

PTG-W

DATE IN 12,30,10	SUSPENSE	ENGINEER RE	LOGGED IN 12,30,10	TYPE OLM	APP NO 1036440369
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Devan 6137

2 wells

30-015-34769

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-36205

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.

Melanie Crawford _____ *Melanie Crawford* _____ Regulatory Analyst _____ October 12, 2010 _____
 Print or Type Name Signature Title Date

OLM - 35

Melanie.Crawford@dvn.com _____
 e-mail Address

RECEIVED OGD
OIL REC CO A P 55



Devon Energy Production Company
20 North Broadway - CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dev.com

October 12, 2010

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

**Re: Off Lease Gas Measurement and Sales
Rifleman 6H Federal Com 2 & Rifleman 6 Federal Com 3
API # 30-015-34269 & 30-015-36205 ✓
Sec 6-T22S-26E
Lease NM-71752
CA NM118051
Happy Valley; Morrow (Gas) - Pool Code: 78060
Eddy County, New Mexico**

RECEIVED OCD
2010 OCT 28 AM 10:53

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for the Surface Commingle, Off-Lease Gas Measurement and Sales of the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both wells in Lease are uniform; owners have been notified via certified mail.

BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Melanie Crawford
Regulatory Analyst

Enclosures

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34269 & 30-015-36205
5. Indicate Type of Lease FED [X] STATE [] FEE []
6. State Oil & Gas Lease No. NM-71752/CA NM118051
7. Lease Name or Unit Agreement Name See Below
8. Well Number See Below
9. OGRID Number 6137
10. Pool name or Wildcat Happy Valley; Morrow (GAS)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [] Gas Well [X] Other []
2. Name of Operator Devon Energy Production Company, LP
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524
4. Well Location (See Below) Unit Letter : feet from the line and feet from the line
Section Township Range NMPM Eddy County New Mexico
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application [] or Closure []
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
OTHER: Off-Lease Gas Measurement & Sales [X]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LLP respectfully requests approval for the Off Lease Gas Measurement and Sales production from the following wells:

- *Rifleman 6H Fed Com 2: API: 30-015-34269 Sec 6-T22S-26E Lease NM-71752 Happy Valley; Morrow (GAS)
*Rifleman 6 Fed Com 3: API: 30-015-36205 Sec 6-T22S-26E Lease NM-71752 Happy Valley; Morrow (GAS)

The above Rifleman wells will each have their own tank battery on location and there is one CDP meter #68712 for both wells. Each well has an allocation meter and the main sales CDP meter # 68712 is located East of the two wells Section 4 NWNW T22S-R26E. The Rifleman 6H Fed Com 2 has a JW Compressor DPC230 Unit #49710 located before the allocation meter. There is no fuel gas meter. Devon is using a calculation to determine the volume of gas used by the compressor.

The working, royalty, and overriding interest in both wells are uniform in Lease; interest owners have been notified via certified mail (see attached).

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE: Melanie Crawford TITLE: Regulatory Analyst DATE: 10-25-10

Type or print name: Melanie Crawford E-mail address: Melanie.Crawford@dvn.com Telephone No. (405) 552-4524
For State Use Only

APPROVED BY: TITLE: DATE:

Conditions of Approval (if any):

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

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-71752

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. CA NM118051
2. Name of Operator Devon Energy Production Co., LP		8. Well Name and No. Rifleman 6H Fed Com 2 & Rifleman 6 Fed Com 3
3a. Address 20 North Broadway OKC, OK 73102		9. API Well No. 30-015-34269 & 30-015-36205
3b. Phone No. (include area code) (405)- 552-4524		10. Field and Pool or Exploratory Area Happy Valley, Morrow (GAS)
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Section 6-T22S-R26E		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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off Lease Gas Measure
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	ment & Sales

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 recomplete 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 recompletion 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 the Off Lease Gas Measurement and Sales production from the following wells:

- *Rifleman 6H Fed Com 2: API: 30-015-34269 Sec 6-T22S-26E Lease NM-71752 Happy Valley; Morrow (GAS)
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The working, royalty, and overriding interest in both wells are uniform in Lease; interest owners have been notified via certified mail (see attached).

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Name (Printed/Typed) Melanie Crawford	Title Regulatory Analyst
Signature <i>Melanie Crawford</i>	Date 10/25/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr	Title LRET	Date 12/14/10
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 CFO	

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.



Ken Gray
Senior Advisor, Land

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 552-4633
Fax: (405) 552-8113

October 18, 2010

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

Re: Surface Lease Commingling
Rifleman 6 Fed Com #2 & #3
Section 6-T21S-R26E
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 federal 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:

Rifleman 6 H Federal Com #002Q: API 30-015-34269 – Happy Valley, Morrow (GAS) 78060
Rifleman 6 H Federal Com #003: API 30-015-36205 – Happy Valley, Morrow (GAS) 78060

If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Ken Gray". The signature is written in a cursive, flowing style. It is positioned above the printed name and title of the signatory.

Ken Gray
Senior Advisor, Land

25E1

21S 26E

32

49%
%



Rifleman 6 Fed Com #3



NM-13406

NM-71752



Rifleman 6 Fed Com #2

1

6

5

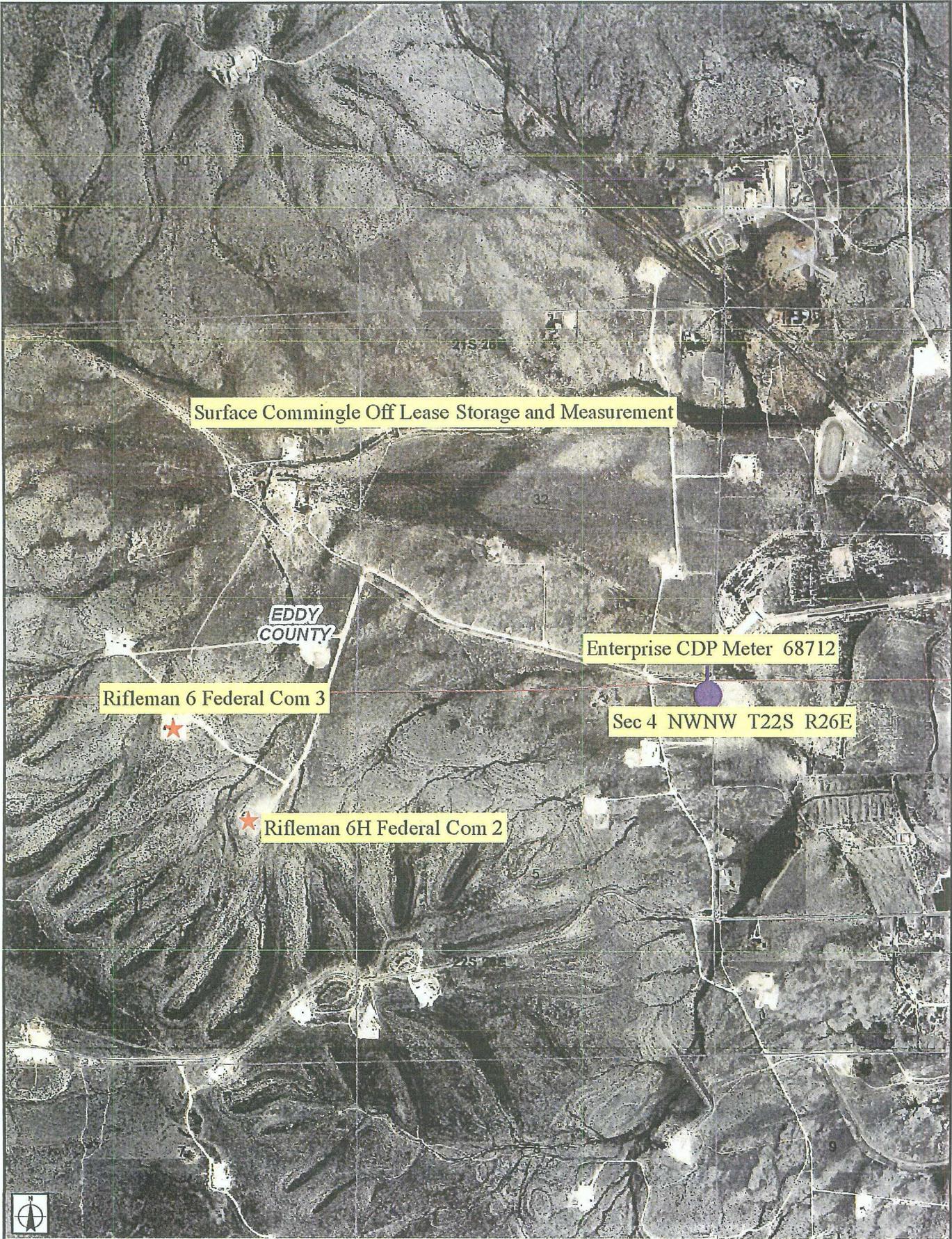
22S 25E 22S 26E

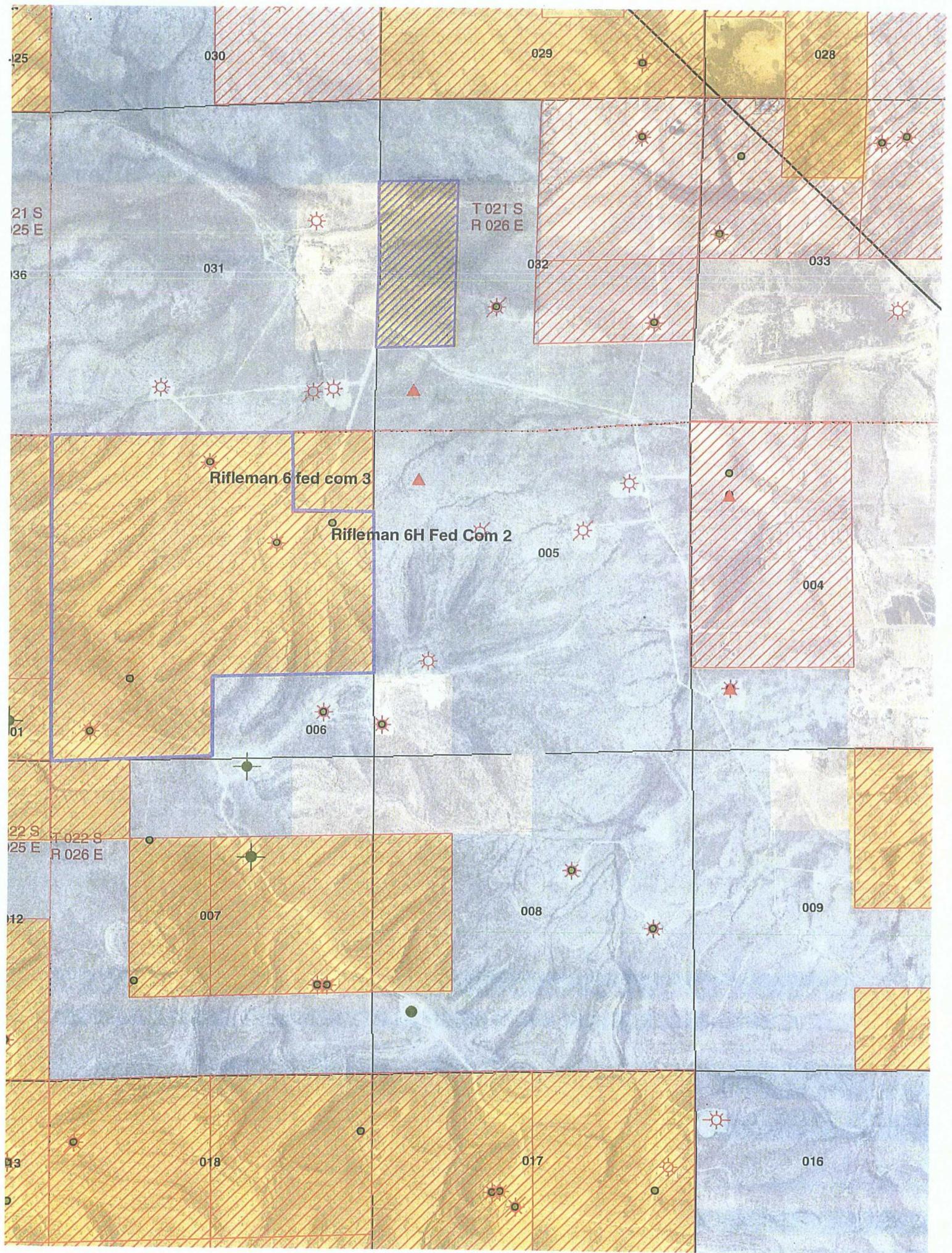


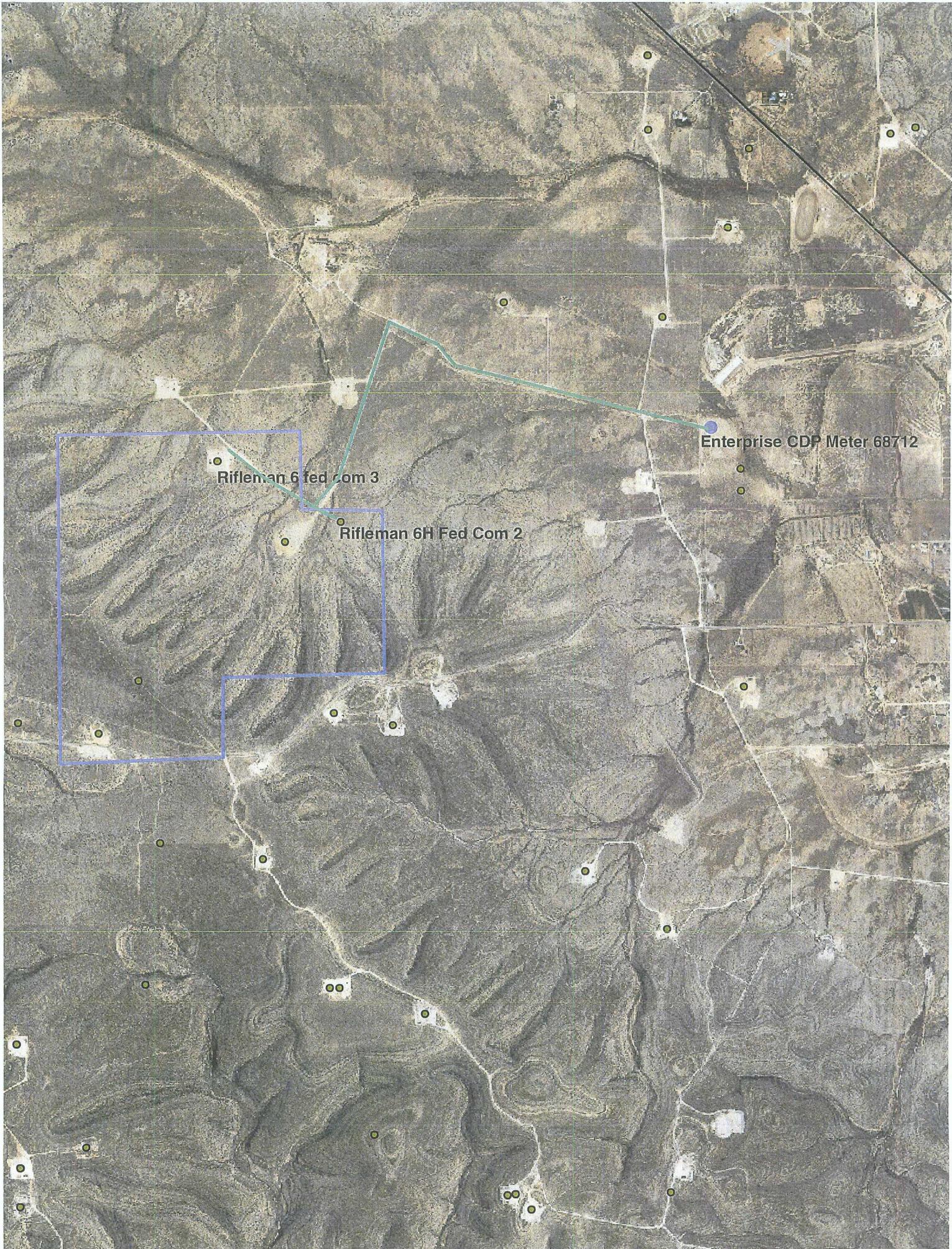
12

7

8







Enterprise CDP Meter 68712

Rifleman 6 fed com 3

Rifleman 6H Fed Com 2

T 021 S
R 025 E
036

T 021 S
R 026 E

032

RIFLEMAN 6 FEDERAL COM

NMNM 118051

RIFLEMAN 6 FEDERAL COM

RIFLEMAN 6 FEDERAL COM

001

T 022 S
R 025 E

T 022 S
R 026 E

005

RIFLEMAN 6 FEDERAL COM NMNM 107627

FEDERAL N
FEDERAL N
FEDERAL N

RIFLEMAN 6 STATE COM

LANCASTER SPRNG UNIT

012 NMNM 106833

NMNM 106350

007

NMNM 103139

008

Rifleman 6H Fed Com 2
Sec. 06-T22S-R26E

Eddy, NM

API# 30-015-34255 NM71752

Production System: Closed

- 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 unaccessible.

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

Firewall:

Wellhead:

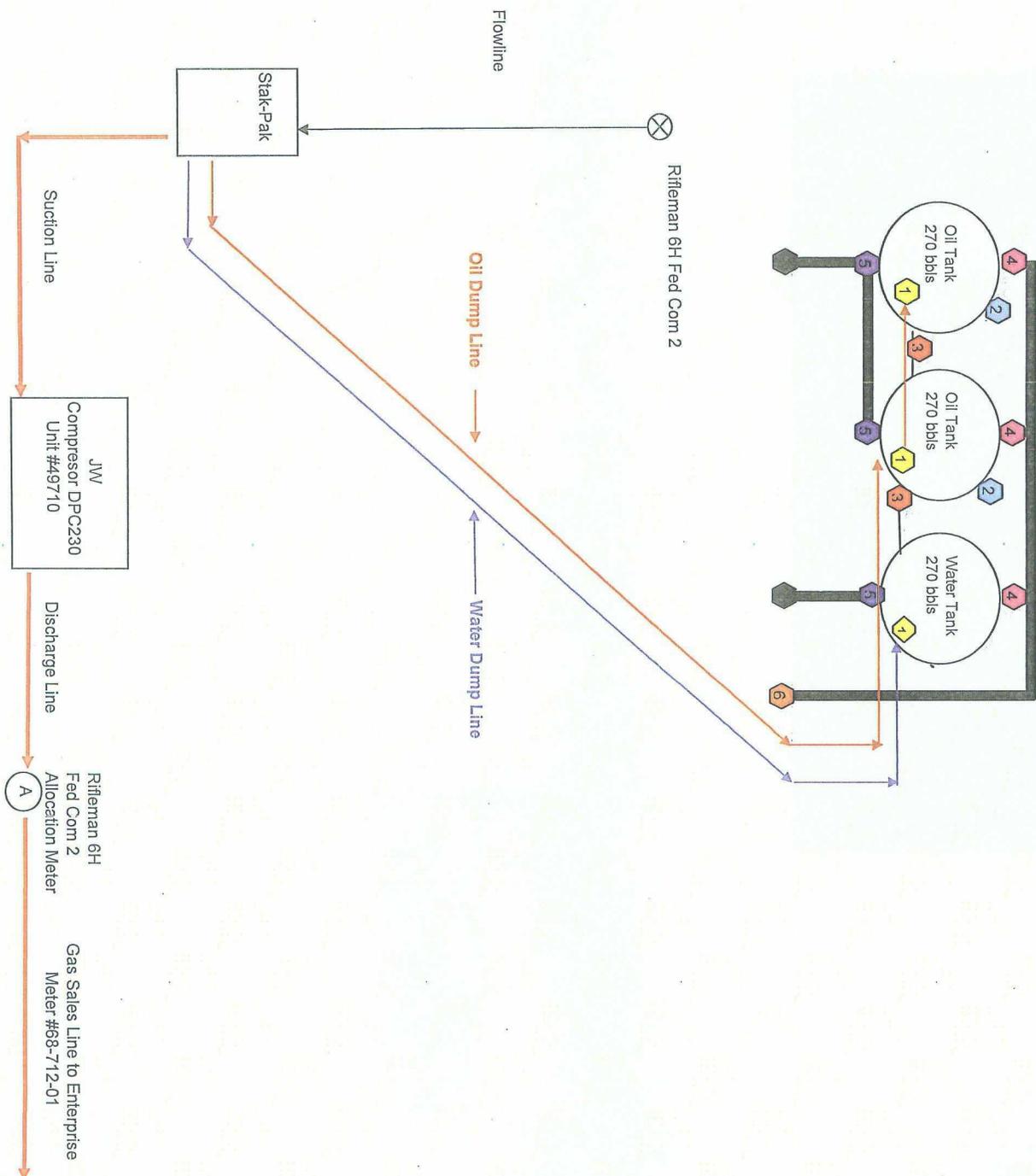
Stak-pak:

Production line: _____

Water line: - - - - -

Gas Meter

North →



Rifleman 6 Fed Com #3
Sec 06, T22S- R26E

EDDY County, NM
API# 30-015-36205--NM71752

Production System: Closed

- 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.
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Ledger for Site Diagram

- Valve #1: Production Line
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- Valve #4: Circ./Drain Line
- Valve #5: Sales Line
- Valve #6: BS&W Load Line

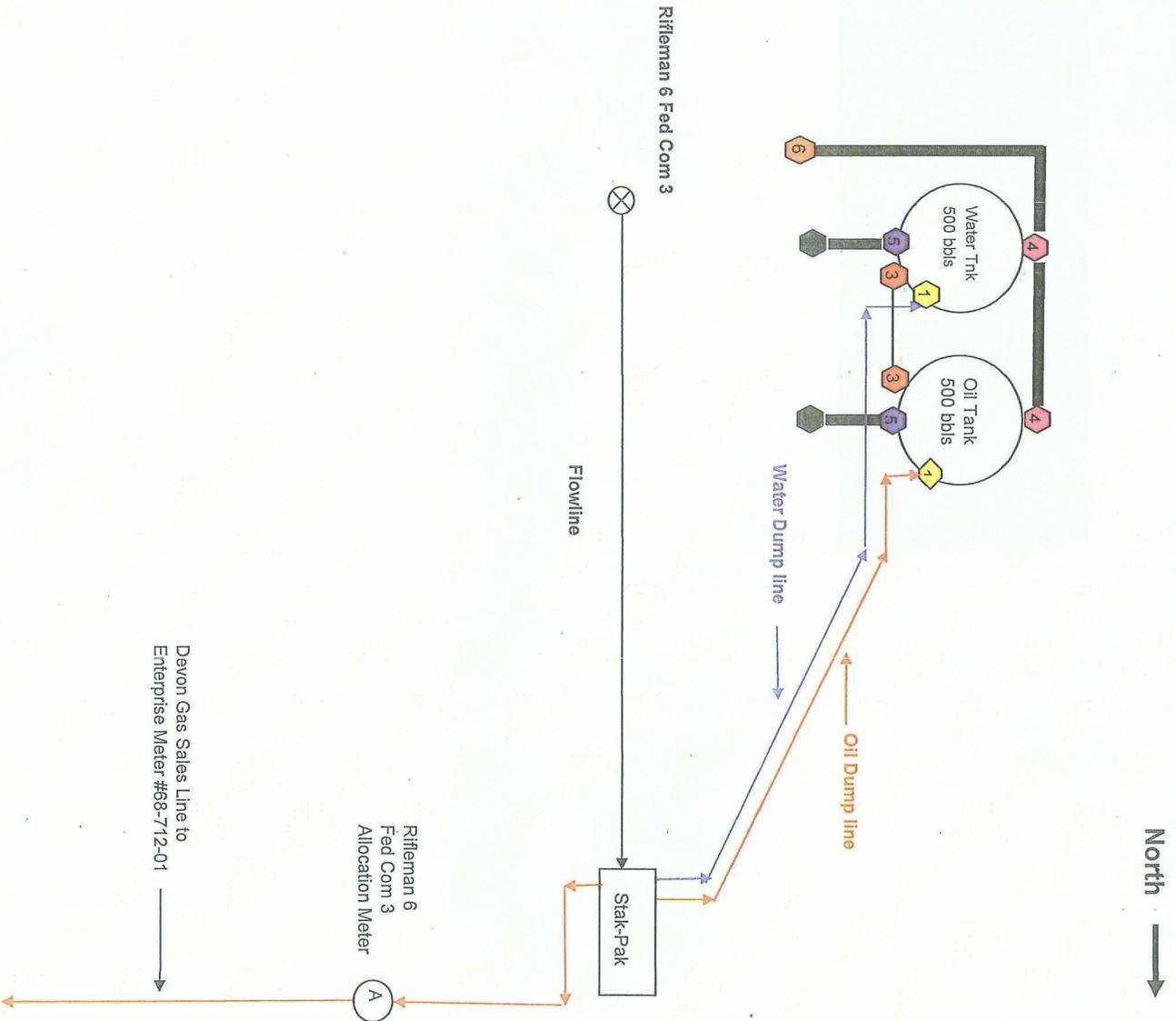
Firewall:

Wellhead:

Stalk-pak:

Production line:

Water line:





Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

5m

FOR: Devon Energy
Attention: Jack Pittman
P. O. Box 250
Artesia, New Mexico 88211-0250

SAMPLE: Sta. # 88533109
IDENTIFICATION Rifleman 6 Fed. Com. #3
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 5/4/10
ANALYSIS DATE: 5/5/10
PRESSURE - PSIG 327
SAMPLE TEMP. °F 87.8
ATMOS. TEMP. °F

GAS (XX) LIQUID ()
SAMPLED BY: Mike Martínez/J-W Oper.
ANALYSIS BY: Vickie Sullivan

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	0.324	
Carbon Dioxide (CO2)	0.989	
Methane (C1)	95.362	
Ethane (C2)	2.604	0.695
Propane (C3)	0.463	0.127
I-Butane (IC4)	0.058	0.019
N-Butane (NC4)	0.067	0.021
I-Pentane (IC5)	0.010	0.004
N-Pentane (NC5)	0.013	0.005
Hexane Plus (C6+)	0.110	0.048

100.000

0.919

BTU/CU.FT. - DRY 1031
AT 14.650 DRY 1028
AT 14.650 WET 1010
AT 14.73 DRY 1033
AT 14.73 WET 1016

MOLECULAR WT. 17.0003

SPECIFIC GRAVITY -
CALCULATED 0.587
MEASURED



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

SM

FOR: Devon Energy
Attention: Jack Pittman
P. O. Box 250
Artesia, New Mexico 88211-0250

SAMPLE: Sta. #88412086
IDENTIFICATION Rifleman 6 H Fed. Com. #2
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 5/4/10 1:00 pm
ANALYSIS DATE: 5/5/10
PRESSURE - PSIG 330
SAMPLE TEMP. °F 103.7
ATMOS. TEMP. °F 80

GAS (XX) LIQUID ()
SAMPLED BY: Mike Martinez/J-W Oper.
ANALYSIS BY: Vickie Sullivan

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	0.248	
Carbon Dioxide (CO2)	1.009	
Methane (C1)	95.596	
Ethane (C2)	2.463	0.657
Propane (C3)	0.428	0.118
I-Butane (IC4)	0.061	0.020
N-Butane (NC4)	0.060	0.019
I-Pentane (IC5)	0.028	0.010
N-Pentane (NC5)	0.010	0.004
Hexane Plus (C6+)	0.097	0.042
	<u>100.000</u>	<u>0.870</u>

BTU/CU.FT. - DRY 1036
AT 14.650 DRY 1027
AT 14.650 WET 1009
AT 14.73 DRY 1032
AT 14.73 WET 1015

MOLECULAR WT. 16.9640

SPECIFIC GRAVITY -
CALCULATED 0.586
MEASURED

OFF LEASE PRODUCTION - EDDY COUNTY

Well Name	02/01/10	03/01/10	04/01/10	05/01/10	06/01/10	07/01/10	08/01/10	09/01/10
	Sum Est Gas							
Rifleman 6H Fed Com 2	31,807.14	39,221.64	36,969.17	33,574.87	27,111.43	26,746.7	25,897.32	23,288.55
Rifleman 6 Fed Com 3	1,823.89	1,945.39	1,818.19	1,740.89	1,694.11	1,712.35	1,752.71	1,612.5

Exhibit B

Mewbourne Oil Company, Allen Brinson
PO Box 7698
3903 S Broadway
Tyler, TX 75711-7698

Certified Mail Number: 7008 1830 0003 1982 7658

Mona L Coffield
PO Box 8028
Santa Fe, NM 87504

Certified Mail Number: 7008 1830 0003 1982 7665

Minerals Management Service
Royalty Management Program
PO Box 5810
Denver, CO 80217

Certified Mail Number: 7008 1830 0003 1982 7610

Jerune Allen
245 Nicklaus Dr
Rio Rancho, NM 87124

Certified Mail Number: 7008 1830 0003 1982 7689

Lowe Royalty Partners LP
PO Box 4887, Dept 4
Houston, OK 77210-4887

Certified Mail Number: 7008 1830 0003 1982 7672

Jareed Partners Ltd
A Texas Limited Partnership
PO Box 51451
Midland, TX 79710-1451

Certified Mail Number: 7008 1830 0003 1982 7696

Howard A Rubin Inc
623 Camino Rancheros
Santa Fe, NM 87505-2837

Certified Mail Number: 7009 3410 0000 3532 4496

Rubie C Bell Family Ltd Psh
1331 Third Street
New Orleans, LA 70130

Certified Mail Number: 7009 3410 0000 3532 4502

Robert N Enfield Irrevoc Trust
Wells Fargo Bank NA Trustee
PO Box 5383
Denver, CO 80217-5383

Certified Mail Number: 7009 3410 0000 3532 4519

Penwell Employee Royalty Pool
200 N Loraine Suite 1550
Midland, TX 79701

Certified Mail Number: 7009 3410 0000 3532 4526

Occidental Permian Ltd
PO Box 100725
Atlanta, GA 30384-0725

Certified Mail Number: 7009 3410 0000 3532 4533

John Lawrence Thoma
A Single Man
PO Box 17656
Golden, CO 80402

Certified Mail Number: 7009 3410 0000 3532 4540

Sandra Mary Thoma
A Single Woman
789 W Hellsgate Dr.
Strawn, TX 76475

Certified Mail Number: 7009 3410 0000 3532 4557

C Mark Wheeler
24 Smith Road, Ste 405
Midland, TX 79705

Certified Mail Number: 7009 3410 0000 3532 4564

Paul R Barwis
% Dutton Harris & Co
PO Box 230
Midland, TX 79702

Certified Mail Number: 7009 3410 0000 3532 4601

Bryan Bell Family Ltd PSHP
% Bryan Bell - General Partner
1331 Third Street
New Orleans, LA 70130

Certified Mail Number: 7009 3410 0000 3532 4595

Charmar LLC
Charles R Hicks aka C Randall Hicks & Vikki H Smith, Managing Members
4815 Vista Del OSO Court NE
Albuquerque, NM 87109-2558

Certified Mail Number: 7009 3410 0000 3532 4571

DMA Inc
A L Peters or Billie M Peters
PO Box 1496
Roswell, NM 88202

Certified Mail Number: 7009 3410 0000 3532 4588

Richard C Deason
1301 N Havenhurst #217
West Hollywood, CA 90046

Certified Mail Number: 7009 3410 0000 3532 4618

Thomas Deason
6402 CR 7420
Lubbock, TX 79424

Certified Mail Number: 7009 3410 0000 3532 4625

Ronald H Mayer
PO Box 2391
Roswell, NM 88202

Certified Mail Number: 7009 3410 0000 3532 4632

SAP LLC
Michael White Marley Reg Agt
4901 Whitney Ln
Roswell, NM 88203

Certified Mail Number: 7009 3410 0000 3532 4649



Devon Energy Production Company
20 North Broadway - CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melania.Crawford@dvn.com

October 12, 2010

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

**Re: Off Lease Gas Measurement and Sales
Rifleman 6H Federal Com 2 & Rifleman 6 Federal Com 3
API # 30-015-34269 & 30-015-36205
Sec 6-T22S-26E
Lease NM-71752
CA NM118051
Happy Valley; Morrow (Gas) - Pool Code: 78060
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 the Surface Commingle, Off-Lease Gas Measurement and Sales of the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both wells in Lease are uniform; owners have been notified via certified mail.

BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in cursive script that reads "Melanie Crawford".

Melanie Crawford
Regulatory Analyst

Enclosures

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



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.

Melanie Crawford
 Print or Type Name

Melanie Crawford
 Signature

Regulatory Analyst
 Title

October 12, 2010
 Date

Melanie.Crawford@dvn.com
 e-mail Address

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-015-34269 & 30-015-36205
2. Name of Operator Devon Energy Production Company, LP		5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524		6. State Oil & Gas Lease No. NM-71752/CA NM118051
4. Well Location (See Below) Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM Eddy County New Mexico		7. Lease Name or Unit Agreement Name See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		8. Well Number See Below
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		9. OGRID Number 6137
10. Pool name or Wildcat Happy Valley; Morrow (GAS)		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Off-Lease Gas Measurement & Sales <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LLP respectfully requests approval for the Off Lease Gas Measurement and Sales production from the following wells:

- *Rifleman 6H Fed Com 2: API: 30-015-34269 Sec 6-T22S-26E Lease NM-71752 Happy Valley; Morrow (GAS)
- *Rifleman 6 Fed Com 3: API: 30-015-36205 Sec 6-T22S-26E Lease NM-71752 Happy Valley; Morrow (GAS)

The above Rifleman wells will each have their own tank battery on location and there is one CDP meter #68712 for both wells. Each well has an allocation meter and the main sales CDP meter # 68712 is located East of the two wells Section 4 NWNW T22S-R26E. The Rifleman 6H Fed Com 2 has a JW Compressor DPC230 Unit #49710 located before the allocation meter. There is no fuel gas meter. Devon is using a calculation to determine the volume of gas used by the compressor.

The working, royalty, and overriding interest in both wells are uniform in Lease; interest owners have been notified via certified mail (see attached).

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE 10-25-10

Type or print name Melanie Crawford E-mail address: Melanie.Crawford@dvn.com Telephone No. (405) 552-4524
 For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease Measurement

Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.