

DATE: 3/27/09	SUSPENSE	ENGINEER: W. Jones	LOGGED IN: 3/27/09	TYPE: APC 478	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 MAR 27 PM 12:20 South St. Francis Drive, Santa Fe, NM 87505

NORTHEAST BLANCO UNIT #333



30-045-32246
IVE Blanco #333
Devon
6/137

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 _____

[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

[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.

Mike Pippin
Print or Type Name

Mike Pippin
Signature

Petroleum Engineer
Title

March 27, 2009
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

March 27, 2009

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

RE: Application for Downhole Commingling - C-107A
Northeast Blanco Unit #333 – API#: 30-045-32246
Unit Letter "G" Section 19 T31N R06W
San Juan County, New Mexico

Dear Mr. Jones:

Devon Energy Production Company, L.P. would like to commingle the existing Basin Dakota interval with the existing Rosa Pictured Cliffs interval in the referenced well. Both the Dakota and Pictured Cliffs sides of this gas well were completed on 9/18/04 and were 1st delivered in September 2004. The initial rates of this dual completed well were about 610 MCF/D for the Dakota and about 360 MCF/D for the Pictured Cliffs. Their current rates are down to about 25 MCF/D and 160 MCF/D, respectively. Attached is the C-107A along with the necessary supporting data.

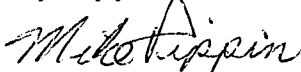
The allocation of production will be calculated as follows. The two zones will be produced separately for a minimum of 90 days. The attached unit type curve constructed for each zone will then be fitted to the 90-day production test data for each zone. The resulting curve will be used to forecast future 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 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.

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

Very truly yours,



Mike Pippin PE
Petroleum Engineer

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Hondo Road, Artesia, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

DEVON ENERGY PRODUCTION COMPANY, L.P.

c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401

Operator

Address

Northeast Blanco Unit #333

G SEC. 19 T31N R06W

San Juan

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 06137 Property Code 19641 API No. 30-045-32246 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Rosa Pictured Cliffs		Basin Dakota
Pool Code	96175		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3263'-3396'		7784'-7883'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1285 psi 570	OK	874 psi 1241
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: November 2008 Rates: 160 MCF/D	Date: Rates:	Date: November 2008 Rates: 25 MCF/D
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % allocated Based on TYPE Curves	Oil Gas %	Oil Gas %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☐ No ☒

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

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 ☒ No ☐

NMOC Reference Case No. applicable to this well: _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE March 27, 2009

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

NORTHEAST BLANCO UNIT #333

Current – 3/27/09

Dakota / Pictured Cliffs / API#: 30-045-32246

(G), Section 19, T-31-N, R-6-W, San Juan County, NM

Today's Date: 3/27/09

Spud: 7/17/04

Comp: 9/18/04

Elevation: 6223' GL

Ojo Alamo @ 2269'

Kirtland @ 2387'

Pictured Cliffs @ 3161'

Lewis @ 3404'

Cliffhouse @ 5242'

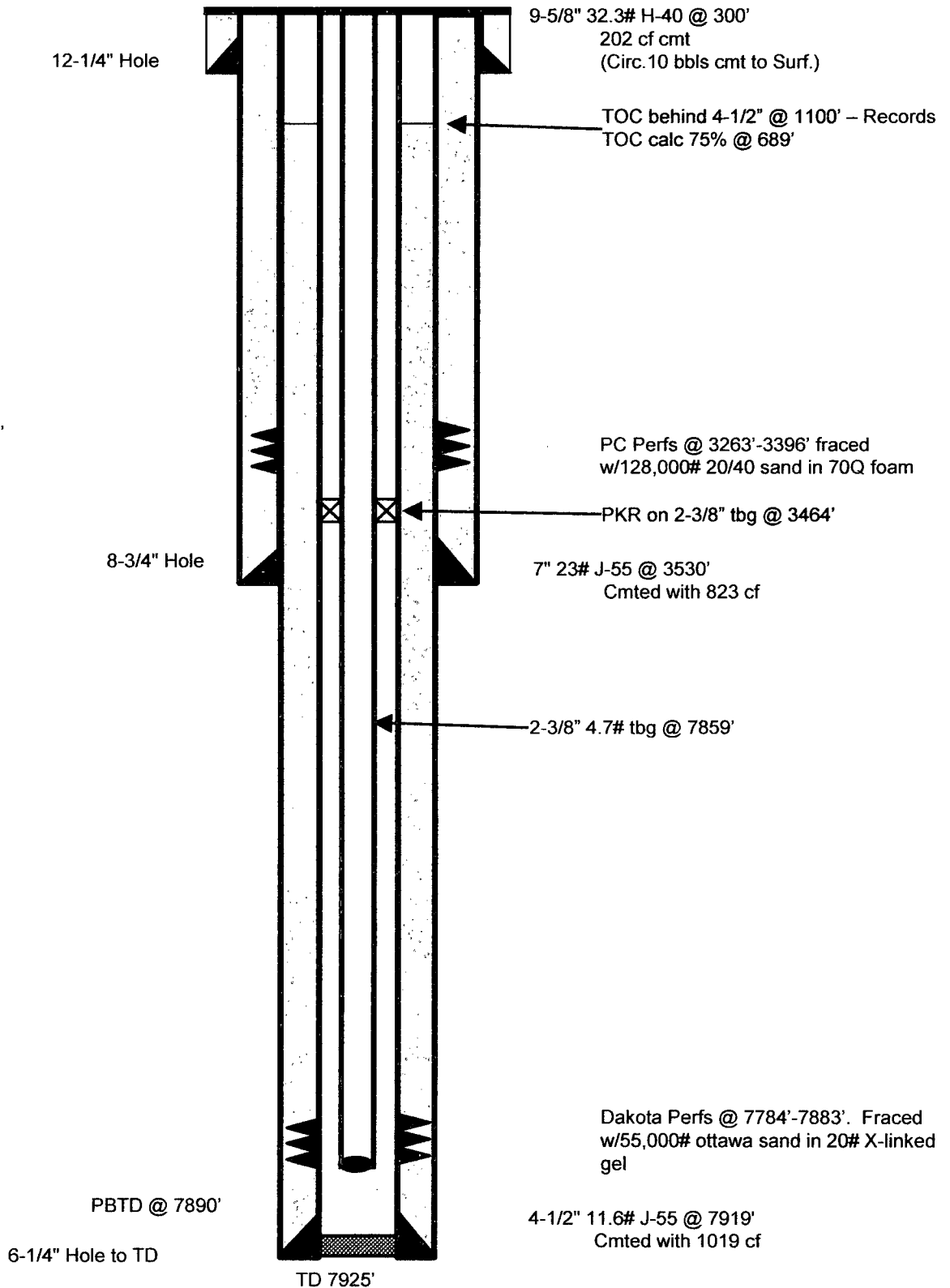
Menefee @ 5283'

Point Lookout @ 5536'

Mancos @ 5824'

Gallup @ 6914'

Dakota @ 7768'



District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

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District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32246	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 19641	⁵ Property Name Northeast Blanco Unit	
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁶ Well Number 333
		⁹ Elevation 6323' GL

¹⁰ Surface Location

UL or lot no. G	Section 19	Township 31-N	Range 6-W	Lot Idn	Feet from the 1780'	North/South line NORTH	Feet from the 1930'	East/West line EAST	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320-E/2	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	¹⁷ OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	<i>Mike Pippin</i> Signature	3/27/09 Date
	Mike Pippin Printed Name	
	¹⁸ SURVEYOR CERTIFICATION	
	<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	
	2/12/04 Date of Survey	
	Gary D. Vann Signature and Seal of Professional Surveyor:	
		7016 Certificate Number

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32246	² Pool Code 96175	³ Pool Name Rosa Pictured Cliffs
⁴ Property Code 19641	⁵ Property Name Northeast Blanco Unit	
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.	⁶ Well Number 333
		⁹ Elevation 6323' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	19	31-N	6-W		1780'	NORTH	1930'	EAST	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 160-NE/4	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature 	Date 3/27/09
	Printed Name Mike Pippin	
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
Date of Survey 2/12/04		
Signature and Seal of Professional Surveyor: Gary D. Vann		
Certificate Number 7016		

**NORTHEAST BLANCO UNIT
WORKING INTEREST OWNERS
DAKOTA**

**BP America Production Company
ATTN: John Larson
501 Westlake Park Blvd.
WL1 19.108
Houston, TX 77079**

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

**ConocoPhillips Company
ATTN: Ben Malone
3401 E. 30th Street
Farmington, NM 87402-8807**

**Frank C. Davis III
3219 Bryn Mawr
Dallas, TX 75225**

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

**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**

**Tamacam, LLC
c/o James M. Raymond, AIF
P. O. Box 291445
Kerrville, TX 78029-1445**

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

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

NORTHEAST BLANCO UNIT #333
PC WORKING INTEREST OWNERS

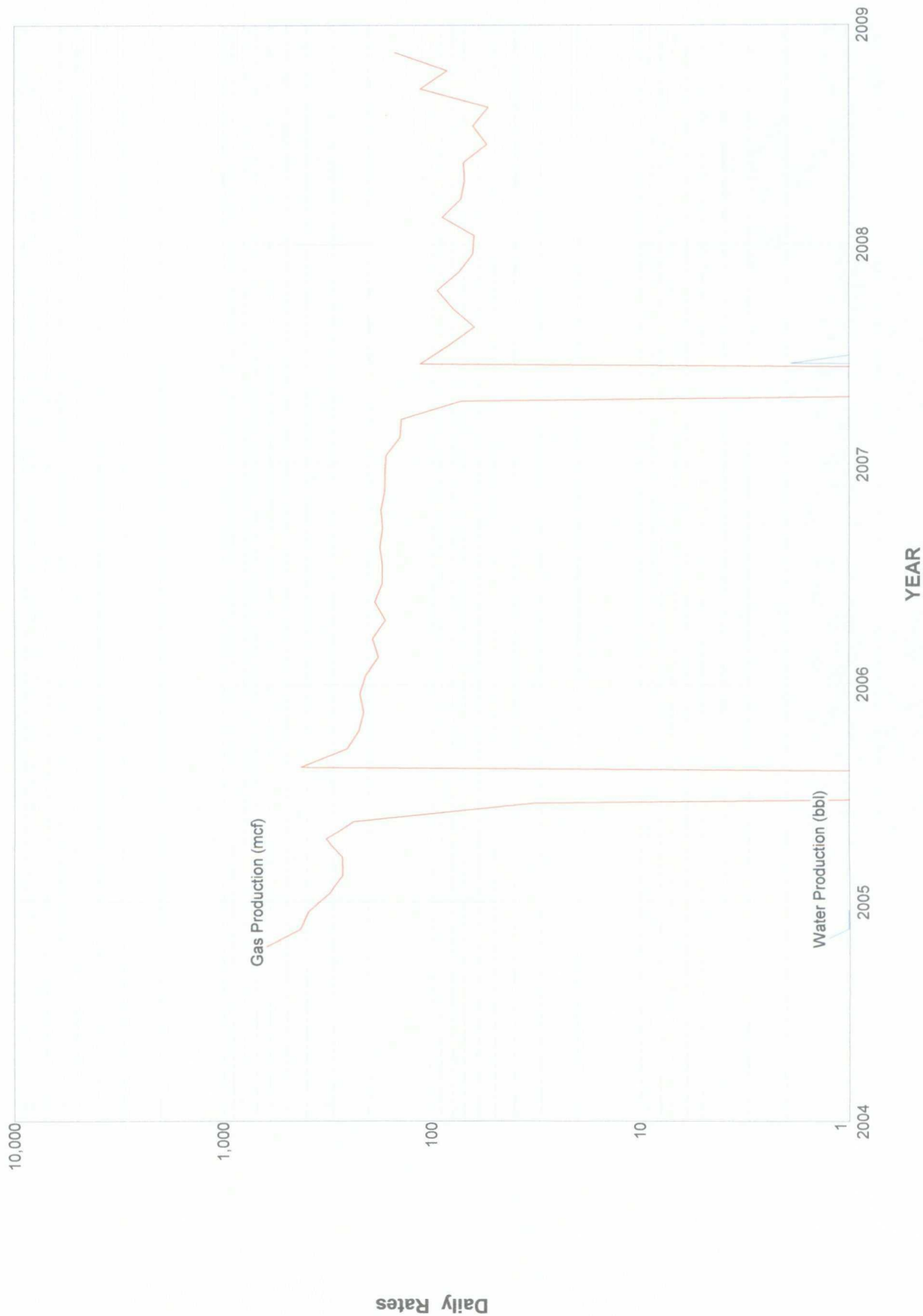
BP America Production Company
ATTN: John Larson
501 Westlake Park Blvd.
(Room 19.108 WL1)
Houston TX, 77079

Conoco Phillips Company
ATTN: Ben Malone
P.O. Box 4289
Farmington, NM 87499-4289

Note: Devon Energy, B&N Co., and BN Non-Coal
Requires no notification; therefore not listed above

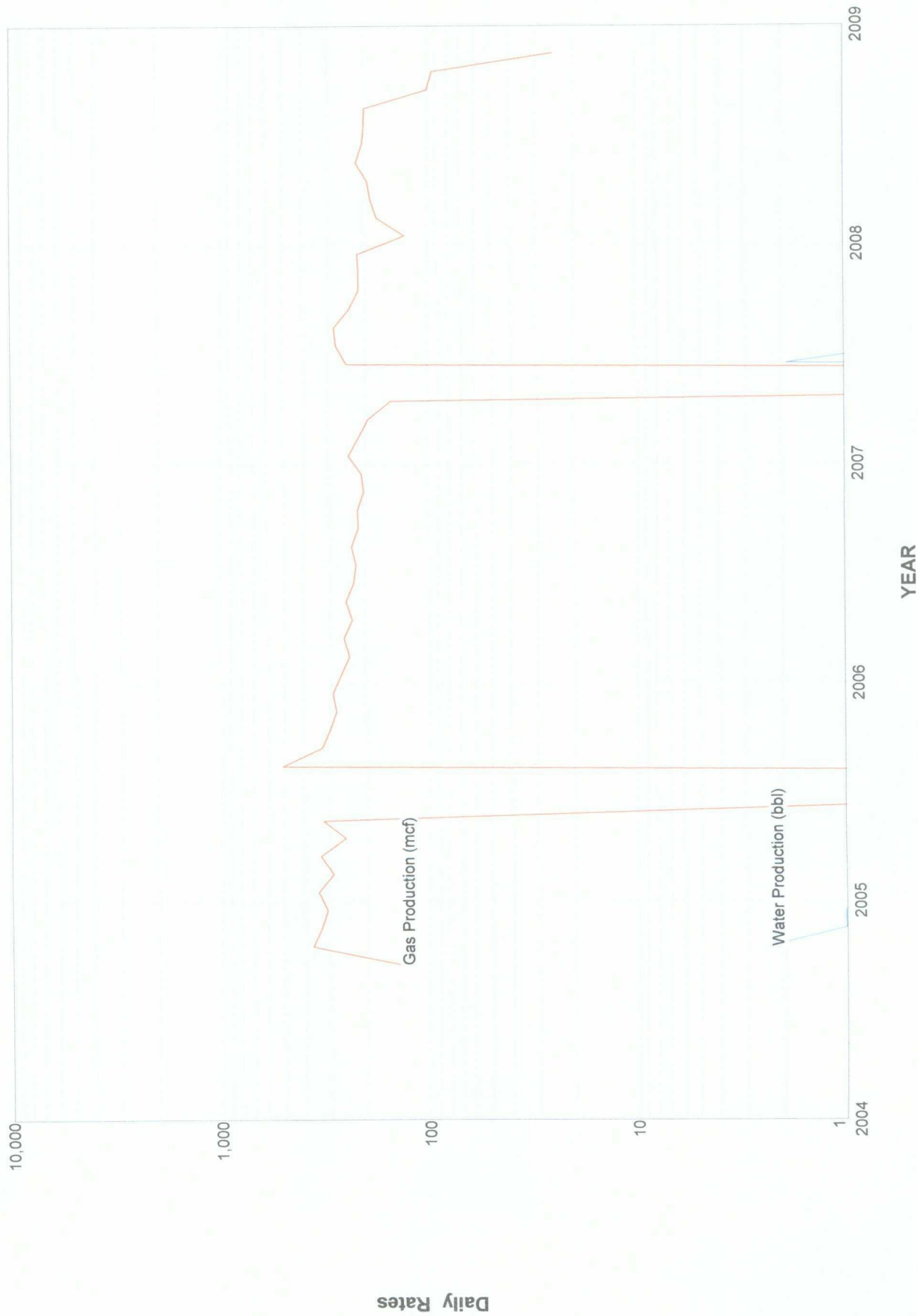
Lease Name: NORTHEAST BLANCO UNIT
County, State: SAN JUAN, NM
Operator: DEVON ENERGY CORPORATION
Field: ROSA
Reservoir: PICTURED CLIFFS
Location: 19 31N 6W NE SW NE

NORTHEAST BLANCO UNIT - 333 19 31N 6W NE SW NE PICTURED CLIFFS 09/2004 30045322460000



Lease Name: NORTHEAST BLANCO UNIT
County, State: SAN JUAN, NM
Operator: DEVON ENERGY CORPORATION
Field: BASIN
Reservoir: DAKOTA
Location: 19 31N 6W NE SW NE

NORTHEAST BLANCO UNIT - 333 19 31N 6W NE SW NE DAKOTA 09/2004 30045322460000



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

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 #333

9. API Well No.

30-045-32246

10. Field and Pool, or Exploratory Area

Basin Dakota & Rosa Pictured Cliffs

AND

San Juan County, New Mexico

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)

1780' FNL & 1930' FEL Unit G

OGRID#: 06137

Sec. 19, T31N, R06W

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 Commingle Application
	<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 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 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 requests administrative approval to pull the pkr & downhole commingle the Rosa Pictured Cliffs (96175) & 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. Since the two intervals do not have common ownership, Devon will utilize the test period described in the attached method of allocation. All of the interest owners of both intervals have been notified.

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 26, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

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)

Devon Energy Production Company, L.P.
Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) mike@pippinllc.com

March 27, 2009

RE: Permit to Down-Hole Commingle
Northeast Blanco Unit #333 – API#: 30-045-32246
Unit Letter "G" Section 19 T31N R06W
San Juan County, New Mexico

VIA CERTIFIED MAIL

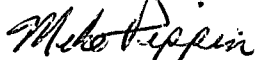
To all Working Interest Owners:

In accordance with the New Mexico Oil Conservation Division Rule 303.C governing down hole commingling, you are hereby notified that Devon Energy Production Company, L.P., as operator of the above-captioned well, intends to down-hole commingle production from the Rosa Pictured Cliffs and Basin Dakota gas pools.

The Pictured Cliffs and Dakota are currently completed dual and being tested simultaneously to establish a production potential. The production from the Pictured Cliffs and the Dakota will be allocated on a production trend based formula. A "Method of Allocation" explanation has been enclosed with this notice.

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

Very truly yours,
DEVON ENERGY PRODUCTION COMPANY, L.P.



Mike Pippin
Petroleum Engineer

Enclosures

Method of Allocation

Devon Energy recommends the following procedure to allocate downhole commingled production between the Basin-Dakota and the Fruitland Pictured Cliffs pools within the Northeast Blanco Unit:

- The Basin-Dakota and Fruitland Pictured Cliffs formations will be completed simultaneously.
- A single 2-3/8" tubing string will be run in the well, with a packer isolating the two horizons.
- The Dakota completion will be produced up the tubing string.
- The Fruitland Pictured Cliffs completion will be produced up the 2-3/8" x 4-1/2" annulus.
- Production from each zone will be measured separately using a 3 phase metering device prior to flowing through a mutual production separator. Total well stream gas will be measured using a conventional orifice plate meter tube located downstream of the production separator.
- The completions will be flow tested separately for approximately 90 days to establish a stabilized rate and trend.
- Following the testing period the packer will be removed and the two pools will be downhole commingled. Total well production will flow through common surface facilities and total produced gas will be measured.
- Production will be allocated between the Dakota and Fruitland Pictured Cliffs intervals by applying the variable percentage schedule to the daily total well production.

The Variable Percentage Schedule was derived using Basin-Dakota and Pictured Cliffs production type curves. These type curves were generated by normalizing production data from surrounding wells. The variable percentage schedule is required due to the dissimilar decline trends exhibited by the Pictured Cliffs and Dakota. Figure 1 depicts a typical Pictured Cliffs – Dakota production allocation. The actual percentages will vary from well to well, depending on well productivity.

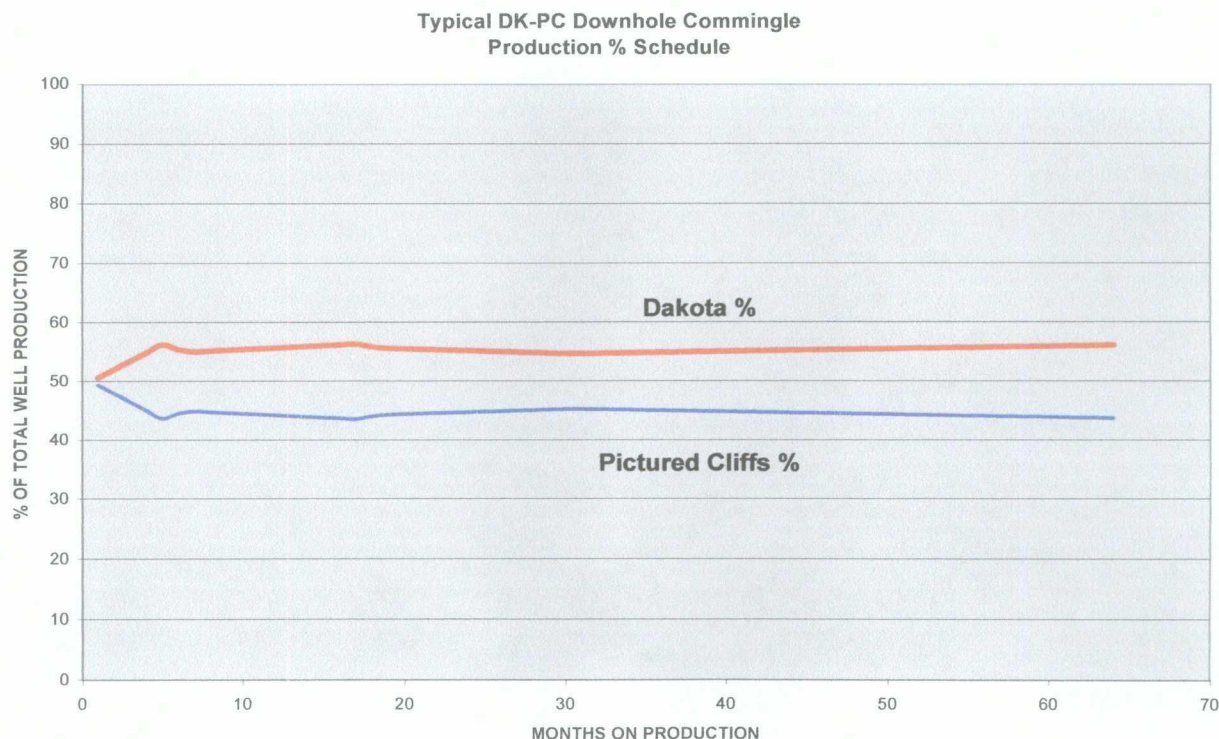


Figure 1

The Basin-Dakota type curve was generated from normalized production of 40 offsetting Basin-Dakota producers. The Basin-Dakota type curve clearly defines the decline rate for the life of a well. Comparison of this type curve with the production schedule obtained by using flow test data demonstrates the reliability of this method for projecting production. (See Figure 2) The curve covers a thirty two month period with a variance in cumulative normalized production of less than 0.1%.

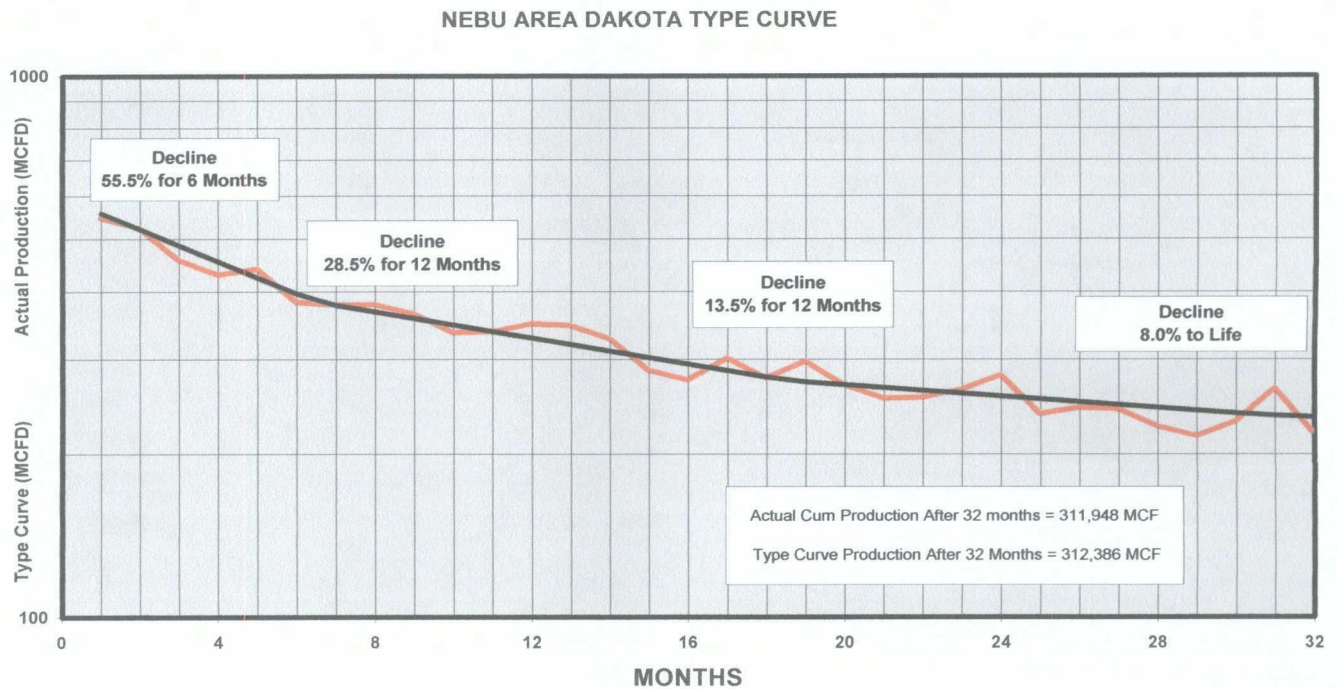


Figure 2

The Fruitland Pictured Cliffs type curve was generated from normalized production of 15 offsetting Fruitland Pictured Cliffs producers. The Fruitland Pictured Cliffs type curve clearly defines the decline rate for the life of a well. Comparison of this type curve with the production schedule obtained by using flow test data demonstrates the reliability of this method for projecting production. (See Figure 2) The curve covers a five year period with a variance in cumulative normalized production of only 0.8%.

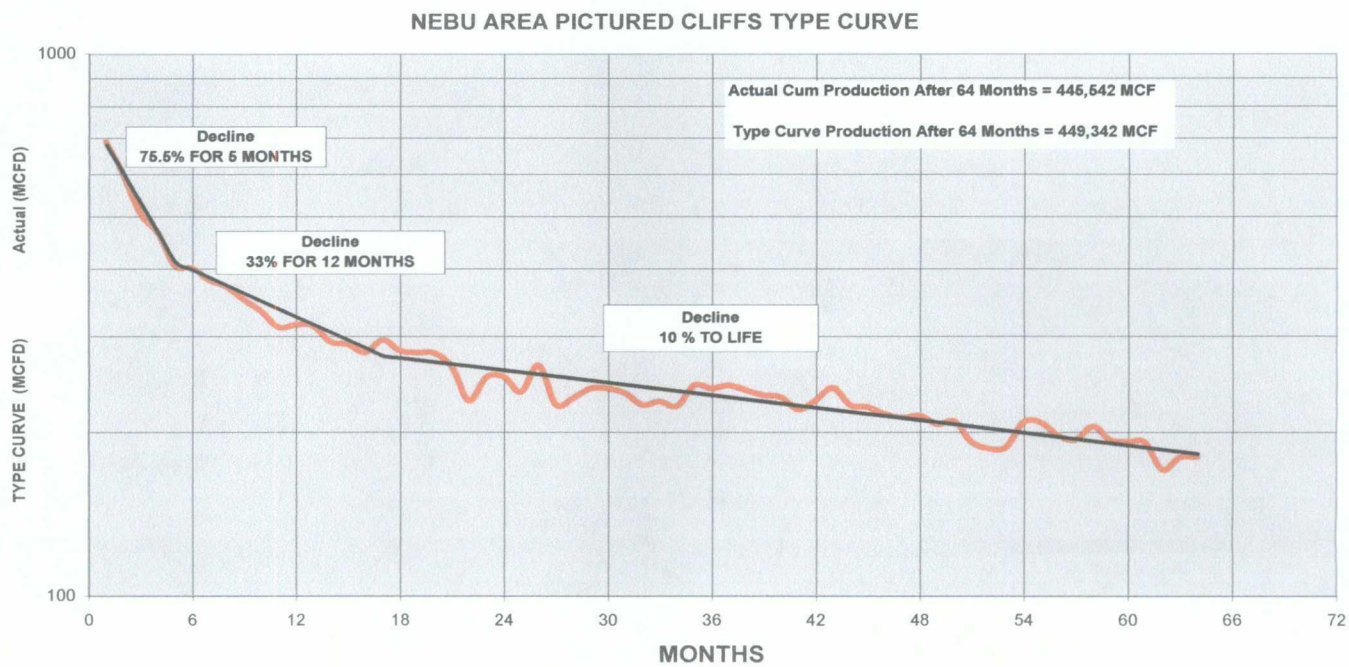


Figure 3

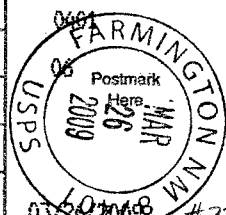
7008 1140 0000 8858 9898

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
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For delivery information visit our website at www.usps.com

DENVER CO 80245

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.12



03/26/2009 #333

Sent To *J.H. McElvain Oil & Gas Ltd Ptn*
 Street, Apt. No., or PO Box No. *1050 17th St Ste 1800*
 City, State, ZIP+4 *Denver CO 80265*

PS Form 3800, August 2006

See Reverse for Instructions

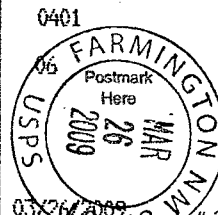
7008 1140 0000 8858 9881

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For delivery information visit our website at www.usps.com

KERRVILLE TX 78029

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.12



03/26/2009 #333

Sent To *Tomacam LLC*
 Street, Apt. No., or PO Box No. *% PO Box 291445*
 City, State, ZIP+4 *Kerrville TX 78029-1445*

PS Form 3800, August 2006

See Reverse for Instructions

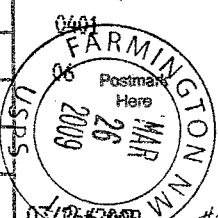
7008 1140 0000 8858 9874

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KERRVILLE TX 78029

Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.12



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Sent To *Lorrayn May Hacker*
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PS Form 3800, August 2006

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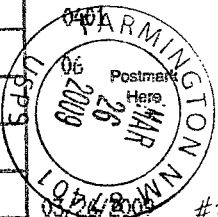
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Postage	\$	\$0.42
Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.12



03/26/2009 #333

Sent To *Charles W. Hay*
 Street, Apt. No., or PO Box No. *% PO Box 291445*
 City, State, ZIP+4 *Kerrville TX 78029-1445*

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See Reverse for Instructions

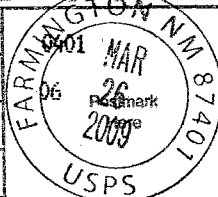
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DALLAS TX 75240

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Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.12



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Sent To *Diverse Energy Investments*
 Street, Apt. No., or PO Box No. *13455 Rock Rd Ste 2000*
 City, State, ZIP+4 *Dallas TX 75240*

PS Form 3800, August 2006

See Reverse for Instructions

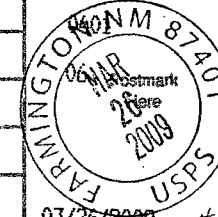
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DALLAS TX 75225

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Certified Fee		\$2.70
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.12



03/26/2009 #333

Sent To *Frank C. Davis III*
 Street, Apt. No., or PO Box No. *3219 Bryn Mawn*
 City, State, ZIP+4 *Dallas TX 75225*

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OFFICIAL USE

FARMINGTON NM 87402

Postage	\$ 0.42
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.12

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03/26/2009 #333

Sent To *Comoca Phillips Co - Ben Malome*
 Street, Apt. No., or PO Box No. *3401 E. 30th St*
 City, State, ZIP+4 *Farmington NM 87402-8807*

PS Form 3800, August 2006 See Reverse for Instructions

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OKLAHOMA CITY OK 73102

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.12

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Sent To *Canaan Resources, LLC*
 Street, Apt. No., or PO Box No. *211 N. Robinson Ave Ste N1000*
 City, State, ZIP+4 *Oklahoma City OK 73102*

PS Form 3800, August 2006 See Reverse for Instructions

7008 1140 0000 8858 9805

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HOUSTON TX 77079

Postage	\$ 0.42
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.12

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Sent To *BP America Prod Co - John Larson*
 Street, Apt. No., or PO Box No. *501 Westlake Park Blvd W 19108*
 City, State, ZIP+4 *Houston TX 77079*

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Postage	\$ 0.42
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.12

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03/26/2009 #333

Sent To *J & M Raymond Ltd*
 Street, Apt. No., or PO Box No. *PO Box 291445*
 City, State, ZIP+4 *Kerrville TX 78029-1445*

PS Form 3800, August 2006 See Reverse for Instructions

Jones, William V., EMNRD

From: Mike Pippin [mike@pippinllc.com]
Sent: Thursday, April 09, 2009 2:25 PM
To: Jones, William V., EMNRD
Subject: RE: DHC application from Devon: NEBU #333 PC/Dkta diverse interests

The pressures I placed on the C-107A for NEBU #333 were from the original C-104s. I agree with you that they looked peculiar. I found pressures on a bradenhead test form (on the State web site) that are much more reasonable. In May of 2007, the PC was 570 psi and the Dakota was 1241 psi. Since this well will produce 24/7 after commingling and both intervals have very low permeability, I do not believe there will be any significant cross-flow between the two intervals.

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, April 07, 2009 8:01 PM
To: Mike Pippin
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Perrin, Charlie, EMNRD; Hayden, Steven, EMNRD
Subject: DHC application from Devon: NEBU #333 PC/Dkta diverse interests

Hello Mike:

The reported pressure in the PC at 3300 feet is 500 psi higher than the pressure in the Dkta at 7800 feet. These look like reservoir pressures – and they are higher than reported by some other operators in these intervals. Of course this is a diversely owned well and any concern would be crossflow downward if the well were shutin for any reason such as gathering system or pipeline annual maintenance.

The application says Devon has not experienced significant crossflow when commingling these zones. Have they run some spinners to determine this? Or is it solely based on changes in production before and after commingling?

Do they install a check-valve just below the PC perms to ensure PC gas/fluids can't move downhole into the Dakota?

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

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