Form 3160-5 (February 2005)

Notice of Intent

Subsequent Report

Final Abandonment Notice

## UNITED STATES OCD-ARTESIA DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Acidize

Alter Casing

Casing Repair

Change Plans

Convert to Injection

FORM APPROVED
OMB No. 1004-0137
Expures March 31, 200

Expires	March	31,	20
01110	110 100	, ,	

5 Lease Serial No NM-100561

Production (Start/Resume)

Reclamation

Temporarily Abandon

\_\_\_\_ Recomplete

Water Disposal

1 4171	100001
If Indian, Allottee or	Tribe Name

Water Shut-Off

Other Central Tank Battery

On Lease Storage/

Measurement & Sales

Well Integrity

	orm for proposals to drill or to re-enter an Use Form 3160-3 (APD) for such proposals.	RECEIVED
SUBMI	TIN TRIPLICATE Other instructions on page 2	7. If Unit of CA/Agreement, Name aht/AYN2 4 2010
1 Type of Well  Oil Well  Gas W	/ell、	8 Well Name and No NMOCD ARTESI/
2 Name of Operator Devon Energy Production Co., LP		9 API Well No 30-015-31876 & 30-015-37171
3a Address 20 North Broadway OKC, OK 73102	3b Phone No. (include area code) (405)-552-7802	10 Field and Pool or Exploratory Area Hackberry, Bone Springs, North (97056)
4. Location of Well <i>(Footage, Sec. T.)</i> Sec 7-T19S-R31E See Below	R ,M., or Survey Description)	11 Country or Parish, State Eddy County, NM
12 CHEC	K THE APPROPRIATE BOX(ES) TO INDICATE NATURE O	F NOTICE, REPORT OR OTHER DATA
TYPE OF SUBMISSION TYPE OF A		OF ACTION

Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof 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 must 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 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.)

Deepen

Plug Back

Fracture Treat

New Construction

Plug and Abandon

Devon Energy Production Co. LLP respectfully requests approval for central tank battery, on lease storage/measurement and sale of hydrocarbon production from the following wells:

- \* Strawberry 7 Federal 1: API # 30-015-31876 Sec 7-T19S-R31E Lease NM-100561 Hackberry; Bone Spring, North (97056)
- \* Strawberry 7 Federal 3: API # 30-015-37171 Sec 7-T19S-R31E Lease NM-100561 Hackberry, Bone Spring, North (97.056)

A central tank battery will be located at the Strawberry 7 Federal Com 1. The Well Test Method will be used to allocate production back to the wells. The Strawberry 7 Federal Com 1 gas hydrocarbons will be sold at a gas sales meter associated with a Frontier central delivery point (CDP) located east of the Hackberry 18 Federal 2 located at the NENW of Sec 18-T19S-R31E. Previous approval was granted to surface commingle the gas hydrocarbons for the Strawberry 7 Federal Com 1 & Hackberry 6 Fed 1 under CTB-610. The Strawberry 7 Federal 3 gas hydrocarbons will be sold at the gas sales meter associated with a DCP central delivery point (CDP) located 100' west of the Strawberry 7 Federal 1 pad located in the NWNW of Sec 7-T19S-R31E Separator equipment and sales meter are on the same pad. No check meter is currently installed, unless one will be required. No other wells are tied to the DCP CDP; DCP to install meter. DCP committed to low pressure line.

No ROW necessary, as line is within lease boundary, pending approval. ROW will or has already been obtained for the gas line

The working, royalty, and overriding interest in both wells are uniform in Lease NM-100561; no further notification is necessary.

	SEE ATTACHED FOR
14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)  Stephanie A. Ysasaga  Til	CONDITIONS OF APPROVAL  Sr. Staff Engineering Technician
Signature Da	te 04/29/2010
THIS SPACE FOR FEDERA	L OR STATE OFFICE USE
Approved by	
/s/ JD Whitlock Jr	Trule LPET Date 1/8/6
Conditions of approval, if any, are attached Approval of this notice does not warrant or certif	· i
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
The total of the t	

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)

Submit 3 Copies To Appropriate District Office	State of New Mex			F	Form C May 27.	
District I	Energy, Minerals and Natura	ii Resources	WELL API	NO.	:viay 27.	
1625 N. French Dr., Hobbs, NM 88240 District II	State of New ON I	MARION		31876 & 30-015-	37171	
1301 W. Grand Ave., Artesia, NM 88210 District III	1220 S with St. Thomas	JIVISION -	5. Indicate T	ype of Lease		
1000 Rio Brazos Rd., Aziec, NM 87410 District IV	OIL [220 South St. Franc	is Dr.	FED 🛛		FEE	
District IV	1220 s	05	6. State Oil	& Gas Lease No		
1220 S St Francis Dr. Santa Fe, NM 87505	1220 South St. F					
-07 D DD 034 340 (D10)	S AND REPORTS ON WELLS		7. Lease Nai	ne or Unit Agreer	nent Na	me
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3 Address of Operator - Detroit p	derion-Company, Lr C.,		10 Pool nan	ne or Wildcat		
20 North Broadway, Oklahoma City, C	hictical hardshoz-8260 (405)	552-7802	io. Toornan	See Below		
Devon Energy Prod  3. Address of Operator Energy Prod  20 North Broadway Oblahoma City C  4. Well Location (See Below) for  Unit Legg:  Section — Townsh	11.1.1					
Unit Letter Below	781dhotna 73102-8260 lung and	for	at from the	lina		
Continue Townsh	in Danie		County	Now Marias		
Section — LOWING	L. Hayalian (Shan whath is DP. P	VR PT CP etc.)	County	New Mexico		
	iPfrom the Range ip Lievalion - AShow whether DR, R Rangs	KD, K1, GK, etc.)				
Pit or Below-grade Tank Application or Clo	Sure Vation (Show )					
Pit type Depth to Grounds 211 in	whether !	er well Distan	ice from neares	t surface water		
Pit or Below-grade Talls Application of the Pit type Depth to Growth Application of the Pit Liner Thickness:  12. Check Application of the Check A	Below-Grade Tank: Volume	hbls: Cons	truction Materi	al		
The brite and the second	Mistance from some	CAT D	or detion water	1 7	-	
2. Check-App	repracte Box to Indicate Nat	ure of Notice, R	eport or Ot	her Data		
NOTICE OF INTE	REPRON TEO:	SHRS	FOLIENT	REPORT OF		
PERFORM REMEDIAL WORK TUTE	JIG. AND ABANDON TELE	REMEDIAL WORK	LQULIVI	ALTERING (	CASING	
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OTHER: CENTRAL TANK BATTERM	ONTEAST CAS			_		
STORACE/MEASURE	ient & sales   C	THER.				
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or recompletion. Thosed work).	SEE RULL Clearly state ?					
of starting any proposed work).  or recomplyion Proposed work).  Devon Energy Production Co. LLP responsed works.	ectfully requests approval for cen	tral tank battery, o	n lease storac	ze/measurement a	nd sale	of oas
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* Strawberry 7 Eggeral 3: API # 30-01	\$-\$7代7[]\$Sec 7-T[]\$-R多图 [Lease]	NM-100561 Hackb	erry; Bone Sp	ring, North (97056	)	
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committed to low pressure line satisfic utiles	s one will be well of Sec 3.4					
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royalty, and overriding interest in both well	ş are uniform in Lease NAI-100561;	no further notificat	ion is necessar	ry.	,, 0,,,,	5,
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SIGNATURE	of Marie Sr. S	staff Engineering I	echnician	DATE04/29	9/2010_	
Type or print name Stephanie A. Ýsasa	24- E-mail address: Stenha	mie Ysasaga@dvn	com T	elephone No. (40.		
For State Use Only	ga E-mail address: Stepha	1 54545466411,		creptione No. (40.	J) JJ:-1	002
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Conditions of Approval (#Fany)						-
Provide Attack						

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DATÉ IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO

ABOVE THIS LINE FOR DIVISION USE ONLY

### NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



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		<b>ADMINISTRATIVE APPL</b>	ICATION CHECKLIST	
	THIS CHECKLIST IS	MANDATORY FOR ALL ADMINISTRATIVE APPLICAT WHICH REQUIRE PROCESSING AT TH		AND REGULATIONS
Арр	[DHC-Dov [PC-P	<b>ns:</b> andard Location] [NSP-Non-Standard Pr vnhole Commingling] [CTB-Lease Con ool Commingling] [OLS - Off-Lease St	roration Unit] [SD-Simultaneous De nmingling] [PLC-Pool/Lease Com orage] [OLM-Off-Lease Measuren Pressure Maintenance Expansion] Injection Pressure Increase]	mingling] nent]
[1]	TYPE OF A	PPLICATION - Check Those Which Ap Location - Spacing Unit - Simultaneou  NSL NSP SD	• • • •	
	Chec [B]	k One Only for [B] or [C]  Commingling - Storage - Measuremen  DHC CTB PLC	t ] PC	
	[C]	Injection - Disposal - Pressure Increase  WFX PMX SWD	e - Enhanced Oil Recovery IPI	
	[D]	Other: Specify _Central Tank Battery:	Refer to CTB 607 – Change CDP_	
[2]	NOTIFICAT	TION REQUIRED TO: - Check Those W  Working, Royalty or Overriding R		
	[B]	Offset Operators, Leaseholders or	Surface Owner	
	[C]	Application is One Which Require	es Published Legal Notice	
	[D]	Notification and/or Concurrent Ap U S Bureau of Land Management - Commissioner o		
	[E]	For all of the above, Proof of Noti	fication or Publication is Attached, an	nd/or,
	[F]	Waivers are Attached		
[3]		CURATE AND COMPLETE INFORM ATION INDICATED ABOVE.	MATION REQUIRED TO PROCE	ESS THE TYPE
	oval is <mark>accurate</mark> a	TION: I hereby certify that the information and complete to the best of my knowledge equired information and notifications are s	. I also understand that no action wi	
	Note	: Statement must be completed by an individual	with managerial and/or supervisory capaci	ty.
	anie A. Ysasaga or Type Name	Signature	Sr Staff Engineering Technician Title	04/29/2010 Date
			Stephanie.Ysasaga@dvn.com e-mail Address	·

# APPLICATION FOR CENTRAL TANK BATTERY SURFACE COMMINGLING, ON LEASE SALES & MEASUREMENT OF OIL & GAS HYDROCARBONS

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

#### Central tank battery for the Strawberry lease:

Devon Energy Production Company, LP is requesting approval for surface commingle, on lease storage and measurement of hydrocarbon production from the Hackberry; Bone Spring, North (97056) from the following wells:

#### Federal Lease NM-100561

Well Name	Location	API#	Pool 97056
Strawberry 7 Federal Com 1	NENW Sec 7-T19S-R31E	30-015-31876	Hackberry; Bone Spring, North
Strawberry 7 Federal Com 3	NWNW Sec 7-T19S-R31E	30-015-37171	Hackberry; Bone Spring, North

Well Name	BOPD	Oil Gravity	MCFPD	BTU	
Strawberry 7 Federal Com 1	25	38.5° API	45	1364	
Strawberry 7 Federal Com 3*	n/a	n/a	n/a	n/a	

<sup>\*</sup> Well is currently in process of drilling and/or completion.

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 7 of T19S R31E. The ownership in both wells in the Strawberry lease NM-100561 is identical; no further notification is required.

#### 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. Well tests for each well will be conducted at least once per month.

A central tank battery will be located at the Strawberry 7 Federal 1 location in the NENW of Section 7 in T19S, R31E on Federal Lease NM-100561 in Eddy County, New Mexico (Exhibit C). The oil and water hydrocarbon production from the Strawberry 7 Federal 1 and 3 will be commingled, measured and sold on lease; using the Well Test Method. The Well Test Method will be used to allocate production back to the wells.

The Strawberry 7 Federal 3 gas hydrocarbons will be sold at the gas sales meter associated with a DCP central delivery point (CDP) located 100' west of the Strawberry 7 Federal 1 pad located in the NWNW of Sec 7-T19S-R31E. Separator equipment and sales meter are on the same pad. No check meter is currently installed, unless one will be required. No other wells are tied to the DCP CDP; DCP to install meter.

The Strawberry 7 Federal Com 1 gas hydrocarbons will continue be sold at a gas sales meter associated with a Fronticr central delivery point (CDP) located east of the Hackberry 18 Federal 2 located at the NENW of Sec 18-T19S-R31E. Previous approval was granted surface commingle the gas hydrocarbons for the Strawberry 7 Federal Com 1 & Hackberry 6 Fed 1 under CTB-610.

The BLM's interest in both 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 current and proposed Strawberry 7 Federal Com 1 central tank battery. The flow of produced fluids is shown in detail on Exhibit D along with a description of each vessel.

The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

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.



February 2, 2010

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

Re: Surface Lease Commingling
Strawberry 7 Federal Com #1
Strawberry 7 Federal 3
Section 7-T19S-R31E
Eddy County, New Mexico

#### Gentlemen.

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the referenced wells and the associated State of New Mexico oil and gas leases and find that the ownership of the working interest, royalty and overriding royalty interests are uniform with respect to Devon's request to surface commingle all production from the following pool, insofar as such pool covers the referenced wells:

Hackberry; Bone Springs North (97056)

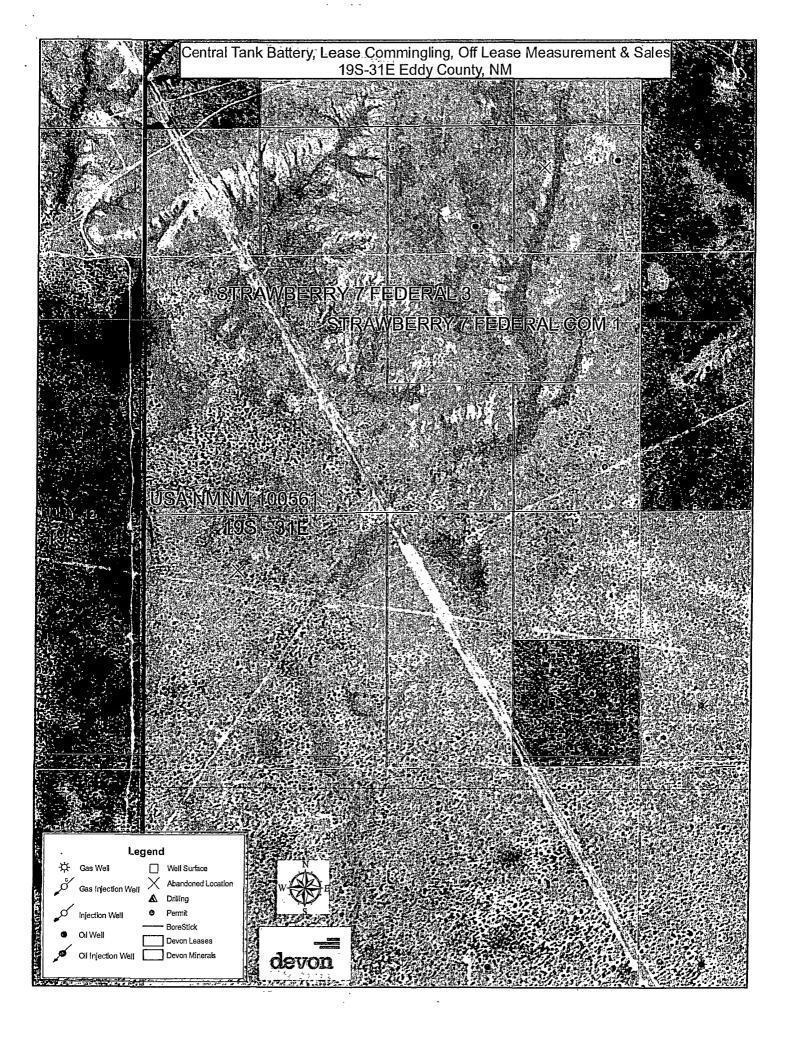
If there are any questions or if additional information is required feel free to contact the undersigned at (405) 228-8589.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Landman

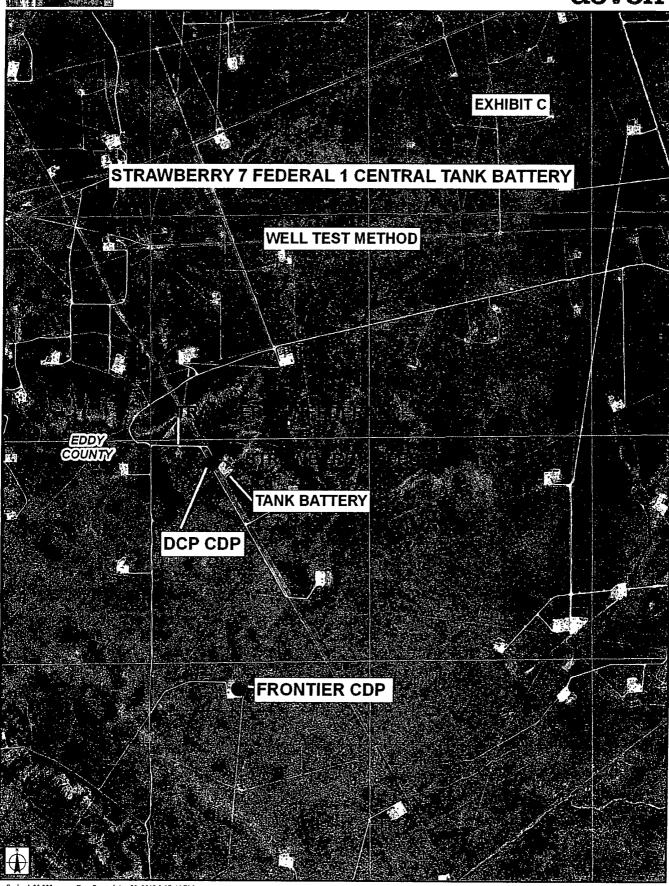
Enclosures:





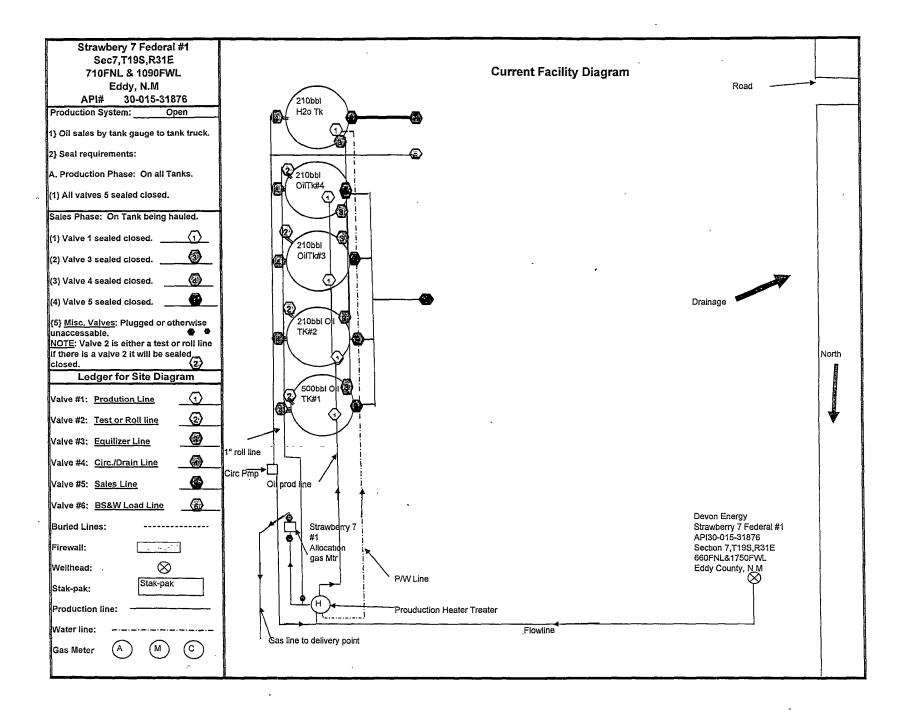
**Devon GIS Intranet Mapping** 

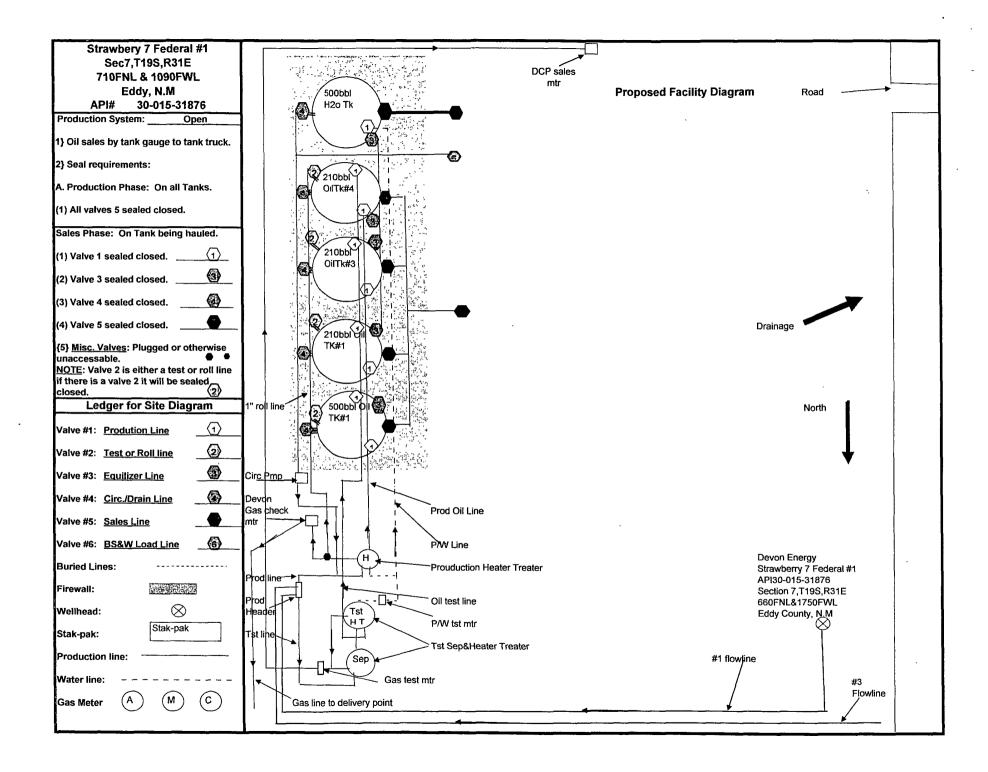




Scale 1 25,222

Date Printed Apr 28, 2010 1 17 46 PM







## Laboratory Services, Inc.

2609 West Marland Hobbs, New Mexico 88240

Telephone: (575) 397-3713



FOR:

Devon Energy

P. O. Box 250

Artesia, New Mexico 88211-0250

SAMPLE:

\$ta. #677-33-006

IDENTIFICATION Strawberry 7 Fed. Com. #1

COMPANY:

Devon Energy

LEASE: PLANT:

SAMPLE DATA: DATE SAMPLED: 8/21/09 12:00 pm

ANALYSIS DATE: 8/24/09 PRESSURE - PSIG 71 SAMPLE TEMP. °F 97 ATMOS. TEMP. °F 113

GAS (XX)

LIQUID ( ) Paul B.

SAMPLED BY:

ANALYSIS BY:

Vicki McDaniel

REMARKS:

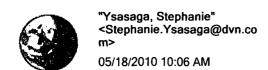
#### **COMPONENT ANALYSIS**

COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	2.837	
Carbon Dioxide	(CO2)	0.055	
Methane	(C1)	70.065	
Ethane	(C2)	13.206	3.523
Propane	(C3)	7.646	2.102
I-Butane	(IC4)	0.985	0.322
N-Butane	(NC4)	2.650	0.834
I-Pentane	(IC5)	0,666	0.243
N-Pentane	(NC5)	0.687	0.248
Hexane Plus	(C6+)	1.203	0.522
	`		- I to factor
		100.000	7.794
BTU/CU.FT. – DRY AT 14.650 DRY AT 14.650 WET AT 14.73 DRY AT 14.73 WET	1354 1359 1336 1367 1343		MOLECULAR WT. 23,6017
SPECIFIC GRAVITY CALCULATED MEASURED	0.812		

	STRAWBERRY 7 FEDERAL COM 1				
Date	Actual Oil Production	Actual Gas Production	Actual Water Production		
10/1/2009	29	50	30		
10/2/2009	28	50	28		
10/3/2009	27	49	28		
10/4/2009	28	52	23		
10/5/2009	29	51	28		
10/6/2009	24	51	30		
10/7/2009	29	51	26		
10/8/2009	28	48	27		
10/9/2009	28	50 .	27		
10/10/2009	28	51	29		
10/11/2009	23	50	30		
10/12/2009	31	52	24		
10/13/2009	28	52	25		
10/14/2009	30	51	26		
10/15/2009	34	53	30		
10/16/2009	27	52	25		
10/17/2009	27	52	26		
10/18/2009	32	51	28		
10/19/2009	30	54	26		
10/20/2009	29	53	28		
10/21/2009	23	52	26		
10/22/2009	29	52	26		
10/23/2009	27	50	28		
10/24/2009	27	50	30		
10/25/2009	22	52	27		
10/26/2009	31	50 .	28		
10/27/2009	28	52	28		
10/28/2009	25	51	28		
10/29/2009	28	49	27		
10/30/2009	28	50	28		
10/31/2009	31	53	28		
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11/1/2009	22	64	26		
11/2/2009	28	45	27		
11/3/2009	0	0	0		
11/4/2009	0	0	0		
11/5/2009	0	0	0		
11/6/2009	0	6	0		
11/7/2009	22	60	30		
11/8/2009	0	53	53		
11/9/2009	25	51	30		
11/10/2009	22	54	23		
11/11/2009	33	54	26		
11/12/2009	31	53	27		
11/13/2009	26	54	23		
11/14/2009	36	52	24		
11/15/2009	29	53	25		
11/16/2009	32	52	24		
11/17/2009	28	56	25		
11/18/2009	37	54	27		

.

STRAWBERRY 7 FEDERAL COM 1			
Date	Actual Oil Production	Actual Gas Production	Actual Water Production
11/19/2009	31	55	28
11/20/2009	25	54	25
11/21/2009	25	55	28
11/22/2009	30	54	25
11/23/2009	22	55	28
11/24/2009	31	54	24
11/25/2009	25	55	25
11/26/2009	28	54	27
11/27/2009	31	52	28
11/28/2009	29	54	28
11/29/2009	28	50	28
11/30/2009	31	48	28
11/00/2000	710	1407	712
12/1/2009	0	5	0
12/2/2009	0	6	0
12/3/2009	0	0	0
12/4/2009	0	. 0	0
12/5/2009	17	27	38
12/6/2009	11	51	53
12/7/2009	33	56	28
12/8/2009	0	49	0
12/9/2009	33	35	34
12/10/2009	15	43	28
12/11/2009	26	48	28
12/12/2009	28	49	28
12/13/2009	32	50	26
12/14/2009	29	49.	24
12/15/2009	31	50	28
12/16/2009	23	50	30
12/17/2009	31	51	28
12/18/2009	30	44	27
12/19/2009	24	45	28
12/20/2009	28	43	28
12/21/2009	28	51	28
12/22/2009	21	49	28
12/23/2009	20	49	24
12/24/2009	33	48	24
12/25/2009	31	50	27
12/26/2009	29	49	24
12/27/2009	31	51	28
12/28/2009	31	50	28
12/29/2009	25	50	29
12/30/2009	31	52	28
12/31/2009	25	49	0
	697	1303	724



To <Duncan\_Whitlock@blm.gov> cc bcc

Subject CTB-610: Alternate CDP Utilization

Duncan,

Per our telephone conversation:

Devon Energy Production Co. LLP respectfully advises that an alternate CDP may be used in conjuction with CTB-610 for the following wells:

- \* Strawberry 7 Federal 1: API # 30-015-31876 Sec 7-T19S-R31E Lease NM-100561 Hackberry; Bone Spring, North (97056)
- \* Strawberry 7 Federal 3: API # 30-015-37171 Sec 7-T19S-R31E Lease NM-100561 Hackberry; Bone Spring, North (97056)

Under normal operations, the Strawberry 7 Federal 1 gas hydrocarbons will be sold at a gas sales meter associated with a Frontier central delivery point. If the Frontier gas plant goes down, the DCP central delivery point will be utilized.

Under normal operations, the Strawberry 7 Federal 3 gas hydrocarbons will be sold at a gas sales meter associated with a DCP central delivery point. If the DCP gas plant goes down, the Frontier central delivery point will be utilized.

(See GIS plat for CDP locations)

## Stephanie A. Ysasaga

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#### Strawberry 7- 1&3 and Hackberry 6-1

#### Devon Energy Production Co., LP

May 18, 2010

## 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. If any additional wells are added to this CDP, a gas meter will have to be installed on the Hackberry 6 Federal # 1, after commingling approval has been submitted for additional wells.