110	000	NSE 9 MILEFT JONES LOGGEDIN 109 DATE DKAA 0902136156
Udate in	-V V - ANSP	
		ABOVE THIS LINE FOR DIVISION USE ONLY 73 NEW MEXICO OIL CONSERVATION DIVISION NEW MEXICO OIL CONSERVATION DIVISION
		- Engineering Bureau -
··.		1220 South St. Francis Drive, Santa Fe, NM 87505
		Administrative application checklist
TI	HIS CHECKLIST IS	MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Аррис	[DHC-Dov [PC-F	ns: andard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] wnhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] 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] alified Enhanced Oll Recovery Certification] [PPR-Positive Production Response]
[1]		PPLICATION - Check Those Which Apply for [A]
	[A]	Location - Spacing Unit - Simultaneous Dedication           NSL         NSP         SD
	Cheo [B]	k One Only for [B] or [C] Commingling - Storage - Measurement
		$\square$ DHC $\square$ CTB $\square$ PLC $\square$ PC $\square$ OLS $\square$ OLM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery           WFX         PMX         SWD         IPI         EOR         PPR
	[D]	Other: Specify
[2]	NOTIFICA [A]	<b>FION REQUIRED TO:</b> - Check Those Which Apply, or  Does Not Apply 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,
	<b>[F]</b>	Waivers are Attached
[3]		CCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE

,

[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.

	M latopin		
Mike Pippin	Mill heapin	Petroleum Engineer	January 15, 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

January 15, 2009

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

### RE: Application for Downhole Commingling - C-107A Northeast Blanco Unit #22M – API#: 30-039-30504 Unit Letter "O" Section 36 T31N R07W Rio Arriba County, New Mexico

Dear Mr. Jones:

Devon Energy Production Company, L.P. would like to commingle the Blanco Mesaverde interval with the South Los Pinos Fruitland Sand Pictured Cliffs interval in the referenced new well. This well was completed on 12/2/08. Attached is the C-107A along with the necessary supporting data. The PC side of this well was 1<sup>st</sup> delivered on 12/15/08 making about 545 MCF/D. The MV side of this well was 1<sup>st</sup> delivered on 1/8/09 making about 1400 MCF/D.

The allocation of production will be calculated as follows. The two zones will be produced separately for a minimum of 90 days. The unit type curve constructed for each zone will then be fitted to the 90-day production test data for each zone. The resulting curve will be used to forecast future monthly production rates for the life of each zone. The zones will then be commingled. Monthly production will then be allocated to each zone based on the ratio of the forecast production rates for each zone based on the ratio of the forecast production rates for each zone for that month.

For example, if in any given future month, the MV was forecast from its type curve to make 750 MCF/D, and the PC was forecast from its type curve to make 250 MCF/D, then the actual commingled production for that month would be allocated 75% to the MV and 25% to the PC. Allocations will change monthly (although the month-to-month changes will be relatively small).

This allocation method is required because production from the two zones decline differently as evidenced by their type curves. A constant percentage allocation would not be adequate because ownership differs in the two zones. Devon will submit the necessary well tests, commingle allocations, and calculations on a C-103 to the NMOCD district office.

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

Very truly yours,

Mike Pippin PE Petroleum Engineer

Enclosures

District 1	State of N	aw Mavico	Form C-1074						
District 1         State of New Mexico         Form C-107A           (623 N. Freed Drive, Holds, NM \$8240         Energy, Minerals and Natural Resources Department         Revised June 10, 2003									
District II 1301 W. Grand Avenue, Artesia, NM 88210									
District III 1000 Rio Brazos Road, Aztoc, NM 87410		n St. Francis Dr. w Mexico 87505	X_Single Well Establish Pre-Approved Pools						
District IV			EXISTING WELLBORE						
1220 S. SL Francis Dr., Santa Fe, NM 87505	APPLICATION FOR DOV	VNHOLE COMMINGLING	<u>X</u> Yes No	-					
DEVON ENERGY PRODUCT		c/o Mike Pippin LLC (agent), 3104 N.S	ullivan, Farmington, NM 8746						
Northeast Blanco Unit #22M	O SEC. 36	T3IN ROTW	C-TT-S-						
Lease	Well No. Unit Letter	r-Section-Township-Range	County						
OGRID No. 06137 Property Code	<u>_19641_</u> API No. <u>_30-039-3050</u>	4Lease Type:Federal _X	StateFee						
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE						
	South Los Pinos Fruifland		V /						
Pool Name	Sand Pictured Cliffs		Blanco Mesaverde						
Pool Code	80690		72319						
Top and Bottom of Pay Section	3882'-3937'		5805'-6352',						
(Perforated or Open-Hole Interval)	Flowing		Flowing						
Method of Production (Flowing or Artificial Lift)									
Bottomhole Pressure (Note: Pressure data will not be required if the bottom	7-0		line and						
perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1200 psi		19 psi						
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1								
Producing, Shut-In or	Producing		Producing	-					
New Zone Date and Oil/Gas/Water Rates of	· · · · · · · · · · · · · · · · · · ·	• • • • • • • • • • • • • • • • • • • •		) 1					
Last Production. (Note: For new zones with no production history,	Date:	Date:	Date:						
applicant shall be required to attach production									
estimates and supporting data.)	Rates:	Rates:	Rates:	b $a$					
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Cas	Oil Gas OS	nach-O					
than current or past production, supporting data or explanation will be required.)	% % 7	os 1 % PE V	ma Decla	an ex					
L		NAL DATA	//	J					
Are all working, royalty and overriding If not, have all working, royalty and over	royalty interests identical in all com	mingled zones?	YesNo_X Yes_XNo						
Are all produced fluids from all commit	0 0 0	•	Yes X No Yes X No						
Will commingling decrease the value of			Yes No	-					
	•	e Commissioner of Public Lands							
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 X No									
NMOCD Reference Case No. applicabl	e to this well:								
Attachments: C-102 for each zone to be comming	eled showing its spacing unit and ac	reave dedication							
Production curve for each zone for For zones with no production histor	at least one year. (If not available, a	attach explanation.)							
Data to support allocation method on Notification list of working, royalty	or formula.								
Any additional statements, data or o									
	PRF_APPRO	VED POOLS		-					
If application is List of other orders approving downhole	to establish Pre-Approved Pools, th	e following additional information wil	Il be required:						
List of all operators within the proposed	Pre-Approved Pools								
Proof that all operators within the propo Bottomhole pressure data.			······						
I hereby certify that the information above is true and complete to the best of my knowledge and belief.									
SIGNATURE	<u>ppin</u> TITLE	Petroleum Engineer - Agent DA	TE January 15, 2009						
TYPE OR PRINT NAME M	ike Pippin	TELEPHONE NO. (50	5						
E-MAIL ADDRESSmike@	pippinllc.com								

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District.1
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

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### State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

Form C-102

1220 South St. Francis Dr.

Santa Fe, NM 87505

AS DRILLED

### WELL LOCATION AND ACREAGE DEDICATION PLAT

[	<sup>4</sup> API Number				<sup>2</sup> Pool Code			<sup>3</sup> Pool Name						
	30-0	7	72319 / 80690			Blanco Mesaverde & So. Los Pinos Frt/Sand PC								
Ī	<sup>4</sup> Property Co		<sup>3</sup> Property Name							<sup>6</sup> Weil Number				
1	1 <b>9641</b>					Northe	ast Bla	anco Unit					22M	
ĺ	OGRID N			*0	perator l	Name					<sup>9</sup> Elevation			
	06137				Dev	on Energy Pr	roduci	ion Compa	ny, L.P.				6476' GL	
	<sup>10</sup> Surface Location													
	UL or lot no. Section Township			Range Lot Idn		Feet from the		North/South line Feet		t from the East/W		County		
	0	36	31-N	1 7-W		660'		SOUT	н	1805'	EA	ST	Rio Arriba	
	<sup>11</sup> Bottom Hole Location If Different From Surface													
	UL or lot no.	Section	Townshi	p Range	Lot	Ida Feet fro	m the	North/South	live F	eet from the	East/W	est line	County	
	I	36	31-N	1 7-W		188	0'	SOUT	H	767'	EA	ST	Rio Arriba	
	12 Dedicated Acres	13 Joint o	r lafill	14 Consolidation	Code	15 Order No.					<b>.</b>	011D 88	201101	
	MV=E/2-320												21'08	
12	PC=SE/4 160	1				<u> </u>	<i></i>						NS. DIV.	
Y NO		ill be as	signed to			ntil all interest	s have	been consol	idated or a	non-standa	rd unit ha		pproved by the	
ነ ሻ ለ	division.			527	<u>'6' ®</u>								51.3	
127					Ţ					"O	PERATO	DR CER	TIFICATION ned herem 15 true and complete	
12													nea nerem 13 arue ana compiese I that this organization either	
X`								-	unleased mineral interest in the land including					
1				•	1							sposed bottom hole location or has a right to drill this well at this		
					l l			lacation			ion pursuant to a contract with an owner of such a numeral or working			
													nt or a compulsory pooling	
			· · · · · ·	· · · · · · · · · · · · · · · · · · ·	<u> </u>					order heretofe	re entered by f	ta division.		
					ļ						kat	spin	11/19/08	
										Signature		<i>F</i> 1	Date	
					1					Mike Pipr	nin			
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					Ē	660'			1880'	<u> </u>				
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L L			<u> </u>			ŏ			Ĩ.	Certificate N	umber			

10 11/25

## NORTHEAST BLANCO UNIT #22M PC WORKING INTEREST OWNERS

Conoco Phillips Company P.O. Box 4289 Farmington, NM 87499-4289

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#### NORTHEAST BLANCO UNIT - MESAVERDE WORKING INTEREST OWNERS

BP America Production Company 501 Westlake Park Blvd. Room 19.108 WL1 Houston, TX 77079

B&N Company, A Limited Partnership c/o Devon Energy Production Company, L. P. 20 North Broadway Oklahoma City, OK 73102

BN Non-Coal, LLC c/o Devon Energy Production Company, L. P. 20 North Broadway Oklahoma City, OK 73102

Burlington Resources Oil & Gas Company c/o ConocoPhillips Company P. O. Box 4289 Farmington, NM 87499-4289

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

Castle, Inc. 502 Keystone Drive Warrendale, PA 15086

ConocoPhillips Company P. O. Box 4289 Farmington, NM 87499-4289

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

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

Forest Oil Corporation 707 17<sup>th</sup> St., Suite #3600 Denver, CO 80202

Four Star Oil & Gas Company c/o Chevron North America P. O. Box 36366 Houston, TX 77236

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

Andrew B. Kelly, Jr. 2575 Sunset Drive Atlanta, GA 30345

Charles E. Kelly, Ph.D. 4585 Jordan Spurks Bozeman, MT 89745 59715

Susanna Phillips Kelly P. O. Box 147 Cameron, MT 59720

Susanna P. Kelly, Jr. 8383 Chapman Road Bozeman, MT 59715

Jane P. Ladouceur 109 Longsford San Antonio, TX 78209

McAfee Oil and Gas LLC P.O. Box 1087 Norman, OK 73070-1087

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

Maydell Miller Mast Trust James M. Raymond, Trustee P. O. Box 291445 Kerrville, TX 78029-1445

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

XTO Energy Corp. 810 Houston Street Fort Worth, TX 76102

Robert E. Zimmerman, Jr. 1616 S. Voss, Suite 875 Houston, TX 77057

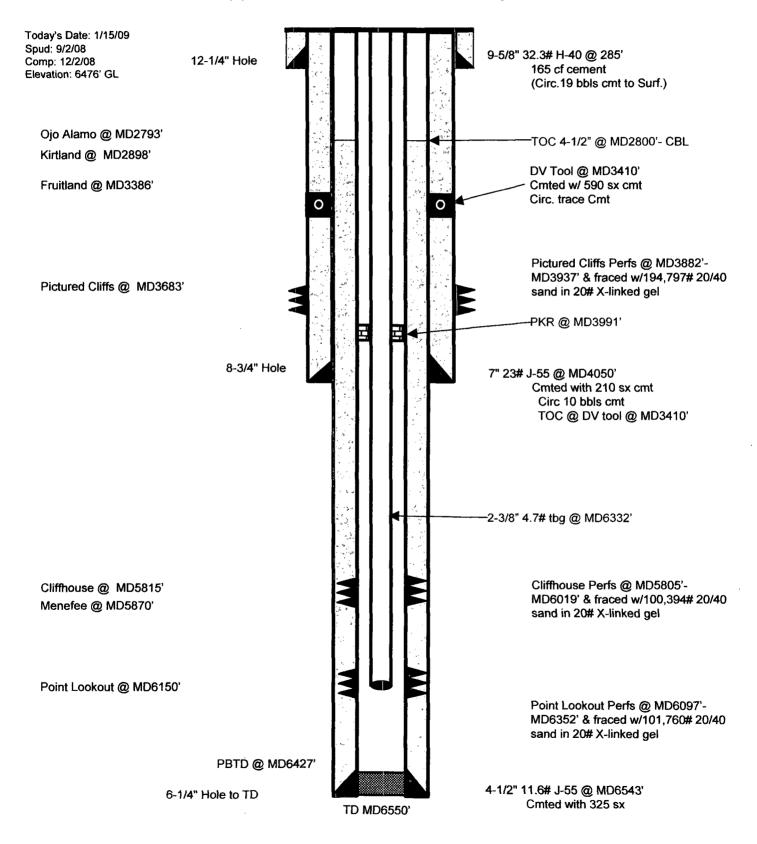
# NORTHEAST BLANCO UNIT #22M

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Current - 1/15/09

Mesaverde / Pictured Cliffs

(O), Section 36, T-31-N, R-7-W, Rio Arriba County, NM



#### Company: DEVON ENERGY Lease/Well: NEBU 22M Location: RIO ARRIBA State/Country: NM

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