

DATE <u>12.22.10</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>12.22.10</u>	TYPE <u>CTB</u>	APP NO. <u>1035638767</u>
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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



Devon  
6137

CGF1, CF2 & CF4

## ADMINISTRATIVE APPLICATION CHECKLIST

30-025-30711

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

30-025-36282

### 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]**

30-025-39599

### [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

Lea  
Fed.

### [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

Signature

Melanie Crawford

Regulatory Analyst  
Title

10/11/10  
Date

Melanie.Crawford@dvnm.com  
e-mail Address



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@devn.com](mailto:Melanie.Crawford@devn.com)

RECEIVED OCD  
OCT 21 P 3:11

October 18, 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, Lease Commingle, Off Lease Storage and Measurement  
Cockburn G Federal 1, Cockburn Federal 2 & Cockburn Federal 4  
API # 30-025-30711, 30-025-36282 & 30-025-39599  
Sec 10-T18S-R33E  
Lease LC-029489-C & Lease NM-89891  
Mescalero Escarpe; Bone Spring - Pool Code: 45793  
Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B, OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; owners have been notified via certified mail.

The initial application submitted to the NMOCD was approved by the NMOCD (CTB-618) but was not approvable by the BLM and was returned back to Devon to be re-tooled.

A "revised" 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 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: Mescalero Escarpe; Bone Springs (45793)

(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 Notification done on initial and current application, interests are uniformed

(4) Measurement type: ☐ Metering ☒ Other – Well Test Method

**(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: Melanie Crawford TITLE: Regulatory Analyst DATE: October 18, 2010

TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405) 552-4524

E-MAIL ADDRESS: Melanie.Crawford@dvn.com

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

WELL API NO. See Below
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC-029489-C & NM-89891
7. Lease Name or Unit Agreement Name See Below
8. Well Number See Below
9. OGRID Number 6137
10. Pool name or Wildcat Mescalero Escarpe; Bone Springs

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 ☐ 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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
	CASING/CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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 Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

- \* Cockburn G Federal 1 API: 30-025-30711 Sec 10-T18S-33E Lease - LC-029489-C Mescalero Escarpe; Bone Spring (45793)
- \* Cockburn Federal 2 API: 30-025-36282 Sec 10-T18S-33E Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)
- \* Cockburn Federal 4 API: 30-025-39599 Sec 10-T18S-33E Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)

A central tank battery is located at the Cockburn Federal 2 location. The production from both wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for both wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.396 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working, royalty, and overriding interest in both wells are uniform in Lease LC-029489-C & NM-89891; Working, royalty, and overriding 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 October 18, 2010

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):

# OPERATOR'S COPY

Form 3160-5  
(February 2005)

## 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.*

<b>SUBMIT IN TRIPLICATE – Other instructions on page 2.</b>		5. Lease Serial No. LC-029489-C & NM-89891
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Co., LP		7. If Unit of CA/Agreement, Name and/or No.
3a. Address 20 North Broadway OKC, OK 73102		8. Well Name and No. See Below
3b. Phone No. (include area code) (405)-552-4524		9. API Well No. See Below
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) See Below		10. Field and Pool or Exploratory Area Mescalero Escarpe; Bone Springs
		11. Country or Parish, State Lea 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 CTB, Lease Commingle, Off-Lease Storage & Measurement
	<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	

3. 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 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 Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

- \* Cockburn G Federal 1 API: 30-025-30711 Sec 10-T18S-33E Lease LC-029489-C Mescalero Escarpe; Bone Spring (45793)
- \* Cockburn Federal 2 API: 30-025-36282 Sec 10-T18S-33E Lease NM-89891 Mescalero Escarpe; Bone Spring (45793)
- \* Cockburn Federal 4H API: 30-025-39599 Sec 10-T18S-33E Lease NM-89891 Mescalero Escarpe; Bone Spring (45793)

A central tank battery is located at the Cockburn Federal 2 location. The production from ~~both~~ <sup>All</sup> wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for ~~All~~ <sup>All</sup> wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.395 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working, royalty, and overriding interest in ~~both~~ <sup>for All</sup> wells are uniform in Lease LC-029489-C & NM-89891; Working, royalty, and overriding 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 Oct. 25, 2010

#### THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>/s/ JD Whitlock Jr</i>		Title <i>LPE7</i>	Date <i>12-14-10</i>
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 <i>CF0</i>	

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.

(Instructions on page 2)

## APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLING & OFF-LEASE STORAGE AND MEASUREMENT

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

### Lease commingling proposal for Cockburn leases:

Devon Energy Production Company, LP is requesting approval for Central Tank Battery, Lease Commingle, Off-Lease Storage and Measurement from the Mescalero Escarpe; Bone Spring (45793) from the following wells:

#### Federal Lease LC-029489-C

Well Name	Location	API #	Pool 45793	BOPD	Oil Gravity	MCFPD	BTU
Cockburn Sec 10-T18S-R33E G Federal 1		30-025-30711	Mescalero Escarpe; Bone Springs	10.6	34.9	24	1334

#### Federal Lease NM-89891

Well Name	Location	API #	Pool 45793	BOPD	Oil Gravity	MCFPD	BTU
Cockburn Sec 10-T18S-R33E Federal 2		30-025-36282	Mescalero Escarpe; Bone Springs	10.6	34.7	37	1323
Cockburn Sec 10-T18S-R33E Federal 4		30-025-39599	Mescalero Escarpe; Bone Springs	*327	37.9	*183	1471

\* The last 10 day production average ending 10/30

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 10-T18S-R33E. Working, royalty, and overriding interest owners have been notified via certified mail (see attached).

### 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. The length of time is 24 hrs per well.

A central tank battery is located at the Cockburn Federal 2 location of Sec10 in T18S, R33E on Federal Lease NM-89891 in Lea County, New Mexico. The production from 4 // wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 well site. From this point one well is on test and its production leaves the production header and enters the Test Heater Treater (Labeled HT).

The testing well's gas from the Test Heater Treater (HT) leaves the device and goes through the Cockburn Fed 2 gas test meter which measures the gas from the well on test. The gas from the well on test then routes to the Frontier gas sales meter #6075003 where total gas for the facility is metered and the custody transfer is made. The individual test well's daily Cockburn Fed 2 gas test meter data is recorded for later utilization for gas allocation. It's an EFM and meter rolls over at 7:00 a.m.

The testing well's oil from the Test Heater Treater (HT) enters the Oil test line and can enter either one (pre-selected) of the 300 bbl oil tanks. During testing, the test well's oil will enter one of the 300 bbl oil tanks with the remaining well(s) oil will enter the other 300 bbl oil tank. An individual daily oil test will be recorded for later utilization for oil allocation. We added additional 2-210 stock tanks to the existing tank battery which is located at the Cockburn Federal 2.

The testing well's water from the Test Heater Treater (HT) exits the bottom of the (HT) vessel and (dashed line) enters the 300 bbl produced water (PW) tank. The remaining well(s) on test enter the production header and then move straight through to the Production Separator and then to the 4 x 20 Heater Treater

The non-testing well(s) produced gas then exits the 4 x 20 Heater Treater and routes directly to the Frontier Gas sales meter #6075003. The non-testing well(s) produced oil exits the 4 x 20 Heater Treater and routes to the 300 bbl oil tank that has not been isolated for the testing well. The non-testing well(s) water exits the bottom of the 4 x 20 Heater Treater and routes in this case (dashed line) enters the 300 produced water (PW) tank.

Typically on a two well facility one well could be on test at all times. Consequently the month's total oil, gas, and water are allocated back to the individual wells based on their test for the month of production reported.

The BLM's interest in these 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" Cockburn Fed 2 production facility. The flow of produced fluids is shown in detail along with a description of each vessel. From the common production header, one well is on test and its production leaves the production header and enters the Test Heater Treater (labeled HT).

The benefit of surface commingling the Cockburn G Federal 1 with the Cockburn Federal 2<sup>44</sup> is that *all* wells are within a ¼ mile of each other, one facility will handle the production for both wells. Reduced liability with primary exposure to one facility and reduced lease road/location maintenance due to time/wear-n-tear needing spent at each well's location. This will also lessen the surface disturbance due to having all the production at one facility

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.

Signed: Melanie Crawford  
Printed Name: Melanie Crawford  
Title: Regulatory Analyst  
Date: November 1, 2010



Jim Ball  
Land Advisor  
Jim.Ball@devn.com

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260  
(405) 552-3384  
(405) 552-8113 FAX

October 19, 2010

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

RE: Lease Commingle  
Off Lease Measurement, Storage & Sales  
Cockburn G Federal #1, Cockburn Federal #2  
And Cockburn Federal #4H  
Section 10, T18S, R33E  
Lea County, New Mexico


Ladies & Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the referenced wells and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to lease commingle, off lease measurement, storage and sales the following pools/intervals:

Mescalero Escarpe; Bone Spring Pool Code: 45793

Should you have any questions or concerns, please feel free to contact the undersigned at (405) 552-3384.

Very truly yours,  
Devon Energy Production Company, L.P.

  
Jim Ball  
Land Advisor

KR:\CockburnCommingle



Section 10, T18S, R33E  
Lea County, New Mexico

3

9

NMLC 0029489A  
OXY USA WTP LP  
HBP

18S 33E

NMLC 0029489C  
CONOCOPHILLIPS CO  
HBP

10

NMNM 089891  
CONOCOPHILLIPS CO  
HBP

COCKBURN G FEDERAL #1

COCKBURN FEDERAL #2 COCKBURN Fed #4H

NMNM 053380  
CHEVRON MIDCONTINENT LP  
HBP

NMNM 030398  
EOG RESOURCES INC  
HBP

16

LH18401  
OXY USA WTP LIMITED PARTNERSHIP  
HBP

15

LG68310  
CAL-MON OIL COMPANY  
HBP

NMNM 021172  
CHEVRON MIDCONTINENT LP  
HBP

devon

This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

055150  
YATES CO  
P

Legend



Well Unit

Devon Leasehold

TH MC







**Devon Energy**  
**Cockburn Federal #2**  
**Sec-10,T18S,R33E**  
**660FSL&660FWL**  
**API#30-025-36282**

**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.  
 {2} Valves 3 open  
 {3} Valves 2 & 4 sealed closed  
 {4} Valves 1 open on tk producing into.

**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: Sies Line (5)

Valve #6: BS&W Load Line (6)

Buried Lines: -----

Firewall: [Symbol]

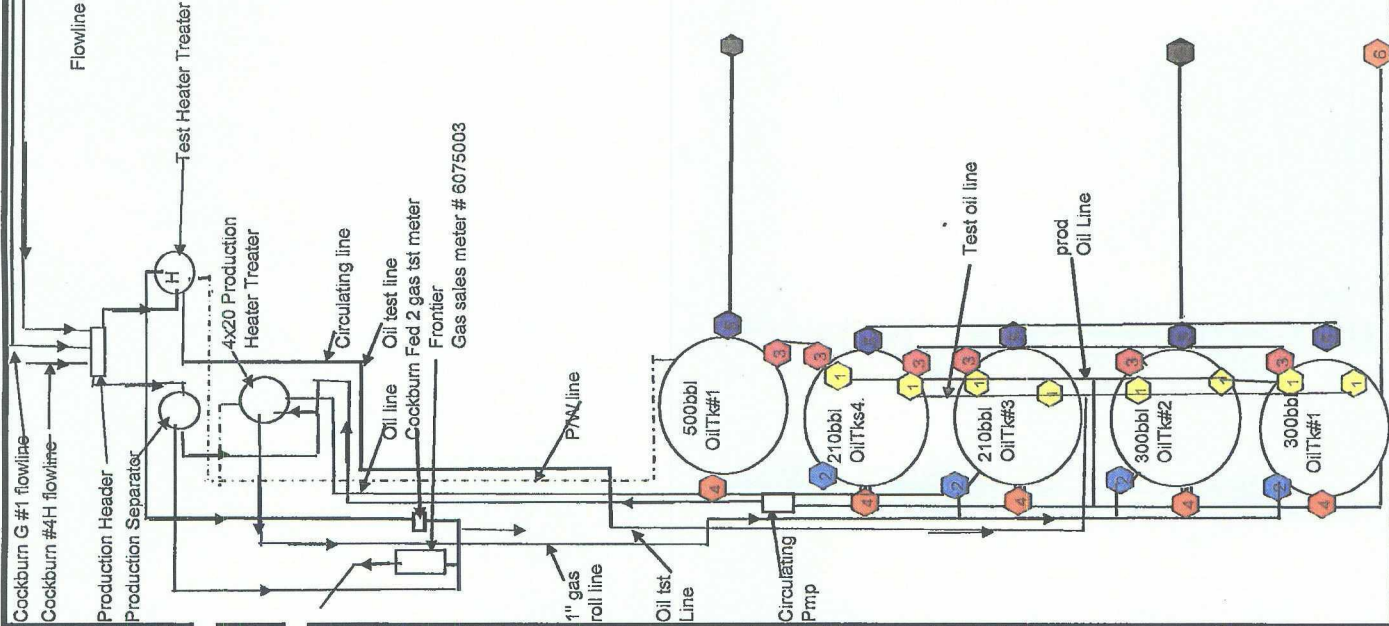
Wellhead: [Symbol]

Stak-pak: [Symbol]

Production line: -----

Water line: -----

Gas Meter: (A) (M) (C)



Proposed Surface Commingle Battery Layout

**Laboratory Services, Inc.**

2609 West Marland  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

**FOR:** Devon Energy  
Attention: Roger Hernandez  
P. O. Box 250  
Artesia, New Mexico 88211-0250

**SAMPLE:**  
**IDENTIFICATION** Cockburn #2  
**COMPANY:** Devon Energy  
**LEASE:**  
**PLANT:**

**SAMPLE DATA:** **DATE SAMPLED:**  
**ANALYSIS DATE:** 9/20/10  
**PRESSURE - PSIG**  
**SAMPLE TEMP °F**  
**ATMOS. TEMP °F**

**GAS (XX)** **LIQUID ( )**  
**SAMPLED BY:**  
**ANALYSIS BY:** Vickie Sullivan

**REMARKS:**

**COMPONENT ANALYSIS**

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	4.179	
Carbon Dioxide (CO2)	0.384	
Methane (C1)	70.511	
Ethane (C2)	12.336	3.291
Propane (C3)	8.622	1.320
I-Butane (IC4)	0.851	0.278
N-Butane (NC4)	2.284	0.719
I-Pentane (IC5)	0.755	0.276
N-Pentane (NC5)	0.768	0.277
Hexane Plus (C6+)	<u>1.310</u>	<u>0.569</u>
	100.000	7.230

BTU/CU.FT - DRY 1323  
AT 14.650 DRY 1318  
AT 14.650 WET 1295  
AT 14.73 DRY 1326  
AT 14.73 WET 1303

MOLECULAR WT 23.4118

**SPECIFIC GRAVITY -**  
**CALCULATED** 0.806  
**MEASURED**



# Laboratory Services, Inc.

2609 West Marland  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

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

SAMPLE:  
IDENTIFICATION Cockburn #1  
COMPANY: Devon Energy  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED:  
ANALYSIS DATE: 9/20/10  
PRESSURE - PSIG  
SAMPLE TEMP. °F  
ATMOS. TEMP. °F

GAS (XX) LIQUID ( )  
SAMPLED BY:  
ANALYSIS BY: Vickie Sullivan

REMARKS:

## COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	3.964	
Carbon Dioxide (CO2)	0.248	
Methane (C1)	70.203	
Ethane (C2)	12.776	3.409
Propane (C3)	6.820	1.875
I-Butane (IC4)	0.858	0.280
N-Butane (NC4)	2.245	0.706
I-Pentane (IC5)	0.724	0.264
N-Pentane (NC5)	0.733	0.265
Hexane Plus (C6+)	1.429	0.620
	100.000	7.419
BTU/CU.FT. - DRY	1334	
AT 14.650 DRY	1330	
AT 14.650 WET	1307	
AT 14.73 DRY	1337	
AT 14.73 WET	1314	
SPECIFIC GRAVITY -		
CALCULATED	0.809	
MEASURED		

MOLECULAR WT. 23.5058

**Laboratory Services, Inc.**

2609 West Marland  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

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

SAMPLE: Sta. #060-75-003  
IDENTIFICATION Cockburn #4  
COMPANY: Devon Energy  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED: 10/27/10 8:00 am  
ANALYSIS DATE: 10/29/10  
PRESSURE - PSIG 25  
SAMPLE TEMP. °F 55  
ATMOS. TEMP °F 50

GAS (XX) LIQUID ( )  
SAMPLED BY: Shelby Pennington  
ANALYSIS BY: Vickie Sullivan

REMARKS:

**COMPONENT ANALYSIS**

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	3.222	
Carbon Dioxide (CO2)	0.193	
Methane (C1)	60.243	
Ethane (C2)	17.631	4.704
Propane (C3)	11.542	3.173
I-Butane (IC4)	1.414	0.462
N-Butane (NC4)	3.286	1.034
I-Pentane (IC5)	0.717	0.262
N-Pentane (NC5)	0.620	0.224
Hexane Plus (C6+)	<u>1.132</u>	<u>0.491</u>
	100.000	10.350

BTU/CU.FT - DRY 1471  
AT 14.650 DRY 1467  
AT 14.650 WET 1441  
AT 14.73 DRY 1475  
AT 14.73 WET 1449

MOLECULAR WT. 25.7139

SPECIFIC GRAVITY -  
CALCULATED 0.888  
MEASURED

**Exhibit B**

Braille Inst of America Inc  
Bank of America NA Agent  
PO Box 840738  
Dallas, TX 75284-0738

Certified Mail Number 7006 2760 0003 6282 6739

Selma E Andrews Trust 5188-01  
FBO Peggy Barrett, Bank of America NA Trustee  
PO Box 840738  
Dallas, TX 75284-0738

Certified Mail Number 7009 3410 0000 3532 4786

Ward Investments, Ltd. Co.  
101 South Fourth Street  
Artesia, NM 88210

Certified Mail Number 7009 3410 0000 3532 4793

Kirby D Schenck Trusts A-2 & B  
c/o Western Commerce Bank, Agt  
PO Box 1627  
Lovington, NM 88260

Certified Mail Number 7009 3410 0000 3532 4809

James V Linam Estate 11-01540  
c/o Norwest Bank New Mexico NA  
PO Box 5383  
Denver, CO 80217

Certified Mail Number 7009 3410 0000 3532 4816

Shirley C Childress  
604 N Deleward No 2  
Roswell, NM 88201

Certified Mail Number 7009 3410 0000 3532 4823

Castle Royalties LLC, a wholly owned subsidiary  
of Noble Royalties Inc  
PO Box 660082  
Dallas, TX 75266-0082

Certified Mail Number 7009 3410 0000 3532 4830

Lillian D Worthington  
1402 CR 185  
Stephenville, TX 76401

Certified Mail Number 7009 3410 0000 3532 4847

Louis H Chipman  
PO Box 1789  
Stephenville, TX 76401

Certified Mail Number 7009 3410 0000 3532 4854

Luann Corbin Mskhiladze  
9404 Candelaria NE Rd Apt D  
Albuquerque, NM 87112

Certified Mail Number 7009 3410 0000 3532 4861

Melanie Ruth Wasserman  
4536 Dearborn Hills Dr NE  
Rio Rancho, NM 87114

Certified Mail Number 7009 3410 0000 3532 4878

Matthew Randell Vann  
5673 West A Street  
West Linn, OR 97068

Certified Mail Number 7009 3410 0000 3532 4885

Brad & Marideth W Watkins Rev Trust UTA 5/25/74  
TB Watkins Trustee  
3015 N Washington Ave  
Roswell, NM 88201

Certified Mail Number 7009 3410 0000 3532 4892

Linam Family Royalty Trust  
George Linam Klein Trustee  
PO Box 541382  
Grand Prairie, TX 75054-13823015

Certified Mail Number 7008 1830 0003 1986 7012

Patricia S Chipman  
5327 Darnell  
Houston, TX 75154

Certified Mail Number 7008 1830 0003 1986 7029

Sabine Royalty Trust,  
Bank of America NA. Escrow Agent-Sabine Royalty TR  
LBX 840887  
Dallas, TX 75284-0887

Certified Mail Number 7008 1830 0003 1986 7036

Higgins Trust Inc  
c/o William P Edwards  
PO Box 6905  
Thomasville, GA 31758-6905

Certified Mail Number 7008 1830 0003 1986 7043

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

Certified Mail Number 7009 3410 0000 3532 4656

Floyd Sherrell Estate  
Williams Lockwell Executor  
310 Bluebird Street  
Carlsbad, NM 88220-2806

Certified Mail Number 7009 3410 0000 3532 4663

John E Cochran  
PO Box 1046  
Troy, AL 36081-1046

Certified Mail Number 7009 3410 0000 3532 4670

Snead 2000 Rev Trust  
Mark S Snead and Ginger R Snead, CO Trustees  
6528 E 101 St Ste D-1 # 443  
Tulsa, OK 74133-6754

Certified Mail Number 7009 3410 0000 3532 4687

Gary W Chipman  
15918 Crooked Lake Way S  
Cypress, TX 77433

Certified Mail Number 7009 3410 0000 3532 4694

Robert E Chipman  
3828 Private Rd 1253  
Stephenville, TX 76401

Certified Mail Number 7009 3410 0000 3532 4717

Jamie L Alonzo  
3013 Ester CR  
Irving, TX 75062

Certified Mail Number 7009 3410 0000 3532 4700

Jacob Corbin Vann  
2003 Broadmoor Dr  
Champaign, IL 61821

Certified Mail Number 7009 3410 0000 3532 4731

Riley Anderson Vann  
33 Vom Eigen Dr  
Morristown, NJ 07960

Certified Mail Number 7009 3410 0000 3532 4724

Roy Vann  
508 Church St  
Ladonia, TX 75449

Certified Mail Number 7009 3410 0000 3532 4748

Donald P Prehoda Jr  
3701 Grays Gable Rd  
Laramie, WY 82072

Certified Mail Number 7009 3410 0000 3532 4755

Marion J Craig III & Tamra E Craig  
Joint Tenants  
PO Box 1436  
Roswell, NM 88202

Certified Mail Number 7009 3410 0000 3532 4762

Lena C Sherrell  
c/o Monica Cervantes  
1819 S Dal Paso  
Hobbs, NM 88240  
Certified Mail Number 7009 3410 0000 3532 4779  
Selma E Andrews Perpetual Charitable Trust 5188-02  
Bank of America NA Trustee  
PO Box 840738  
Dallas, TX 75284-0738  
Certified Mail Number 7008 1830 0003 1982 7627

Constance Kerren Truly  
177 Tranquil Place  
Waxahachie, TX 75167  
Certified Mail Number 7008 1830 0003 1982 7634

Energen 1994 Pennzoil c/o Energen Resources Corporation  
Attn: Ms. Barbara Roberts  
605 Richard Arrington Blvd. N.  
Birmingham, AL 35203  
Certified Mail Number 7008 1830 0003 1982 7641





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](mailto:Melanie.Crawford@dev.com)

October 18, 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, Lease Commingle, Off Lease Storage and Measurement  
Cockburn G Federal 1, Cockburn Federal 2 & Cockburn Federal 4  
API # 30-025-30711, 30-025-36282 & 30-025-39599  
Sec 10-T18S-R33E  
Lease LC-029489-C & Lease NM-89891  
Mescalero Escarpe; Bone Spring - Pool Code: 45793  
Lea County, New Mexico**

Dear Mr Ezeanyim.

Please find attached the OCD Form C-107B, OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; owners have been notified via certified mail.

The initial application submitted to the NMOCD was approved by the NMOCD (CTB-618) but was not approvable by the BLM and was returned back to Devon to be re-tooled.

A "revised "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". The signature is written in dark ink and is positioned above the printed name and title.

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** Central Tank Battery

**[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

10/11/10  
 Date

Melanie.Crawford@dvn.com  
 e-mail Address

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: Mescalero Escarpe; Bone Springs (45793)  
(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 Notification done on initial and current application, interests are uniformed  
(4) Measurement type: ☐ Metering ☒ Other - Well Test Method

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and B.

**(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: Melanie Crawford TITLE: Regulatory Analyst DATE: October 18, 2010

TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO. (405) 552-4524

E-MAIL ADDRESS: Melanie.Crawford@dmn.com

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

WELL API NO. See Below	
5 Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. LC-029489-C & NM-89891	
7 Lease Name or Unit Agreement Name  See Below	
8. Well Number See Below	
9 OGRID Number 6137	
10. Pool name or Wildcat Mescalero Escarpe; Bone Springs	

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 _____

**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 ☐ 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.) \_\_\_\_\_

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

NOTICE OF INTENTION TO		SUBSEQUENT REPORT OF	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 Central Tank Battery, Lease Commingle, Off Lease Storage and Measurement for the following wells:

\* Cockburn G Federal 1 API: 30-025-30711 Sec 10-T18S-33E Lease - LC-029489-C Mescalero Escarpe; Bone Spring (45793)  
\* Cockburn Federal 2 API: 30-025-36282 Sec 10-T18S-33E Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)  
\* Cockburn Federal 4 API: 30-025-39599 Sec 10-T18S-33E Lease - NM-89891 Mescalero Escarpe; Bone Spring (45793)

A central tank battery is located at the Cockburn Federal 2 location. The production from both wells will come to a common production header with isolation lines to route each wells production. This header is located on the North side of the facility at the Cockburn Federal 2 wellsite. The Frontier # 6075003 gas sales meter for both wells is located at the Cockburn Federal 2 location, Section 10-T18S-R33E, Latitude 32 45.396 and Longitude 103 39.448. Production is allocated based off well test and the test equipment is also located at the Cockburn Federal 2 location.

The working, royalty, and overriding interest in both wells are uniform in Lease LC-029489-C & NM-89891, Working, royalty, and overriding 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 October 18, 2010

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):

Cockburn G Federal #1, Cockburn Federal #2 and Cockburn Fedederal. #4H

Devon Energy Production Co., LP

December 14, 2010

**Condition of Approval  
Commingling on and off lease**

- 1 This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 2 This agency shall be notified of any spill or discharge as required by NTL-3A.
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 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.
5. Approval for combining production 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.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- 7 Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to MMS as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to MMS. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer
- 9 This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.