

DATE IN: 3.11.11	SUSPENSE	ENGINEER: RE	LOGGED IN: 3.11.11	TYPE: OLM	APP NO.: 1107055237
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DTG-W

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

Blackjack 1 Fed #2

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-33383

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

Blackjack 1 Fed #3
30-015-35797

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 _____ Off-Lease Gas Sales _____

Eddy Fed

2011 MAR 11 A 11:05

RECEIVED OCD

[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

1-10-2011
 Date

Melanie.Crawford@dvnm.com
 e-mail Address

OLM-44


devon

RECEIVED OCD

2011 MAR 11 A 11:05

Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dvn.com

January 6, 2011

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 Off Lease Sales Approval
Blackjack 1 Federal 2 & Black Jack 1 Federal 3
API # 30-015-33383 & 30-015-35797
Sec 1-T24S-R30E
Lease NMNM-97133
Sand Dunes; Delaware, South - Pool Code: 53818
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for Off-Lease Gas Measurement & Sales. The working interest, royalty interest and overriding royalty interest owners in the lease is unformed; no additional notification is required.

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

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.

5. Lease Serial No. NM-91733
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

8. Well Name and No. See Below

9. API Well No. See Below

10. Field and Pool or Exploratory Area
53818 Sand Dunes; Delaware, South

11. Country or Parish, State
Eddy County, NM

1. Type of Well

Oil Well Gas Well Other

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

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)- 552-4524

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

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 type="checkbox"/> Other <u>CTB, Off-Lease Gas</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Measurement & Sales</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 permission for the Central Tank Battery, Off-Lease Gas Measurement & Sales for the following wells:
Blackjack 1 Federal 2 API: 30-015-33383 Section 1-T24S-R30E
Black Jack 1 Federal 3 API: 30-015-35797 Section 1-T24S-R30E

A central tank battery is located at the Blackjack 1 Federal 2 location. The production from both wells will come to a common production header with isolation lines to route each wells production. The header is located on the Southeast side of the facility at the Blackjack 1 Federal 2 wellsite. The produced gas will go to through a Halliburton Meter to test the gas at the battery for each well before going to the DCP CDP. The DCP CDP Gas Sales Meter # 13135309 for both wells is located approximately 1.5 miles southeast of the Blackjack 1 Federal 2 location and approximately 1 mile southeast of the Black Jack 1 Federal 3 location in Section 7-T24S-31E, Eddy County, New Mexico, Latitude 32.2323184 and Longitude -103.8128159.

The Off Lease Gas Measurement & Sales is due to the Operator installed gathering systems. Waste is not induced and no correlative rights are impaired.

The working interest, royalty interest and overriding royalty interest owners in the lease is uniformed; no additional notification is required

ROW will or has already been obtained

THE 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

Melanie Crawford

Date

January 10, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPE7

Date

2/27/11

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.

(Instructions on page 2)



Ken Gray
Senior Advisor, Land

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

December 20, 2010

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

Re: Off Lease Measurement and Sales
Blackjack 1 Federal # 3 API: 30-015-35797
Blackjack 1 Federal # 2 API: 30-015-33383
Sec. 1-T24S-R30E
Eddy County, New Mexico
Pool – 53818 – Sand Dunes; Delaware, South

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding Devon's request for Off Lease Measurement and Sales for 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 for Off Lease Measurement and Sales.

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.

Ken Gray
Senior Advisor, Land

35

36 **23S 30E**

31

23S 31E

32

NM-91733

BHL

2

1

Backpack 1 Federal #2

Backpack 1 Federal #3

Yates

6

5

11

12 **24S 30E**

24S 31E

Oxy

NM-57273

7

8



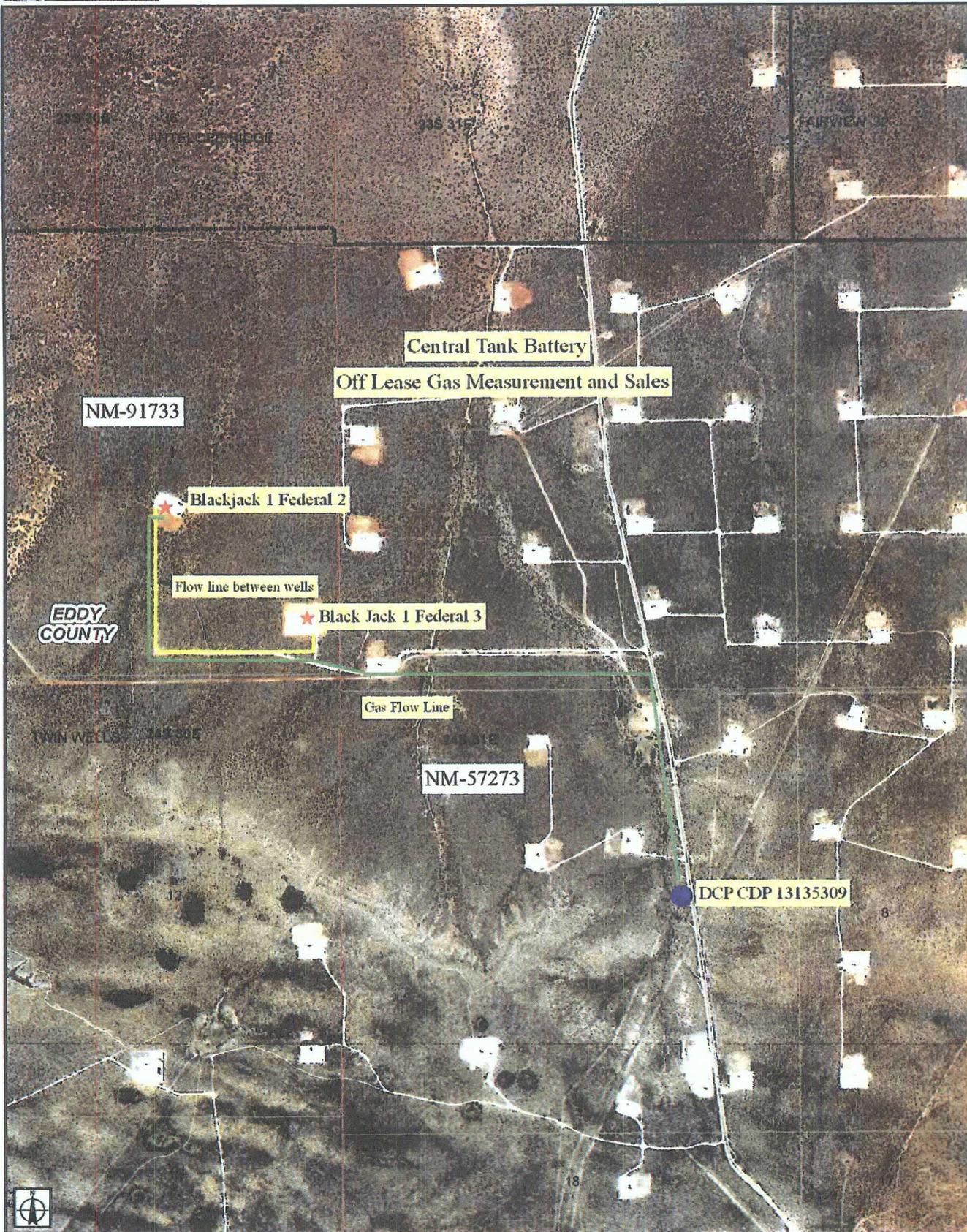
14

13

18

17





Blackjack 1 Federal 2
 Sec. 1-T24S-30E
 API: 30-015-3383

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 inaccessible.

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

Ledger for Site Diagram

Valve #1: Production Line

Valve #2: Test or Roll line

Valve #3: Equalizer Line

Valve #4: Circ./Drain Line

Valve #5: Sales Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

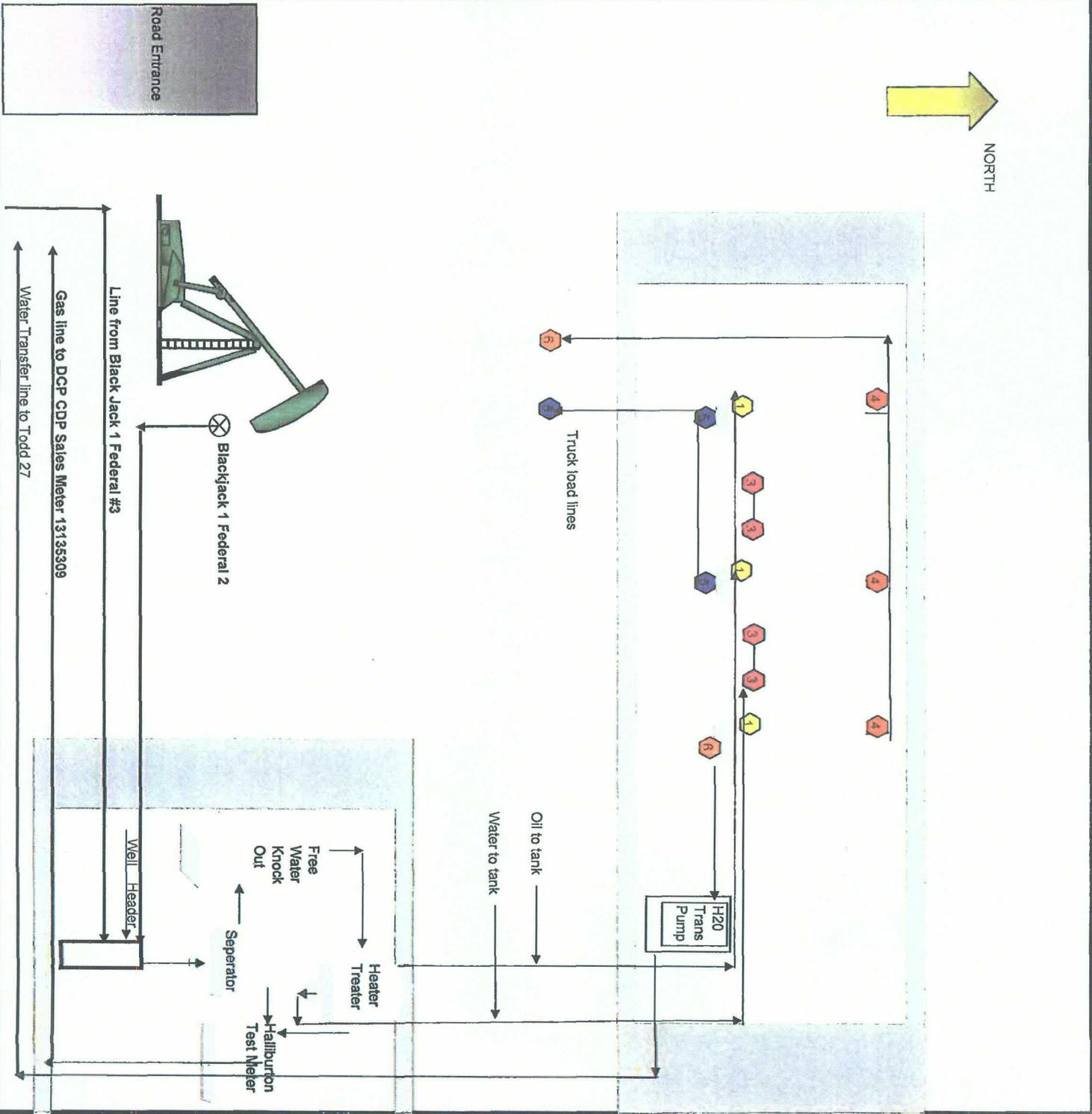
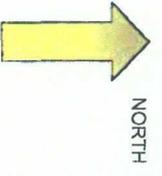
Wellhead:

Stak-pak:

Production line:

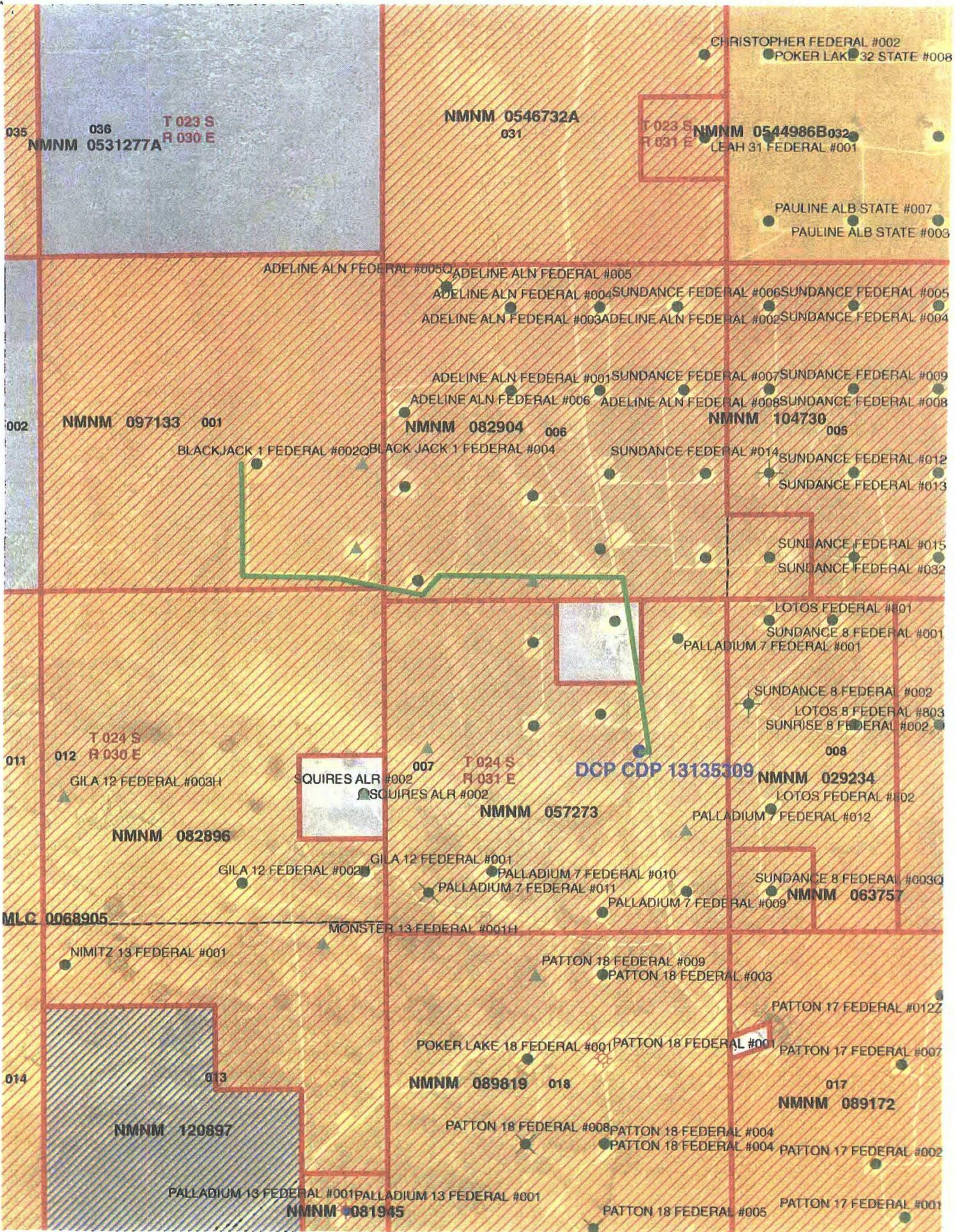
Water line:

Gas Meter



OFF LEASE PRODUCTION - EDDY COUNTY

	07/01/10	08/01/10	09/01/10	10/01/10	11/01/10	12/01/10
Well Name	Sum Est Gas					
Blackjack 1 Federal 2	254.49	194.18	173.2	233.23	168.23	345.95
Black Jack 1 Federal 3	5,361.03	5,112.84	4,737.68	3,246.37	2,028.79	5,020.49



CHRISTOPHER FEDERAL #002
POKER LAKE 32 STATE #008

035 036 T 023 S
NMNM 0531277A R 030 E

NMNM 0546732A
031

T 023 S
R 031 E NMNM 054986B032
LEAH 31 FEDERAL #001

PAULINE ALB STATE #007
PAULINE ALB STATE #003

ADELINE ALN FEDERAL #005
ADELINE ALN FEDERAL #005
ADELINE ALN FEDERAL #004 SUNDANCE FEDERAL #006
ADELINE ALN FEDERAL #003 ADELINE ALN FEDERAL #002 SUNDANCE FEDERAL #004

002 NMNM 097133 001

ADELINE ALN FEDERAL #001 SUNDANCE FEDERAL #007 SUNDANCE FEDERAL #009
ADELINE ALN FEDERAL #006 ADELINE ALN FEDERAL #008 SUNDANCE FEDERAL #008

NMNM 082904 006

NMNM 104730 005

BLACKJACK 1 FEDERAL #002 BLACK JACK 1 FEDERAL #004 SUNDANCE FEDERAL #014
SUNDANCE FEDERAL #012
SUNDANCE FEDERAL #013

SUNDANCE FEDERAL #015
SUNDANCE FEDERAL #032

LOTOS FEDERAL #001
SUNDANCE 8 FEDERAL #001
PALLADIUM 7 FEDERAL #001
SUNDANCE 8 FEDERAL #002
LOTOS 8 FEDERAL #003
SUNRISE 8 FEDERAL #002

011 012 T 024 S
R 030 E

GILA 12 FEDERAL #003H

007 T 024 S
R 031 E
SQUIRES ALR #002
SQUIRES ALR #002

DCP CDP 13135309

NMNM 029234
LOTOS FEDERAL #002

NMNM 082896

NMNM 057273

PALLADIUM 7 FEDERAL #012

GILA 12 FEDERAL #002
PALLADIUM 7 FEDERAL #010
PALLADIUM 7 FEDERAL #011
PALLADIUM 7 FEDERAL #009
SUNDANCE 8 FEDERAL #003Q
NMNM 063757

MLC 0068905

MONSTER 13 FEDERAL #001H

NIMITZ 13 FEDERAL #001

PATTON 18 FEDERAL #009
PATTON 18 FEDERAL #003

PATTON 17 FEDERAL #012Z

014 013

POKER LAKE 18 FEDERAL #001 PATTON 18 FEDERAL #001
PATTON 17 FEDERAL #007

NMNM 089819 018

017
NMNM 089172

NMNM 120897

PATTON 18 FEDERAL #008 PATTON 18 FEDERAL #004
PATTON 18 FEDERAL #004 PATTON 17 FEDERAL #002

PALLADIUM 13 FEDERAL #001 PALLADIUM 13 FEDERAL #001

NMNM 081945

PATTON 18 FEDERAL #005 PATTON 17 FEDERAL #001

**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.