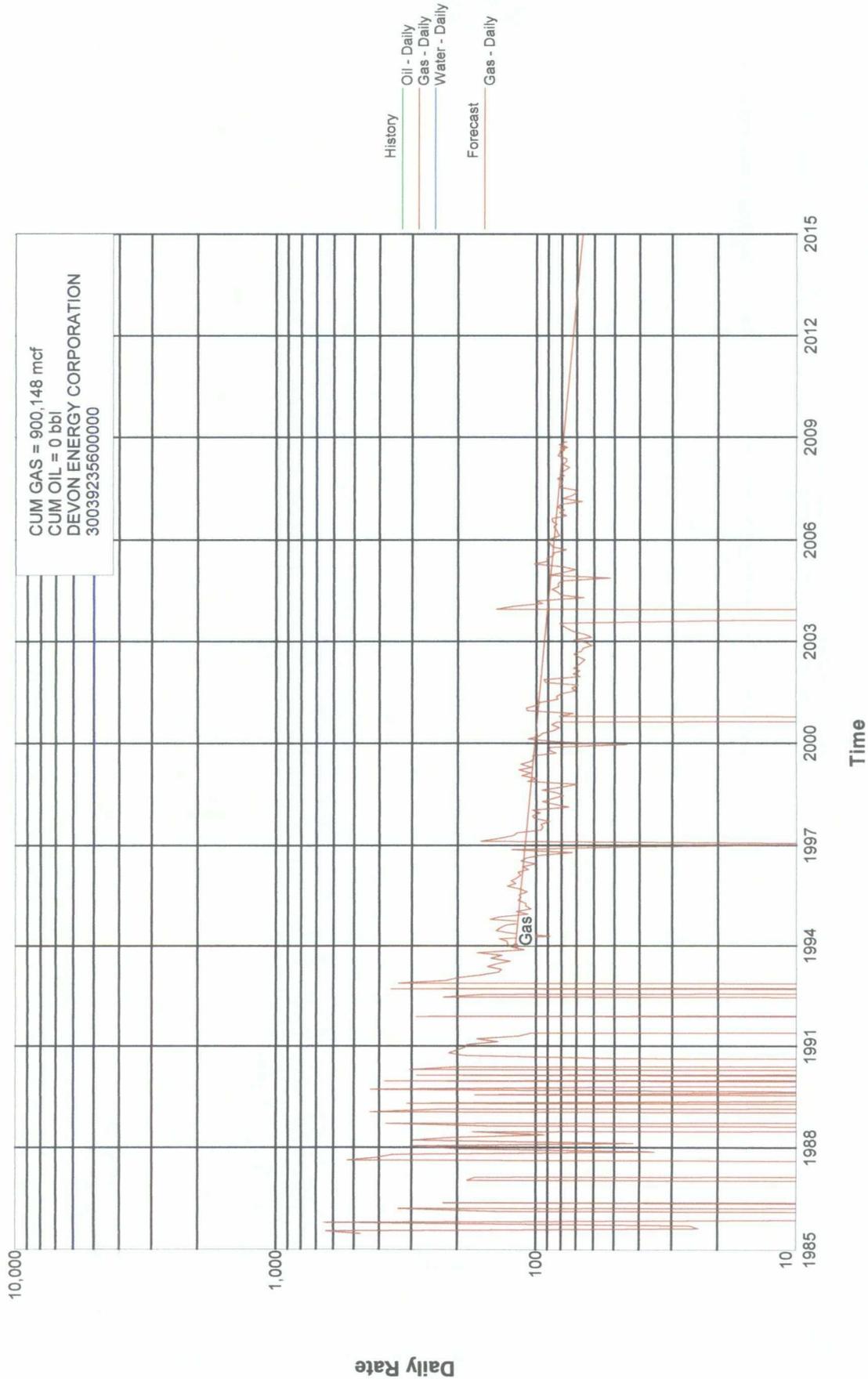
Project: c:\program files\lms energy\power\tools v9.0\projects\#10b.mdb

Date: 3/31/2009  
Time: 10:18 AM

Lease Name: NORTHEAST BLANCO UNIT (302)  
County, ST: RIO ARRIBA, NM  
Location: 301 31N 6W SW NE SE

Operator: DEVON ENERGY CORPORATION  
Field Name: BASIN

## NORTHEAST BLANCO UNIT - 302 DAKOTA 301 31N 6W SW NE SE 06/1985



# Rate/Time Graph

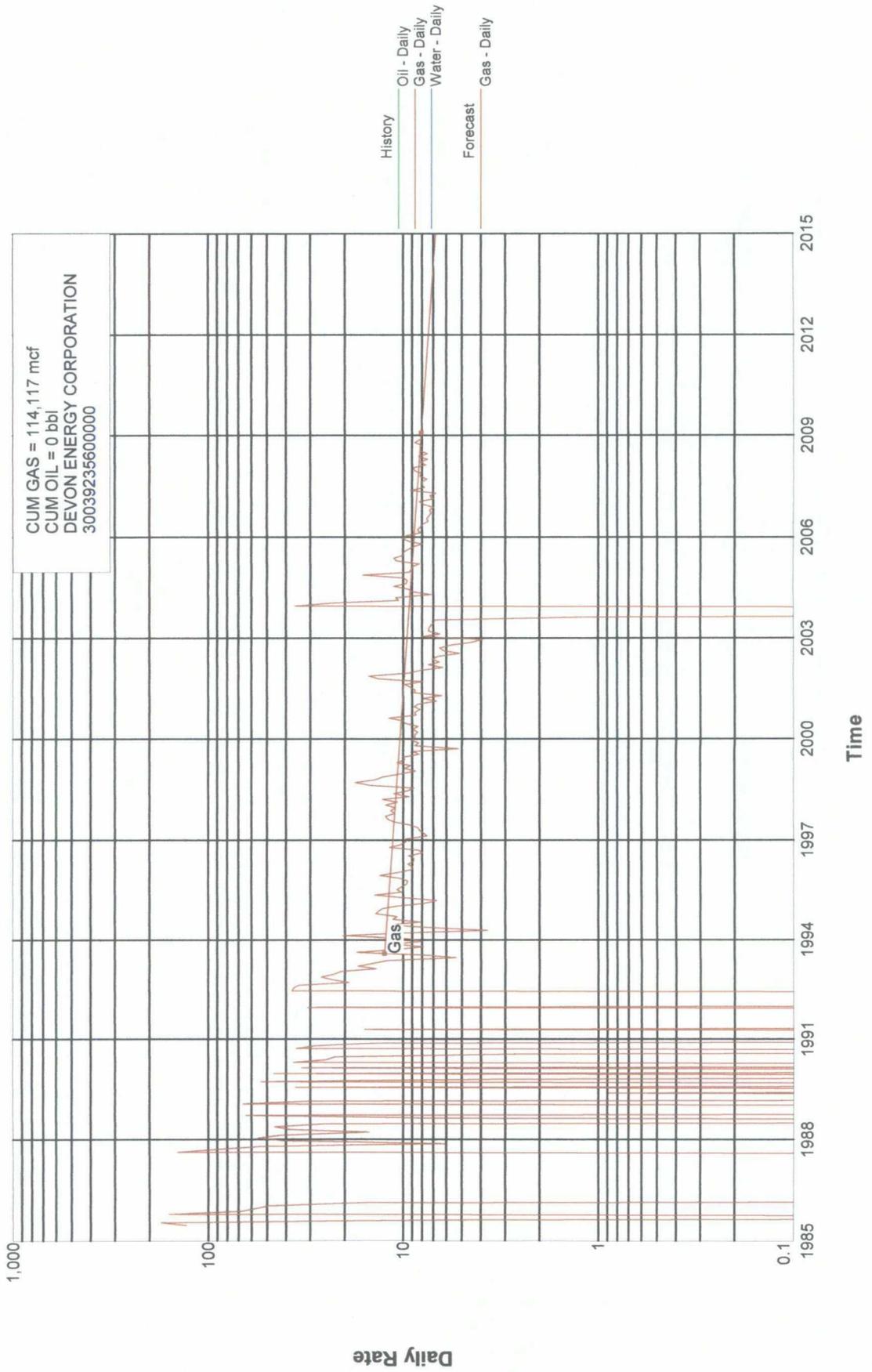
Project: c:\program files\ihs energy\power tools v9.0\projects\#10b.mdb

Date: 3/31/2009  
Time: 10:17 AM

Lease Name: NORTHEAST BLANCO UNIT (302)  
County, ST: RIO ARRIBA, NM  
Location: 301 31N 6W SW NE SE

Operator: DEVON ENERGY CORPORATION  
Field Name: LAGUNA SECA

## NORTHEAST BLANCO UNIT - 302 GALLUP 301 31N 6W SW NE SE 06/1985



NORTHEAST BLANCO UNIT #302  
GALLUP WORKING INTEREST OWNERS

BP America Production Company  
ATTN: John Larson  
501 Westlake Park Blvd.  
(Room 19.108 WL1)  
Houston TX, 77079

Conoco Phillips Company  
ATTN: Ben Malone  
P.O. Box 4289  
Farmington, NM 87499-4289

Note: Devon Energy, B&N Co., and BN Non-Coal  
Requires no notification; therefore not listed above

**NORTHEAST BLANCO UNIT  
WORKING INTEREST OWNERS  
DAKOTA**

**BP America Production Company  
ATTN: John Larson  
501 Westlake Park Blvd.  
WL1 19.108  
Houston, TX 77079**

**Canaan Resources, LLC  
One Leadership Square  
211 N. Robinson Avenue, Suite N1000  
Oklahoma City, OK 73102**

**ConocoPhillips Company  
ATTN: Ben Malone  
3401 E. 30<sup>th</sup> Street  
Farmington, NM 87402-8807**

**Frank C. Davis III  
3219 Bryn Mawr  
Dallas, TX 75225**

**Diverse Energy Investments  
Two Galeria Tower  
13455 Noel Rd, Suite 2000  
Dallas, TX 75240**

**Charles W. Gay  
c/o James M. Raymond, AIF  
P. O. Box 291445  
Kerrville, TX 78029-1445**

**Lorrayn Gay Hacker  
c/o James M. Raymond, AIF  
P. O. Box 291445  
Kerrville, TX 78029-1445**

**Tamacam, LLC  
c/o James M. Raymond, AIF  
P. O. Box 291445  
Kerrville, TX 78029-1445**

**T. H. McElvain Oil & Gas Ltd. Partnership  
McElvain Oil & Gas Properties, Inc., GP  
1050 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80265**

**J & M Raymond, Ltd.  
Raymond & Sons I, LLC, GP  
P. O. Box 291445  
Kerrville, TX 78029-1445**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

5. Lease Serial No.  
SF 003357

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
Northeast Blanco Unit

8. Well Name and No.  
Northeast Blanco Unit #302

9. API Well No.  
30-039-23560

10. Field and Pool, or Exploratory Area  
Basin Dakota & Laguna Seco Gallup

AND  
Rio Arriba County, New Mexico

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
Devon Energy Production Company, L.P.

3a. Address  
PO Box 6459, Navajo Dam, NM 87419

3b. Phone No. (include area code)  
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1850' FSL & 1190' FEL Unit I  
Sec. 30, T31N, R06W

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 Commingle Application
	<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

13. Describe Proposed or Completed Operations (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 recomplate 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 requests administrative approval to remove the pkr from this well's tbq string & downhole commingle the Laguna Seca Gallup (79870) & Basin Dakota (71599). These intervals produce essentially dry gas & we have not experienced any significant cross flows between these two intervals, & all the fluids are compatible. Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-107A with the State. All of the interest owners of both intervals have been notified.

These oil & gas allocatons are based on forecasts from the well's production curves of 80 MCF/D for the Dakota and 8 MCF/D for the Gallup. Both intervals now have the same exponential decline rate of 2.8%. See attached calculations.

GAS: Dakota	91%	OIL: Dakota	100%
GAS: Gallup	9%	OIL: Gallup	0%

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

Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer (Agent)
Signature <i>Mike Pippin</i>	Date March 31, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
-------------	-------	------

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
--------

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

7008 1140 0000 8858 9966

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**  
 FARMINGTON NM 87402

Postage	\$ 0.42	0401 FARMINGTON NM 87401 MAR 23 Postmark Here 31 2009 USPS #302, #303
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent to *Comoco Phillips Co. - Ben Melome*  
 Street, Apt. No., or PO Box No. *3401 E. 30th St*  
 City, State, ZIP+4 *Farmington NM 87402-8809*

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0000 8858 9942

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**  
 OKLAHOMA CITY OK 73102

Postage	\$ 0.42	0401 FARMINGTON NM 87401 MAR 23 Postmark Here 31 2009 USPS #302, #303
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent to *Concan Resources, LLC*  
 Street, Apt. No., or PO Box No. *211 N. Robinson Ave Ste N1000*  
 City, State, ZIP+4 *Oklahoma City, OK 73102*

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0000 8858 9911

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**  
 HOUSTON TX 77079

Postage	\$ 0.42	0401 FARMINGTON NM 87401 MAR 23 Postmark Here 31 2009 USPS #302, #303
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent to *BP America Prod Co. - John Larson*  
 Street, Apt. No., or PO Box No. *501 Westlake Park Blvd W1 19.108*  
 City, State, ZIP+4 *Houston TX 77079*

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0000 8859 0009

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**OFFICIAL USE**  
 DALLAS TX 75240

Postage	\$ 0.42	0401 FARMINGTON NM 87401 MAR 23 Postmark Here 31 2009 USPS #302, #303
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent to *Dilense Energy Investments*  
 Street, Apt. No., or PO Box No. *13455 Nod Rd Ste 2000*  
 City, State, ZIP+4 *Dallas TX 75240*

PS Form 3800, August 2006 See Reverse for Instructions

7007 2560 0002 3427 4218

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**OFFICIAL USE**  
 KERRVILLE TX 78029

Postage	\$ 0.42	0401 FARMINGTON NM 87401 MAR 23 Postmark Here 31 2009 USPS #302, #303
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent to *A & M Raymond, Ltd*  
 Street, Apt. No., or PO Box No. *PO Box 291445*  
 City, State, ZIP+4 *Kerrville TX 78029-1445*

PS Form 3800, August 2006 See Reverse for Instructions

7007 2560 0002 3427 4164

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**OFFICIAL USE**  
 KERRVILLE TX 78029

Postage	\$ 0.42	0401 FARMINGTON NM 87401 MAR 23 Postmark Here 31 2009 USPS #302, #303
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent to *Norman Ray Hacker*  
 Street, Apt. No., or PO Box No. *PO Box 291445*  
 City, State, ZIP+4 *Kerrville TX 78029-1445*

PS Form 3800, August 2006 See Reverse for Instructions

7007 2560 0002 3427 4140

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KERRVILLE TX 78029

Postage	\$ 0.42	0401 FAIRMINGTON NM 87401 MAR 31 2009 Postmark Here
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent To *Charles W. Gay*  
 Street, Apt. No., or PO Box No. *c/o PO Box 291445*  
 City, State, ZIP+4 *Kerrville TX 78029-1445*  
 PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0000 8858 9980

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**OFFICIAL USE**  
DALLAS TX 75225

Postage	\$ 0.42	0401 FAIRMINGTON NM 87401 MAR 23 2009 Postmark Here
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent To *Frank C. Davis III*  
 Street, Apt. No., or PO Box No. *3219 Bryn Mawr*  
 City, State, ZIP+4 *Dallas TX 75225*  
 PS Form 3800, August 2006 See Reverse for Instructions

7007 2560 0002 3427 4188

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**OFFICIAL USE**  
KERRVILLE TX 78029

Postage	\$ 0.42	0401 FAIRMINGTON NM 87401 MAR 31 2009 Postmark Here
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent To *Jamacom, LLC*  
 Street, Apt. No., or PO Box No. *c/o PO Box 291445*  
 City, State, ZIP+4 *Kerrville, TX 78029-1445*  
 PS Form 3800, August 2006 See Reverse for Instructions

7007 2560 0002 3427 4201

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**OFFICIAL USE**  
DENVER CO 80265

Postage	\$ 0.42	0401 FAIRMINGTON NM 87401 MAR 31 2009 Postmark Here
Certified Fee	\$2.70	
Return Receipt Fee (Endorsement Required)	\$0.00	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 3.12	

Sent To *J.H. McElvain Oil & Gas Ltd. Pte.*  
 Street, Apt. No., or PO Box No. *1050 17th St Ste 1800*  
 City, State, ZIP+4 *Denver CO 80265*  
 PS Form 3800, August 2006 See Reverse for Instructions