

DATE IN <u>1-28-10</u>	SUSPENSE	ENGINEER <u>R.E.</u>	LOGGED IN <u>1-28-10</u>	TYPE <u>OLM</u>	PTGW APP NO. <u>1002845002</u>
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2-8-b

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



1003940132

Devon (6137)

strawberry Fed #13

Eddy

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

30-15-31876

-37171

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 _____ Central Tank Battery _____

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RECEIVED OGD

[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.

Stephanie A. Ysasaga
 Print or Type Name

Signature

Sr. Staff Engineering Technician
 Title

01/08/2010
 Date

Stephanie.Ysasaga@dvn.com
 e-mail Address



Devon Energy Production Company
Operations Engineering
20 North Broadway - CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7802
Fax (405)-552-8113
Stephanie.Ysasaga@dvm.com

January 8th, 2010

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

**Re: Central Tank Battery
Off Lease Gas Sales & Measurement
Strawberry 7 Federal 1 & Strawberry 7 Federal 3
Sec 7-T19S-R31E NM-100561
API # 30-015-31876 & 30-015-37171
Hackberry; Bone Spring, North - Pool Code: 97056
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for Off Lease Gas Sales and Measurement on the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both wells in Lease NM-100561 are uniform; no additional notification is necessary.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Stephanie A. Ysasaga
Sr. Staff Engineering Technician ☺

Enclosures

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2010 JAN 28 A 11:2

APPLICATION FOR LEASE SURFACE COMMINGLING & OFF-LEASE MEASUREMENT AND OFF LEASE SALES APPROVAL

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

Commingling proposal for Shakespeare lease:

Devon Energy Production Company, LP is requesting approval for surface commingle, off-lease storage and off-lease 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

* 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 the Strawberry leases 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. A common gas sales meter associated with a Frontier central delivery point (CDP) is located in Sec 18-T19S-R31E east of the Hackberry 18 Federal 2; gas hydrocarbons will be sold off lease.

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 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
NM-100561

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon Energy Production Co., LP

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)-552-7802

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
See below

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Strawberry 7 Federal 1 & 3

9. API Well No.
30-015-31876 & 30-015-37171

10. Field and Pool or Exploratory Area
Hackberry; Bone Springs; North (97056)

11. Country or Parish, State
Eddy County, NM

12. CHECK THE 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 Central Tank Battery
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Gas
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Sales & Measurement

13. Describe Proposed or Completed Operation: 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 must 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 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.)

Devon Energy Production Co. LLP respectfully requests approval for off lease gas sales and measurement of gas 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 (97056)

A central tank battery will be located at the Strawberry 7 Federal Com 1. A common gas sales meter associated with a Frontier central delivery point (CDP) is located east of the Hackberry 18 Federal 2 located at the NENW of Sec 18-T19S-R31E. The Well Test Method will be used to allocate production back to the wells (see proposed/current facility schematic). Waste is not induced and no correlative rights are impaired.

Note: NOI Sundry submitted 12/17/2009 for approval to lay 2500' of 3" poly from the Strawberry 7 Federal 3 to the Strawberry 7 Federal 1 tank battery. 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.

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

Name (Printed/Typed)
Stephanie A. Ysasaga

Title Sr. Staff Engineering Technician

Signature

Date 01/08/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE 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 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.



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 228 8873 Phone
www.devonenergy.com

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


Brett Hudson
Landman

Enclosures:

Central Tank Battery, Lease Commingling, Off Lease Measurement & Sales
19S-31E Eddy County, NM

STRAWBERRY 7 FEDERAL 3

STRAWBERRY 7 FEDERAL COM 1

USA NMNM 100561

19S - 31E

EDDY 12

19S - 30E

18

17

Legend

	Gas Well		Well Surface
	Gas Injection Well		Abandoned Location
	Injection Well		Drilling
	Oil Well		Permit
	Oil Injection Well		BoreStick
			Devon Leases
			Devon Minerals

	Gas Well		Well Surface
	Gas Injection Well		Abandoned Location
	Injection Well		Drilling
	Oil Well		Permit
	Oil Injection Well		BoreStick
			Devon Leases
			Devon Minerals





EXHIBIT C

STRAWBERRY 7 FEDERAL 1 CENTRAL TANK BATTERY

STRAWBERRY 7 FEDERAL COM 3H

EDDY
COUNTY

STRAWBERRY 7 FEDERAL 1

FRONTIER CDP



Strawberry 7 Federal #1

Sec 7, T19S, R31E

710FNL & 1090FWL

Eddy, N.M

API# 30-015-31876

Production System: Open

1) Oil sales by tank gauge to tank truck.

2) Seal requirements:

A. Production Phase: On all Tanks.

(1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed.

(2) Valve 3 sealed closed.

(3) Valve 4 sealed closed.

(4) Valve 5 sealed closed.

{5} Misc. Valves: Plugged or otherwise inaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

Valve #1: Production Line

Valve #2: Test or Roll line

Valve #3: Equalizer Line

Valve #4: Circ./Drain Line

Valve #5: Sales Line

Valve #6: BS&W Load Line

Buried Lines: -----

Firewall: [Symbol]

Wellhead: [Symbol]

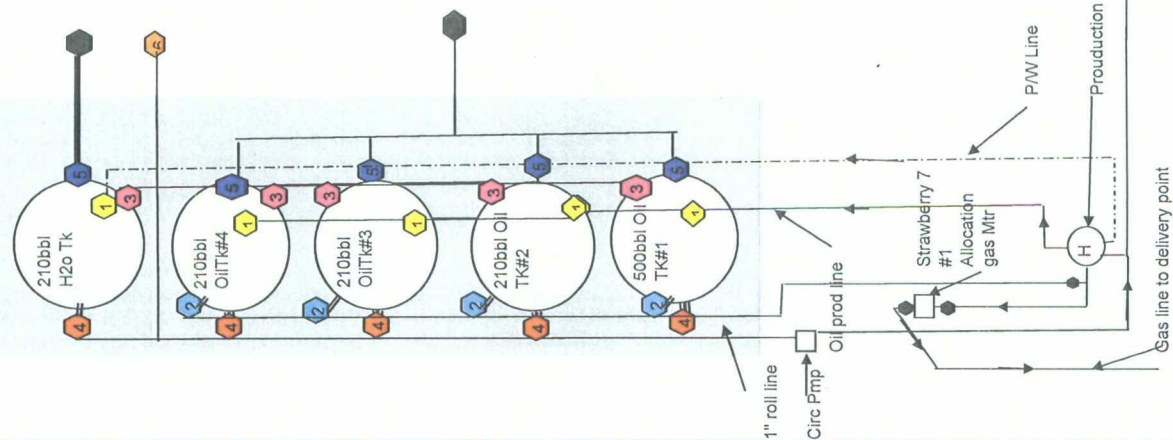
Stak-pak: [Symbol]

Production line: _____

Water line: -----

Gas Meter: [Symbol]

Current Facility Diagram



Devon Energy
Strawberry 7 Federal #1
API30-015-31876
Section 7, T19S, R31E
660FNL & 1750FWL
Eddy County, N.M

Strawberry 7 Federal #1
 Sec 7, T19S, R31E
 710FNL & 1090FWL
 Eddy, N.M.
 API# 30-015-31876

Production System: Open

- 1) Oil sales by tank gauge to tank truck.
- 2) Seal requirements:
- A. Production Phase: On all Tanks.
- (1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed. 1
- (2) Valve 3 sealed closed. 3
- (3) Valve 4 sealed closed. 4
- (4) Valve 5 sealed closed. 5

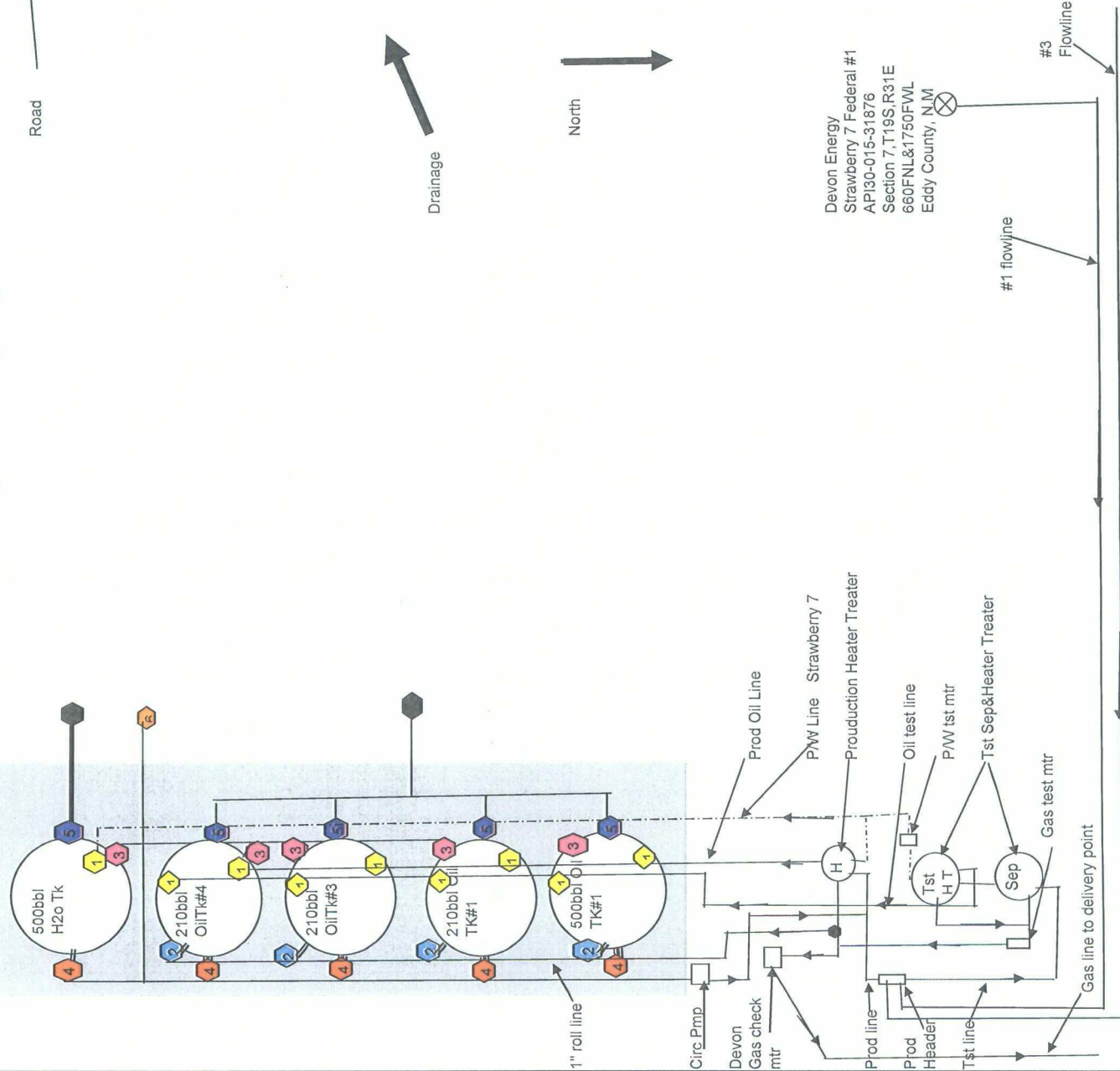
{5} Misc. Valves: Plugged or otherwise inaccessible.
 NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed. 2

Ledger for Site Diagram

- Valve #1: Production Line 1
- Valve #2: Test or Roll line 2
- Valve #3: Equalizer Line 3
- Valve #4: Circ./Drain Line 4
- Valve #5: Sales Line 5
- Valve #6: BS&W Load Line 6

- Buried Lines: -----
- Firewall:
- Wellhead: X
- Stak-pak:
- Production line: _____
- Water line: -----
- Gas Meter A M C

Proposed Facility Diagram



Devon Energy
 Strawberry 7 Federal #1
 API30-015-31876
 Section 7, T19S, R31E
 660FNL & 1750FWL
 Eddy County, N.M.



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: Sta. #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 ()
SAMPLED BY: Paul B.
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
	100.000	7.794

BTU/CU.FT. - DRY 1364
AT 14.650 DRY 1359
AT 14.650 WET 1336
AT 14.73 DRY 1367
AT 14.73 WET 1343

MOLECULAR WT. 23.6017

SPECIFIC GRAVITY -
CALCULATED 0.812
MEASURED

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
	866	1591	848
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
	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