

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

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.

APR 01 2009

5. Lease Serial No.

SF 078988

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 #303

9. API Well No.

30-039-23568

10. Field and Pool, or Exploratory Area

Basin Dakota &
Laguna Seco Gallup

AND

Rio Arriba County, New Mexico

RCVD APR 3 '09
OIL CONS. DIV.
DIST. 3

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)

990' FSL & 990' FEL Unit P
Sec. 20, T31N, R06W

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Commingle

Application

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 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 shall 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 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 tbg 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 160 MCF/D for the Dakota and 6 MCF/D for the Gallup. Both intervals now have the same exponential decline rate of 4.5%. See attached calculations.

GAS: Dakota 96%
GAS: Gallup 4%

OIL: Dakota 100%
OIL: Gallup 0%

DHC Pending

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Mike Pippin

Date

March 31, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Doc Hewitt

Title

Geo

Date

4-1-09

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

FFD

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)

NMOCD

DEVON ENERGY PRODUCTION COMPANY, L.P.
Northeast Blanco Unit #303 Gal/DK
P Section 20 T31N R06W
3/31/09

Commingle Allocation Calculations

OIL

Since this gas well was 1st 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 4.5% exponential decline rate. See attached production curves. Using the decline rate of 4.5%, the forecast from the attached curves indicates a Gallup producing rate of 6 MCF/D and the Dakota rate of 160 MCF/D at the end of 2008.

Total gas is $6 + 160 = 166$ MCF/D

$$\% \text{ GALLUP} = \frac{6}{166} = 4\%$$

$$\% \text{ DAKOTA} = \frac{160}{166} = 96\%$$