

CTB PFGW

| | | | | | |
|-----------------|----------|-------------|-------------------|---------------------|--------------------|
| DATE IN 4/14/11 | SUSPENSE | ENGINEER RE | LOGGED IN 4/14/11 | TYPE CTB | APP NO. 1110531632 |
|-----------------|----------|-------------|-------------------|---------------------|--------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon 6137
 - 4 Wells -

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 Central Tank Battery

CTB-618-A
 attached

2011 APR 14 11:24
 RECEIVED OOD

[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

Lead
 Fed

[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.

Melanie Crawford

Print or Type Name

Melanie Crawford
 Signature

Regulatory Analyst

Title

3/16/11
 Date

Melanie.Crawford@dvn.com

e-mail Address



Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dev.com

February 21, 2011

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

RECEIVED 000
2011 APR 14 A 11:24

Re: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage
Cockburn G Federal 1, Cockburn Federal 2, Cockburn Federal 4H, &
Cockburn G Federal 5H
API # 30-025-30711, 30-025-36282, 30-025-39599 & 30-025-39961
Sec 10-T18S-R33E
Lease LC-029489-C & Lease NM-89891
Mescalero Escarpe; Bone Spring - Pool Code: 45793
Lea County, New Mexico

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in the leases is uniformed; no additional notification is required.

The BLM sundry approval and BLM conditions of approval are attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Melanie Crawford
Regulatory Analyst
Enclosures

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., 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 and Natural Resources

Form C-103
 May 27, 2004

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

| |
|--|
| WELL API NO. See Below |
| 5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. LC-029489-C & NM-89891 |
| 7. Lease Name or Unit Agreement Name See Below |
| 8. Well Number See Below |
| 9. OGRID Number 6137 |
| 10. Pool name or Wildcat 45793 Mescalero Escarpe; Bone Springs |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
 Devon Energy Production Company, LP

3. Address of Operator
 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location (See Below)
 Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line
 Section _____ Township _____ Range _____ NMPM Eddy County New Mexico

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 OTHER: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales and Storage

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

14.

Devon Energy Production Co LLP respectfully requests approval for the Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

| | | | | |
|-------------------------|-------------------|-----------------|---------------------|-------------------------------------|
| * Cockburn G Federal 1 | API: 30-025-30711 | Sec 10-T18S-33E | Lease - LC-029489-C | BLM previously approved 12/14/10 |
| * Cockburn Federal 2 | API: 30-025-36282 | Sec 10-T18S-33E | Lease - NM-89891 | BLM previously approved 12/14/10 |
| * Cockburn Federal 4H | API: 30-025-39599 | Sec 10-T18S-33E | Lease - NM-89891 | BLM previously approved 12/14/10 |
| * Cockburn G Federal 5H | API: 30-025-39961 | Sec 10-T18S-33E | Lease - LC-029489-C | Add this well to previous commingle |

CTB-618 A

A central tank battery is located at the Cockburn Federal 2 location. The production from all wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for all wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.396 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working interest, royalty interest and overriding royalty interest owners in the leases is uniformed; no additional notification is required.

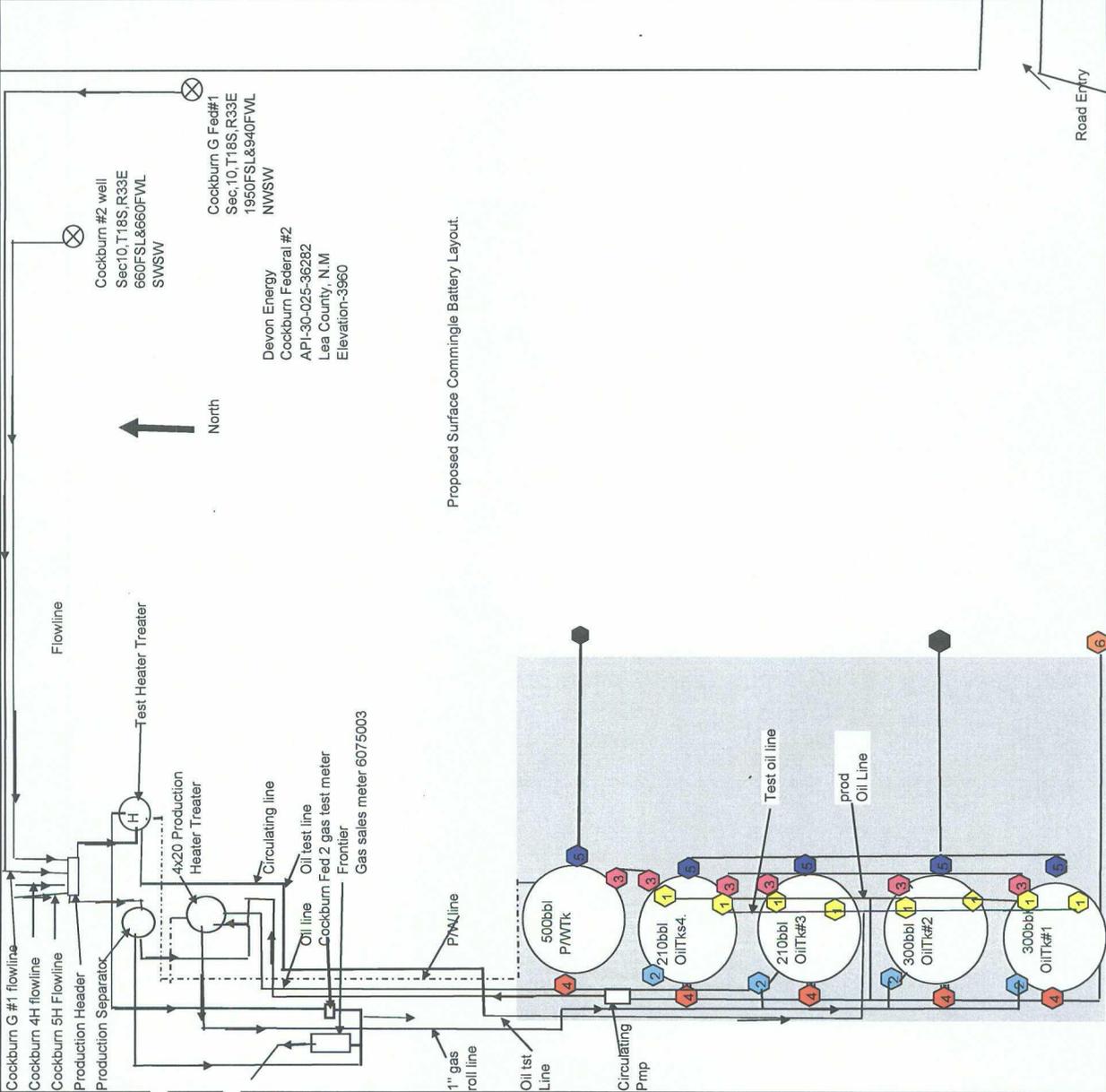
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE 3/16/11

Type or print name: Melanie Crawford E-mail address: Melanie.Crawford.dvn.com Telephone No. (405) 552-4524
 For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



Proposed Surface Commingle Battery Layout.

Devon Energy
Cockburn Federal #2
 Sec-10, T18S, R33E
 660FSL&660FWL
 API#30-025-36282

Production System: Open
 1) Oil sales by tank gauge to tank truck.
 2) Seal requirements: On all Tanks.
 A. Production Phase: Seal requirements:
 {1} All valves 5 sealed closed.
 {2} Valves 3 open
 {3} Valves 2 & 4 sealed closed
 {4} Valves 1 open on tank proudding into.

Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed.
- (2) Valve 3 sealed closed.
- (3) Valve 4 sealed closed.
- (4) Valve 5 sealed closed.

{5} Misc. Valves: Plugged or otherwise unaccessible.
 NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

- Valve #1: Production Line
- Valve #2: Test or Roll Line
- Valve #3: Equalizer Line
- Valve #4: Circ./Drain Line
- Valve #5: Sies Line
- Valve #6: BS&W Load Line

Buried Lines: -----
 Firewall: [Grey Box]
 Wellhead: [X]
 Stak-pak: [Box]
 Production line: _____
 Water line: - - - - -
 Gas Meter: (A) (M) (C)

Operator Copy

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

5. Lease Serial No.
LC-029489-C & NM-89891

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
See Below

2. Name of Operator
Devon Energy Production Co., LP

9. API Well No.
See Below

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)-552-4524

10. Field and Pool or Exploratory Area
45793 Mescalero Escarpe; Bone Springs

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

11. Country or Parish, State
Lea County, NM

12. CHECK THE 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 <u>CTB, LC, Off-Lease</u> |
| | | | Measurement, Sales & Storage |

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 Co LLP respectfully requests approval for the Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

- * Cockburn G Federal 1 API: 30-025-30711 Sec 10-T18S-33E Lease LC-029489-C BLM previously approved 12/14/10
- * Cockburn Federal 2 API: 30-025-36282 Sec 10-T18S-33E Lease NM-89891 BLM previously approved 12/14/10
- * Cockburn Federal 4H API: 30-025-39599 Sec 10-T18S-33E Lease NM-89891 BLM previously approved 12/14/10
- * Cockburn G Federal 5H API: 30-025-39961 Sec 10-T18S-33E Lease - LC-029489-C Add this well to previous commingle

A central tank battery is located at the Cockburn Federal 2 location. The production from all wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for all wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.396 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working interest, royalty interest and overriding royalty interest owners in the lease is uniformed; no additional notification is required.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Name (Printed/Typed)
Melanie Crawford

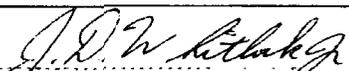
Title Regulatory Analyst

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by



Title LPE7

Date 3/29/11

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.

(Instructions on page 2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC029489C |
| 2. Name of Operator DEVON ENERGY Contact: MELANIE CRAWFORD E-Mail: melanie.crawford@devn.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 20 NORTH BROADWAY OKLAHOMA CITY, OK 73102 | 3b. Phone No. (include area code) Ph: 405-552-4524 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T18S R33E | | 8. Well Name and No. COCKBURN G FEDERAL 5H |
| | | 9. API Well No. 30-025-39961 |
| | | 10. Field and Pool, or Exploratory MESCALERO ESCARPE; BS |
| | | 11. County or Parish, and State LEA COUNTY COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 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/BLA. 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 Co LLP respectfully requests approval for the Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

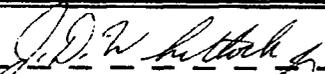
- * Cockburn G Federal 1 API: 30-025-30711 Sec 10-T18S-33E Lease LC-029489-C BLM previously approved 12/14/10
- * Cockburn Federal 2 API: 30-025-36282 Sec 10-T18S-33E Lease - NM-89891 BLM previously approved 12/14/10
- * Cockburn Federal 4H API: 30-025-39599 Sec 10-T18S-33E Lease - NM-89891 BLM previously approved 12/14/10
- * Cockburn G Federal 5H API: 30-025-39961 Sec 10-T18S-33E Lease LC-029489-C Add this well to previous commingle

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

Electronic Submission #104463 verified by the BLM Well Information System For DEVON ENERGY, sent to the Hobbs

| | |
|---------------------------------------|--------------------------|
| Name (Printed/Typed) MELANIE CRAWFORD | Title REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 03/16/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------|--------------|
| Approved By  | Title LPET | Date 3/29/11 |
| 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 ****

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLING & OFF-LEASE STORAGE AND MEASUREMENT

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

Lease commingling proposal for Cockburn leases:

Devon Energy Production Company, LP is requesting approval for Central Tank Battery, Lease Commingle, Off-Lease Storage and Measurement from the Mescalero Escarpe; Bone Spring (45793) from the following wells:

Federal Lease NM-89891

| Well Name | Location | API # | Pool 45793 | BOPD | Oil Gravity | MCFPD | BTU |
|---------------------|------------------|--------------|------------------------------------|--------|-------------|-------|------|
| Cockburn Federal 2 | Sec 10-T18S-R33E | 30-025-36282 | Mescalero Escarpe; Bone Springs | 10.59 | 34.7 | 23.07 | 1323 |
| Cockburn Federal 4H | Sec 10-T18S-R33E | 30-025-39599 | Mescalero Escarpe; Bone Springs | 207.04 | 37.9 | 91.54 | 1471 |

Federal Lease LC-029489-C

| Well Name | Location | API # | Pool 45793 | BOPD | Oil Gravity | MCFPD | BTU |
|------------------------|------------------|--------------|------------------------------------|------|-------------|-------|------|
| Cockburn G Federal 1 | Sec 10-T18S-R33E | 30-025-30711 | Mescalero Escarpe; Bone Springs | 9.13 | 34.9 | 82.89 | 1334 |
| *Cockburn G Federal 5H | Sec 10-T18S-R33E | 30-025-39961 | Mescalero Escarpe; Bone Springs | N/A | N/A | N/A | N/A |

Need to submit upon well completion SEE COAs

* This well is currently being drilled

A map is enclosed showing the Federal leases and well locations in Section 10-T18S-R33E. Working, royalty, and overriding interest owners have been notified via certified mail (see attached).

Oil & Gas metering:

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas, and water. The length of time is 24 hrs per well. *monthly well test will be required.*

A central tank battery is located at the Cockburn Federal 2 location of Sec10 in T18S, R33E on Federal Lease NM-89891 in Lea County, New Mexico. The production from all wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 well site. From this point one well is on test and its production leaves the production header and enters the Test Heater Treater (Labeled HT).

The testing well's gas from the Test Heater Treater (HT) leaves the device and goes through the Cockburn Fed.2 gas test meter which measures the gas from the well on test. The gas from the well on test then routes to the Frontier gas sales meter #6075003 where total gas for the facility is metered and the custody transfer is made. The individual test well's daily Cockburn Fed 2 gas test meter data is recorded for later utilization for gas allocation. It's an EFM and meter rolls over at 7:00 a.m.

The testing well's oil from the Test Heater Treater (HT) enters the Oil test line and can enter either one (pre-selected) of the 300 bbl oil tanks. During testing, the test well's oil will enter one of the 300 bbl oil tanks with the remaining well(s) oil will enter the other 300 bbl oil tank. An individual daily oil test will be recorded for later utilization for oil allocation. We added additional 2-210 stock tanks to the existing tank battery which is located at the Cockburn Federal 2.

The testing well's water from the Test Heater Treater (HT) exits the bottom of the (HT) vessel and (dashed line) enters the 300 bbl produced water (PW) tank. The remaining well(s) on test enter the production header and then move straight through to the Production Separator and then to the 4 x 20 Heater Treater.

The non-testing well(s) produced gas then exits the 4 x 20 Heater Treater and routes directly to the Frontier Gas sales meter #6075003. The non-testing well(s) produced oil exits the 4 x 20 Heater Treater and routes to the 300 bbl oil tank that has not been isolated for the testing well. The non-testing well(s) water exits the bottom of the 4 x 20 Heater Treater and routes in this case (dashed line) enters the 300 produced water (PW) tank. Typically on a two well facility one well could be on test at all times. Consequently the month's total oil, gas, and water are allocated back to the individual wells based on their test for the month of production reported.

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

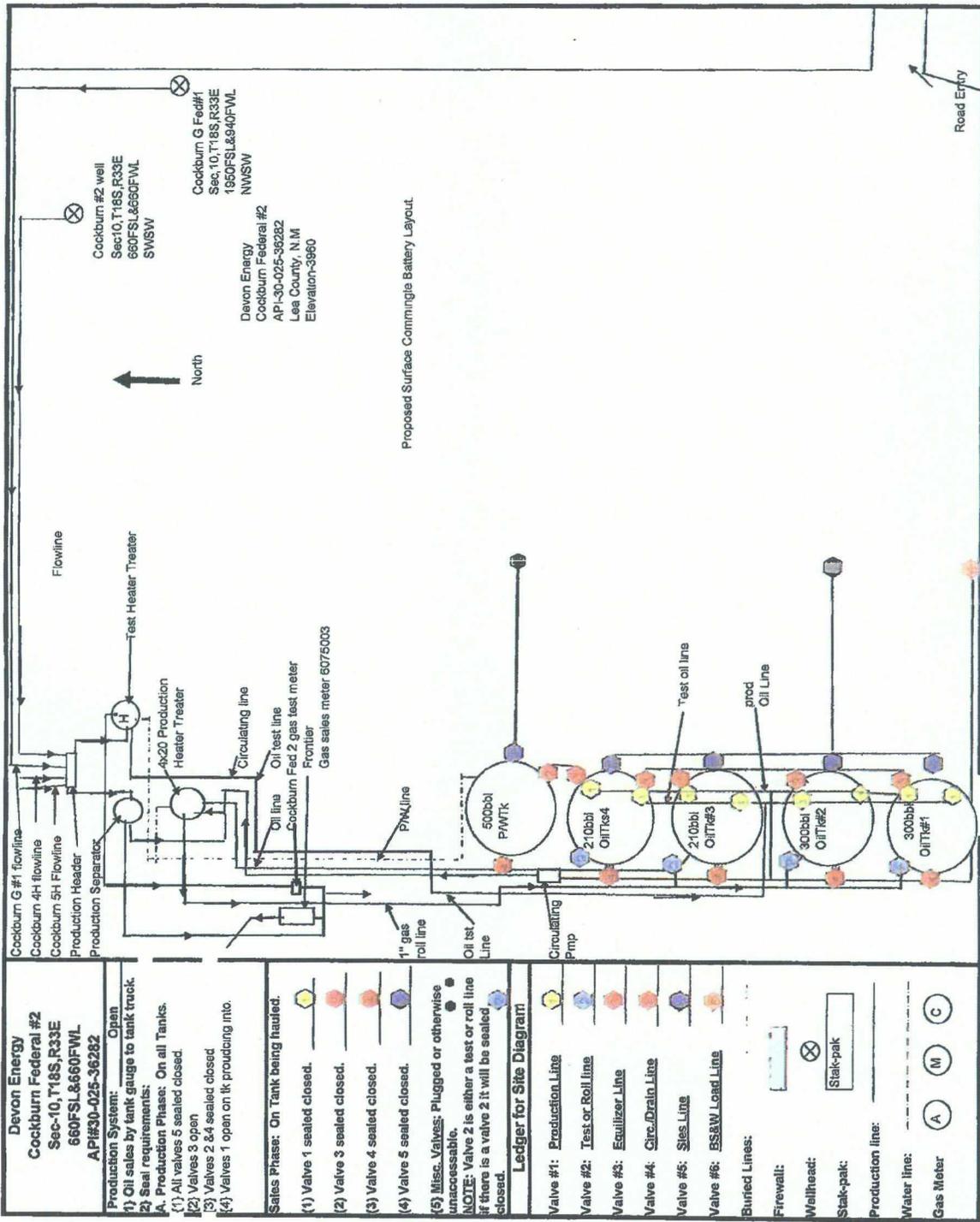
Process and Flow Descriptions:

Please see attached diagram for the "proposed" Cockburn Fed 2 production facility. The flow of produced fluids is shown in detail along with a description of each vessel. From the common production header, one well is on test and its production leaves the production header and enters the Test Heater Treater (labeled HT).

The benefit of surface commingling is that all the wells are within a ¼ mile of each other, one facility will handle the production for both wells. Reduced liability with primary exposure to one facility and reduced lease road/location maintenance due to time/wear-n-tear needing spent at each well's location. This will also lessen the surface disturbance due to having all the production at one facility.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Signed: _____
Printed Name: Melanie Crawford
Title: Regulatory Analyst
Date:



Devon Energy
Cockburn Federal #2
 Sec-10, T18S, R33E
 660FSL & 660FWL
 API#30-025-36282

Production System: Open
 (1) Oil sales by tank gauge to tank truck.

Seal requirements:
 A. Production Phase: On all Tanks.
 (1) All valves & sealed closed.
 (2) Valves 3 open
 (3) Valves 2 & 4 sealed closed
 (4) Valves 1 open on tk producing into.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed.
 (2) Valve 3 sealed closed.
 (3) Valve 4 sealed closed.
 (4) Valve 5 sealed closed.

(5) Misc. Valves: Plugged or otherwise 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: Production Line
 Valve #2: Test or Roll line
 Valve #3: Equalizer Line
 Valve #4: Circ. Drain Line
 Valve #5: Sales Line
 Valve #6: ES&W Load Line

Buried Lines:
 Firewall:
 Wellhead:
 Stak-pak:
 Production line:
 Water line:
 Gas Meter

Proposed Surface Commingling Battery Layout.

Section 10, T18S, R33E
Lea County, New Mexico

3

9

NMLC 0029469A
OXY USA WTP LP
HBP

18S 33E

NMLC 0029469A
CONOCOPhillips CO
HBP

10

NMNM 05338D
CHEVRON MIDCONTINENT LP
HBP

NMNM 05338D
CONOCOPhillips CO
HBP

COCKBURN G Fed #5
COCKBURN G FEDERAL #1

COCKBURN FEDERAL #2 COCKBURN FED #4H

NMNM 030398
EOG RESOURCES INC
HBP

16

LH18401
OXY USA WTP LIMITED PARTNERSHIP
HBP

LG66310
CAL-MON OIL COMPANY
HBP

15

NMNM 021172
CHEVRON MIDCONTINENT LP
HBP

055150
YATES CO
P



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.

Legend

1/10/2011

-  Well Unit
-  Devon Leasehold

T.H.M.C.



Trent Tarp
Landman

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102
(405) 552-3351

January 10, 2011

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

RE: Lease Commingle
Off Lease Measurement, Storage & Sales
Cockburn G Federal #1, Cockburn Federal 2
Cockburn Federal 4H, Cockburn G Fed 5H
Section 10, T18S, R33E
Lea County, New Mexico

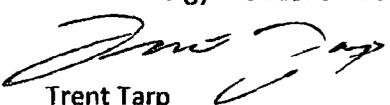
Ladies & Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the referenced wells and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to lease commingle, off lease measurement, storage and sales the following pools/intervals:

Mescalero Escarpe; Bone Spring Pool Code: 45793 ✓

Should you have any questions or concerns, please feel free to contact the undersigned at (405) 552-3351.

Respectfully,
Devon Energy Production Company, L.P


Trent Tarp
Landman



004 NMLC 0029489B

003

002

NMLC 0029489C

NMNM 053381

NMNM 053380

009

010

T 018 S
R 033 E

011

NMNM 089891

NMLC 0029489A

COCKBURN G FED 5H

COCKBURN G FED 1

COCKBURN CENTRAL
TANK BATTERY

COCKBURN FED 4H

COCKBURN FED 2

NMNM 030398

016

015

NMNM 021172

014

NMNM 055150

004

003

002

MLC 0029489B

NMLC 0029489C

NMNM 053381

NMNM 053380

011

009

010

T 018 S.
R 038 E

IMLC 0029489A

NMNM 089891

COCKBURN G FED 5H

COCKBURN G FED 1

COCKBURN CENTRAL
TANK BATTERY

COCKBURN FED 2

COCKBURN FED 4H

NMNM 030398

016

015

NMNM 021172

014

NMNM 055150

Cockburn G Federal #1, Cockburn Federal #2, Cockburn Federal #4H and Cockburn G Federal 5H

Devon Energy Production Co., LP

March 29, 2011

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

1. This approval is subject to like approval by the New Mexico Oil Conservation Division. ✓
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to MMS as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to MMS. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.
11. Upon completion of the Cockburn G Fed 5H submit required Production information: BOPD, Oil Gravity, MCFPD and BTU.
12. At a minimum, monthly well tests will be required to determine production volumes.



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Harrison H. Schmitt
Cabinet Secretary-Designee

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Surface Commingling Order CTB-618-A

February 8, 2011

Devon Energy Production Company
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Attention: Melanie Crawford:

Devon Energy Production Company is hereby authorized to surface commingle oil and gas production from Mescalero Escarpe; Bone Spring Pool (45793) from the following leases and wells.

Lease: **Federal Lease No. USA LC-029489C**

Wells: Cockburn G Fed. Well No.1 (API No. 30-025-30711), 1950' FSL, 940' FWL
NW/4SW/4, Sect. 10, T-18-S, R-33-E

Lease: **Federal Lease No. USA NM-89891**

Well: Cockburn Fed. Well No. 2 (API No. 30-025-36282) SW/4SW/4 Sect. 10, T-18-S,
R-33-E.

Lease: **Federal Lease No. USA NM-89891**

Well: Cockburn Federal Well no. 4 (API No. 30-025-39599), Sec. 10, T-18-S, R-33-E.

All in NMPM, Lea County, New Mexico

Commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Delivery Point (CDP), located in Section 10, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The oil and gas allocation meters shall be calibrated quarterly.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Hobbs District office of the Division prior to implementation of commingling operations.

This order supersedes order No. CTB-618.

DONE at Santa Fe, New Mexico, on February 8, 2011.



Daniel Sanchez
Acting Division Director

MEF/re

cc: Oil Conservation Division – Hobbs
Bureau of Land Management (BLM) - Carlsbad