

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon

Condor Fed #3 H

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-36970

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 Surface Commingling
- [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

OLS - 197

[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.

Norvella Adams

Sr. Staff Engineering Technician

6/28/2010

Print or Type Name

Signature

Title

Date

Norvella.adams@dvn.com
 e-mail Address

Condor. BLM



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

405 235 3611 Phone
www.devonenergy.com

RECEIVED OGD
2010 JUN 30 P 12:07

June 28, 2010

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

Attn: William Jones

Re: Application for Off-Lease Storage and Measurement (Form C-107-B)
Condor 7 Federal Com 3H
Section 7 Township 18 South, Range 27 East
Eddy County, New Mexico
API # 30-015-36970

Mr. Jones:

Devon Energy Production Company, LP requests approval for off lease storage and measurement of hydrocarbon production from the Condor 7 Federal Com 3H well located at a surface location of 1585' FNL 2225' FWL 7-18S-27E Stirling Fee lease and a bottom hole location of 1650' FNL 330' FEL 7-18S-27E USA lease NM118703. The battery for storage and measurement is located on the Stirling Fee lease in the SE/4 of the NW/4 of Section 7, Township 18 South, Range 26 East. A Federal Communitization Agreement covering the SE/4 NW/4 and the S/2 of the NE/4 of Section 7 is pending completion of the well.

Exhibit I is a schematic, which shows the equipment that will be utilized to determine well production. A map (Exhibit II) is enclosed that shows the location of the well, battery, and the boundaries of both leases.

The reason for the proposed off lease storage and measurement is to minimize surface disturbance and the economic savings of having two batteries in one contained facility.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Please contact me at 405-552-7994 should you have any questions.

Sincerely,

Devon Energy Production Company, LP

Steven Jones
Operations Engineer

Enclosure

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Devon Energy Production Company, L.P.
OPERATOR ADDRESS: 20 North Broadway, Oklahoma City, Oklahoma 73102-8260

APPLICATION TYPE:
 Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

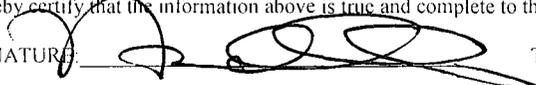
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE:  TITLE: Sr. Staff Engineering Technician DATE: June 28, 2010

TYPE OR PRINT NAME Norvella Adams TELEPHONE NO.: (405) 55-8198

E-MAIL ADDRESS: norvella.adams@dvn.com

SECTION FLAT

Eddy County, State of New Mexico

Section 7 Township 18S Range 27E
NORTH

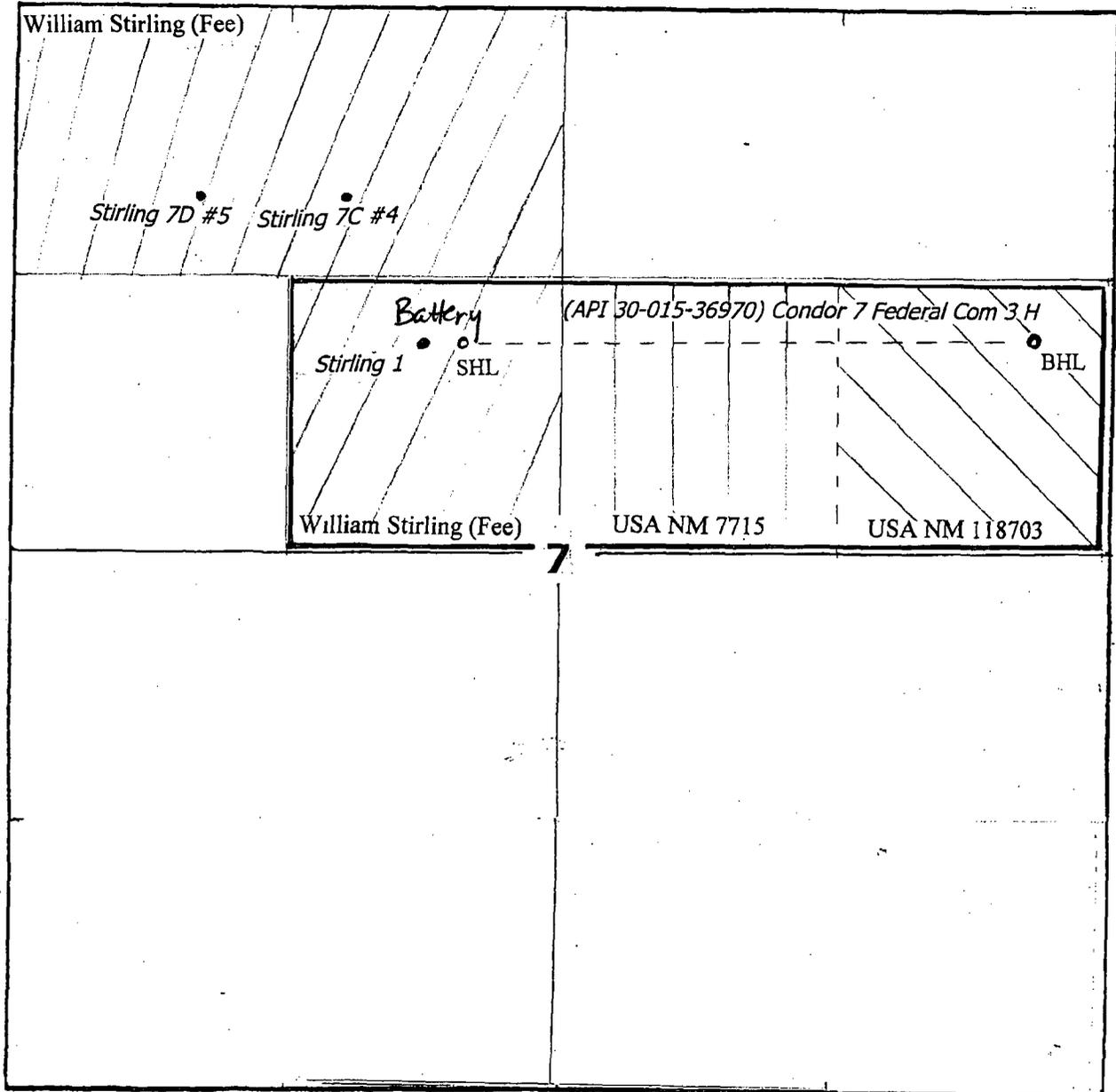
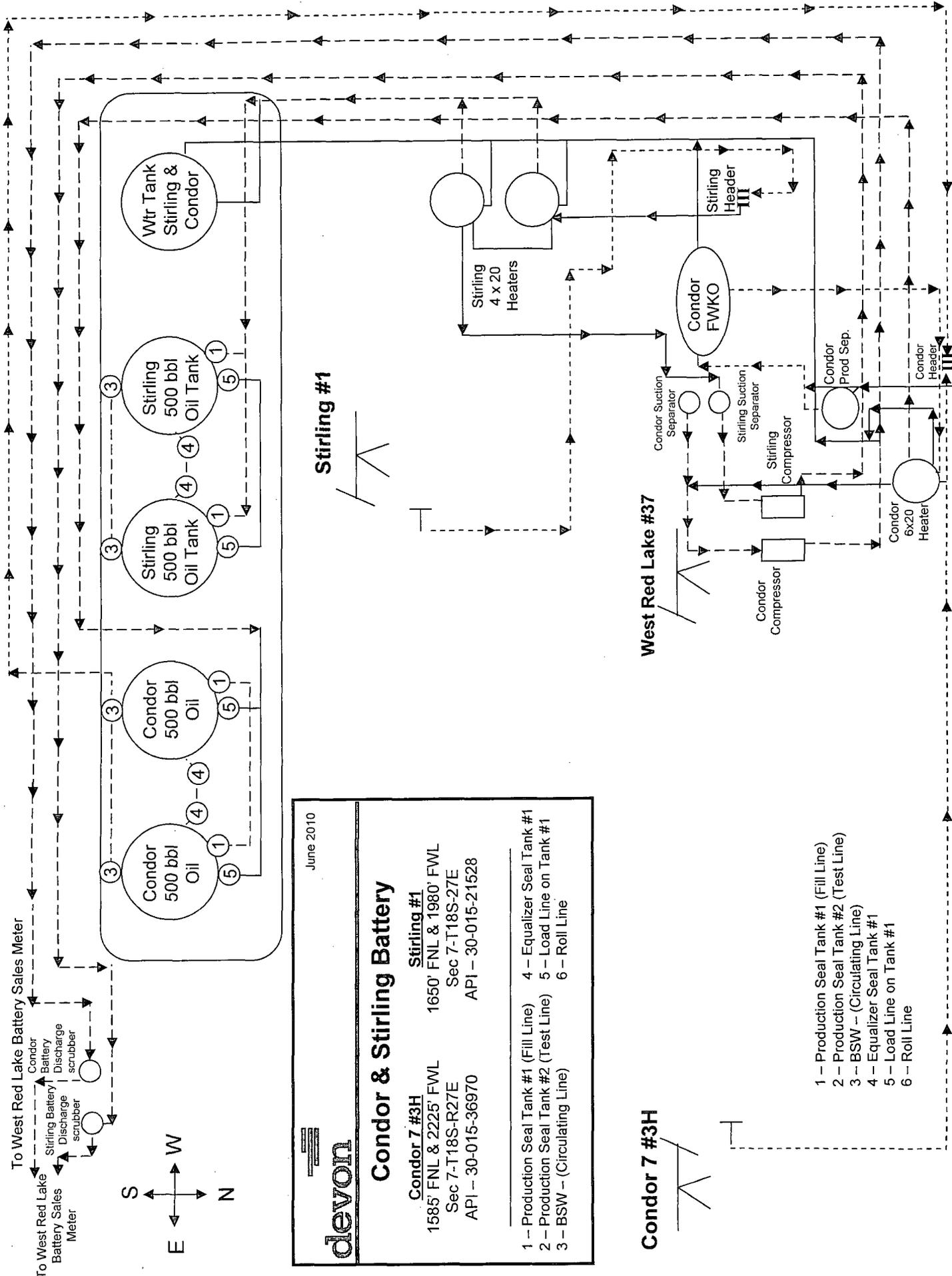


Exhibit I



June 2010

devon

Condor & Stirling Battery

Condor 7 #3H 1585' FNL & 2225' FWL Sec 7-T18S-R27E API - 30-015-36970	Stirling #1 1650' FNL & 1980' FWL Sec 7-T18S-27E API - 30-015-21528
---	---

1 - Production Seal Tank #1 (Fill Line)
 2 - Production Seal Tank #2 (Test Line)
 3 - BSW - (Circulating Line)
 4 - Equalizer Seal Tank #1
 5 - Load Line on Tank #1
 6 - Roll Line

Condor 7 #3H

- 1 - Production Seal Tank #1 (Fill Line)
- 2 - Production Seal Tank #2 (Test Line)
- 3 - BSW - (Circulating Line)
- 4 - Equalizer Seal Tank #1
- 5 - Load Line on Tank #1
- 6 - Roll Line



June 28, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for Off-Lease Measurement and Storage
Condor 7 Federal Com 3H
API # 30-01536970
Pool # 51120 Red Lake; Glorieta-Yeso
Sections 7 Township 18S Range 27E
Eddy County, New Mexico

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval to permit off-lease storage and measurement of production from the following lease and pool.

Condor 7 Federal Com 3H (API # 30-015-36970) Pool # 51120, Red Lake; Glorieta-Yeso (Oil): Fee lease: Stirling covering N/2 of the NW/4 and the SE/4 NW/4 of Section 7 T18S R27E and Federal Oil and Gas Leases: USA NM 7715 covering the SW/4 NE/4 of Section 7 T18S R27E and USA NM 118703 covering the SE/4 NE/4 of Section 7 T18S R27E. A Federal Communitization Agreement covering the SE/4 NW/4 and the S/2 of the NE/4 of Section 7 is pending completion of the well.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-7994 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

Steven Jones
Operations Engineer

Enclosure

Kenneth Benally
198 CR 6700
Waterflow, NM 87421

Jonel Susan Grasso
11 Ocean Ridge
Laguna Niguel, CA 92677

John W. Hubert
430 West Swon
St. Louis MO 63119

James Hurbert
3209 Dublin Lane
Louisville KY 40206

Kathryn Beach
2301 Bennett Rd
Lafayette, IN 47909

Susan Labunski
695 S. Berkley Ave.
Elmhurst IL 60126-4203

Charlotte Coleman
1304 Great Oak Dr.
Pittsburg, PA 15220

Robert Hubert
20218 NE 163rd St.
Woodinville, WA 98072

Charles M. Pier
4004 Sanguinet St.
Fort Worth, TX 76107

Charles R. Collins
1404 Farrington Drive
Knoxville TN 37923

Claire Collins
3257 Rogers Ave.
Fort Worth TX 76109

Charlotte Daugirda
3257 Rogers Ave.
Fort Worth TX 76109

William H. Collins
6542 Nine Mile Azle Rd.
Fort Worth TX 76135

Charlotte Ann Pier
4349 Bellaire Dr., # 129
Fort Worth TX 75109

Joan A. Hudson
1920 Ala Moana Blvd., #2015
Honolulu HI 96815

Salvation Army
Attn: Legal Dept.
PO Box 36607
Dallas TX 75235

Jane Ann Hudson Davis
6770 Wolf Creek Court
Rio Rancho NM 87144

Higgins Trust Inc.
PO Box 6905
Thomasville GA 31758-6905

Map 2004 – OK
PO Box 269031
Oklahoma City OK 73126

Michael D. Dixon
410 Wandering Way
Ardmore OK 73401

Cook Forth Worth Childrens Medical Center
PO Box 99084
Fort Worth TX 76199-0084

Ballard E. Spencer Trust
PO Box AA
Artesia NM 88211

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED
OMB NO. 1004-0135
EXPIRES: March 31, 2007

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE

1a. Type of Well Oil Well Gas Well Other _____

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY, LP

3. Address and Telephone No.
20 North Broadway, Oklahoma City, OK 73102-8260 405-552-8198

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
1585' FNL & 2225' FWL Unit F Sec 7 T18S R27E
1650 FNL & 330 FEL Unit H Sec 7 T18S R27E

5. Lease Serial No.
SHL: NM7715 BHL: NM118703

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
Condor 7 Federal Com 3H

8. Well Name and No.
Condor 7 Federal Com 3H

9. API Well No.
30-015-36970

10. Field and Pool, or Exploratory
Red Lake; Glorieta-Yeso

11. County or Parish State
Eddy NM

12. CHECK APPROPRIATE BOX(S) 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other Off-lease measurement and storage

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Company, LP respectfully requests approval for off lease storage and measurement of hydrocarbon production.

Devon Energy Production Company, L.P., proposes to store and measure hydrocarbon production from the Condor 7 Federal 3H at the Condor/Stirling Battery located at SE/4 NW/4 of Sec 7 T18S R27E in Eddy County, NM. The Condor 7 Federal 3H will have separate heater treaters and oil tanks but will utilize the existing Stirling containment. A water tank will be shared by the Condor 7 Federal 3H and existing Stirling wells. Gas production will go to the same CDP but will have a separate allocation meter. Federal Communitization Agreement covering the SE/4 NW/4 and the S/2 of the NE/4 of Section 7 is pending completion of the well

This proposal will allow for less surface disturbance and a reduction in facility cost.

An application has been filed with the New Mexico Oil Conservation Division. Attached is a copy of that application along with a lease map and a equipment diagram. All interest owners have been notified of this proposal.

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

Signed  Name Norvella Adams
Title Sr. Staff Engineering Technician Date 6/28/2010

(This space for Federal or State Office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction.

***See Instruction on Reverse Side**