

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
EXPIRES: NOVEMBER 30, 2000

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

SEP 24 2007

OCD-ARTESIA

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY, LP

3. Address and Telephone No.

20 North Broadway, Ste 1500, Oklahoma City, OK 73102

405-552-7802

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

SEC 9 T23S R31E

5. Lease Serial No.

NMNM-81953

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Well Name and No.

See Attached

9. API Well No.

See Attached

10. Field and Pool, or Exploratory

12. County or Parish 13. State

Eddy

NM

CHECK APPROPRIATE BOX(s) 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 Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle
	<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, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Company, L. P. respectfully requests approval for surface commingle for measurement of hydrocarbon production the following wells:

P. G. 4 Federal 1 Unit C Sec 9 T23S R31E 900 FNL & 1980 FWL: API# 30-015-26509 Pool: Wildcat; Bone Springs 96503

North Pure Gold 4 Federal 2 Unit D Sec 9 T23S R31E 1140 FNL & 840 FWL: API# 30-015-34756 Pool: Los Medanos; Delaware 40297

Surface commingle will be at the North Pure Gold Federal 2

NSL included. Interest owners have been notified via certified mail.

Revised NOI dated 8/1/07. See attached list

**SUBJECT TO LIKE
APPROVAL BY STATE**

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

Signed

Name

Judy A. Barnett

Title

Regulatory Analyst

Date

9/6/2007

(This space for Federal or State Office use)

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date

SEP 20 2007

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction

*See Instruction on Reverse Side

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

APPLICATION FOR SURFACE COMMINGLING:

Bureau of Land Management
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Devon Energy Production Company, LP requests approval for surface commingling and measurement of hydrocarbon production from the following wells on Federal Lease No. NM81953.

<u>Lease Name & No:</u>	<u>UL</u>	<u>SEC</u>	<u>TNS</u>	<u>RNG</u>	<u>Formation</u>
P G 4 Federal 1	C	9	23S	31E	Sand Dunes; Bone Spring
North Pure Gold 4 Fed 2	D	9	23S	31E	Los Medanos; Delaware

Exhibit I is a schematic, which shows the equipment that will be utilized to determine well production from each well that will contribute production to the proposed commingled facility.

Surface Commingling Proposal for P G 4 Federal 1 and North Pure Gold 4 Federal 2H:

Devon proposes to surface commingle two producing wells; the P G 4 Federal #1 and North Pure Gold 4 Federal #2H, into a common surface facility called the North Pure Gold 4 Federal #2H production facility. This commingling will eliminate the need for two production facilities and will in effect lessen the disturbance and impact on the environment. The BLM will be notified if there is any future change in the facility location.

Gas metering:

A separate three-phase separator will be installed at the battery to process production from the P G Federal #1 well (diagram attached). Gas from this separator will be measured by an electronic flow meter (EFM) on its way to the sales line, at which point combined gas sales from both wells will be measured. This EFM will be used to allocate gas production between the two wells, and will be calibrated on a regular basis.

Oil metering:

Oil production from the three-phase separator processing production from the P G 4 Fed #1 will be measured by a turbine meter in the flow line before it is combined at the existing heater treater with production from the North Pure Gold 4 Federal #2H. Total oil production from both wells will be measured by standard gauging procedures at the battery. Allocated oil production from the P G 4 Fed #1 will be based upon the turbine meter readings at the three-phase separator, while oil production from the North Pure Gold 4 Fed #2H will be based upon total battery production less the appropriate measured volume for the P G 4 Fed #1. Provision will be made in the oil flow line at the three-phase separator to check and calibrate the turbine meter with a "proving" meter. A meter check and calibration will be performed on a regular basis..

Please see attached diagrams for the "current" facilities set up and proposed additional equipment to separately meter production from the P G 4 Federal #1.

The overriding royalty owners, working interest owners and NMOCD have been notified of this proposal. The overriding royalty owners and working interest owners have been notified by certified mail. See attached receipt list.

The proposed commingling of production is to reduce operating expense between the two referenced wells. This will result in increasing the economic life of the wells.

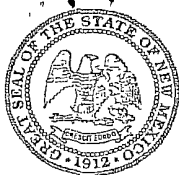
We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. We intend to follow the existing ROW for the gas line.

Signed: 

Name: Judith A. Barnett

Title: Regulatory Analyst

Date: September 6, 2007



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 15, 2007

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

Attention: Mr. Ken Gray

Re: P G "4" Federal Well No. 1

API No. 30-015-26509

Surface Location: 900' FNL & 1980' FWL, Unit C, Section 9

Bottomhole Location (Top of Bone Springs): 235' FNL & 2108' FWL, Unit C, Section 9

Bottomhole Location (3rd Bone Springs Interval): 805' FSL & 2184' FWL, Unit N, Section 4

All in Township 23 South, R-31 East, NMPM,

Eddy County, New Mexico



Administrative Order NSL-5646

Dear Mr. Gray:

Reference is made to the following:

- (a) Devon Energy Production Company, L.P.'s ("Devon" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0714234700*) for the P G "4" Federal Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 21, 2007; and
- (b) the Division's records pertinent to Devon's request.

Devon requests approval of an unorthodox oil well location for its existing P G "4" Federal Well No. 1 which is located at a surface location 900 feet from the North line and 1980 feet from the West line (Unit C) of Section 9, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, and which penetrates the top of the Bone Springs formation at an unorthodox location 235 feet from the North line and 2108 feet from the West line (Unit C) of Section 9, and which penetrates the 3rd Bone Springs interval at a standard location 805 feet from the South line and 2184 feet from the West line (Unit N) of Section 4, Township 23 South, Range 31 East, NMPM. The well is to be completed in the Wildcat-Bone Springs Pool (Oil - N/A) and is to be dedicated to a standard 40-acre spacing and proration unit comprising the SE/4 SW/4 of Section 4.

The Wildcat-Bone Springs Pool is currently governed by Division Rule 19.15.3.104.B.

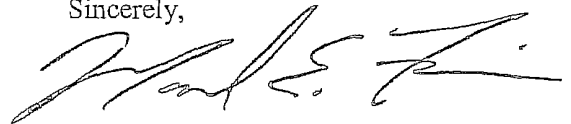
It is our understanding that the well was originally directionally drilled as an Atoka test, and that the well is now uneconomic to produce in that formation. Devon now proposes to re-complete the well in the 3rd Bone Springs interval at an approximate measured depth of 11,563'-11,566', 11,570'-11,574', 11,584'-11,592', 11,602'-11,605' and 11,608'-11,612'. According to the directional survey for this well, the 3rd Bone Spring interval will be penetrated at a standard oil well location 805 feet from the South line and 2184 feet from the West line (Unit N) of Section 4. However, the directional survey further shows that the top of the Bone Springs formation will be penetrated by the well at an unorthodox location 235 feet from the North line and 2108 feet from the West line (Unit C) of Section 9.

In the event that the well is completed in a Bone Springs interval above a measured depth of 11,563', the applicant shall consult with the Division to determine the proper acreage to be dedicated to the well.

The applicant provided notice of this application to Yates Petroleum Corporation and Camterra Resources, the only affected parties. No party objected to this application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Wildcat-Bone Springs Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division - Artesia

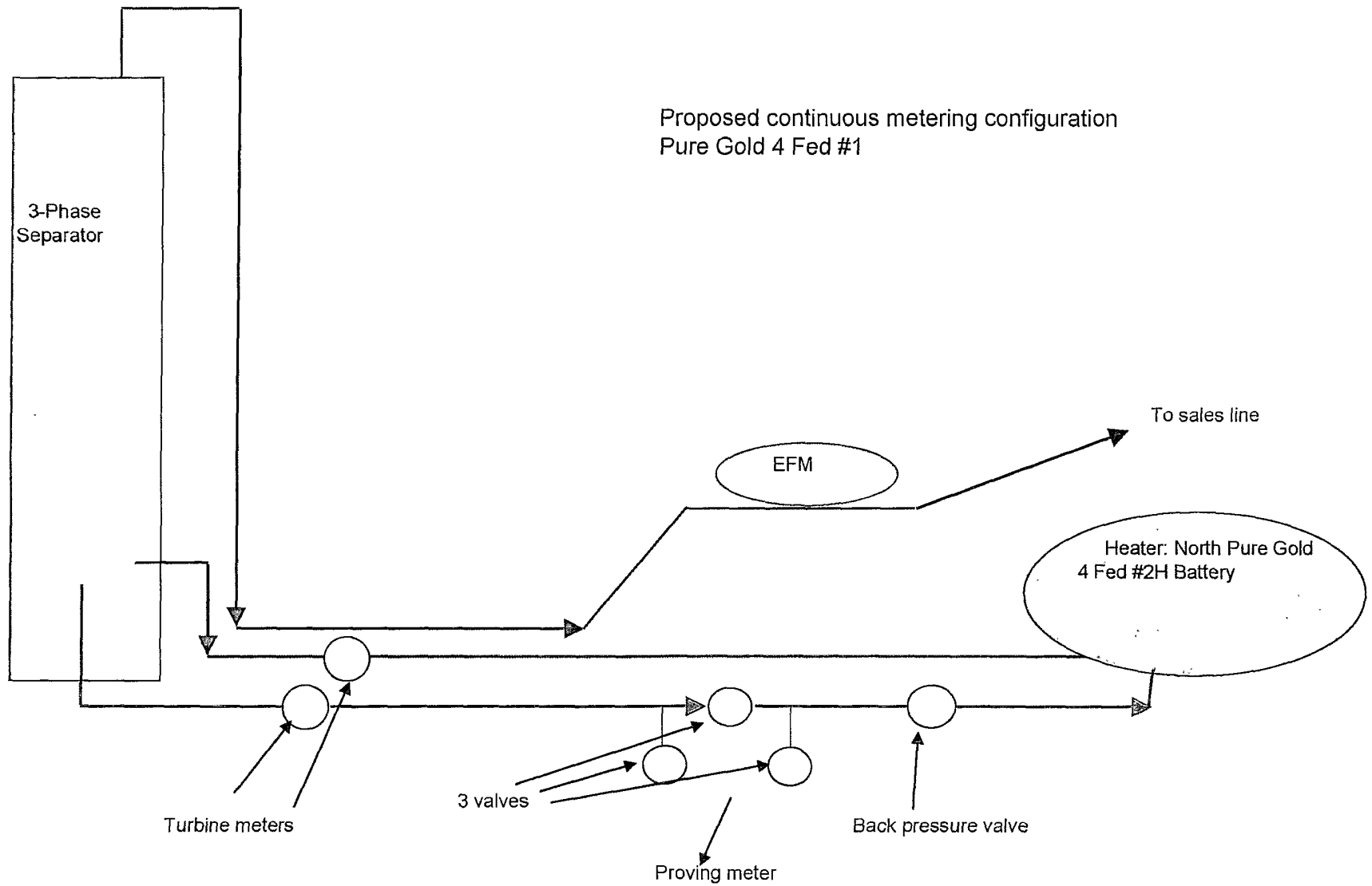
List of Interest Owners

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Camterra Resources PTNRS LTD
ATT: Accounting Dept
2615 E. End Blvd. S.
Marshall, TX 75671

Minerals Management Service
Royalty Management Program
P. O. Box 5810
Denver, CO 80217-5810

Proposed continuous metering configuration
Pure Gold 4 Fed #1



Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220-6292
(505) 234-5972

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency be notified of any change in your sales method or location of the sales meter.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. 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 to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.