Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 13 2015
RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM28328

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM129458

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Multiple--See Attached

2. Name of Operator
DEVON ENERGY PRODUCTION CO LP
Contact: ERIN WORKMAN
Mail: ERIN.WORKMAN@DVN.COM

9. API Well No.
Multiple--See Attached

3a. Address
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-552-7970

10. Field and Pool, or Exploratory
HACKBERRY
UNKNOWN

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Multiple--See Attached

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Surface Commingling
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per verbal approval by Duncan Whitlock 01.07.14, Devon Energy Production Company, LP respectfully requests for a Central Tank Battery, Off-Lease Measurement, Sales, & Storage for the following wells:

Rigel 20 Fed Com 1H
Sec. 20, NWNW, T19S, 31E
Hackberry, BS
30-015-39393
NMNM0557729, NMNM63362, NMNM28328, NMNM129458

Rigel 20 Fed Com 5H
Sec. 19, NENE, T19S, 31E

Accepted for record
NMOCD 1/14/15

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #287573 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by DUNCAN WHITLOCK on 01/10/2015 (15DW0080SE)

Name *(Printed/Typed)* ERIN WORKMAN — Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission) — Date 01/10/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By D. Whitlock — Title EPS — Date 1/10/15

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #287573 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM129458	NMNM28328	RIGEL 20 FEDERAL COM 1H	30-015-39393-00-S1	Sec 20 T19S R31E NWNW 425FNL 330FWL
NMNM129458	NMNM28328	RIGEL 20 FED COM 5H	30-015-41514-00-S1	Sec 19 T19S R31E NENE 480FNL 190FEL 32.651825 N Lat, 103.900633 W Lon

32. Additional remarks, continued

Hackberry, BS
30-015-41514
NMNM0557729, NMNM63362, NMNM28328, NMNM129458

The central tank battery is located at the Rigel 20 Fed Com 1H battery in Sec. 20, T19S, R31E, in Eddy County, New Mexico. The Rigel 20 Fed Com 1H production will flow through their own three phase separator with a micro motion coriolis meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Rigel 20 Fed Com 5H will flow through a two phase separator, then through a three phase separator, and to the heater\treater with a micro motion coriolis meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Rigel 20 Fed Com 1H battery will have 3 oil tanks that both wells will utilize. The Rigel 20 Fed 1H gas production will flow to the DCP CDP #926982-00 which is on location at the Rigel 20 Fed Com 1H battery in Sec. 20, T19S, R31E, on the east side of the facility . The Rigel 20 Fed 5H gas production will flow to Enterprise CDP #6883001 in Sec. 18, SWSE, T19S, R31E. Oil, gas, and water volumes from all three wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Oil sold through a common LACT meter using meter #P655654331.

ROW NM-130245 has been granted.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached)

APPLICATION FOR A CENTRAL TANK BATTERY, OFF-LEASE MEASUREMENT, SALES, & STORAGE

Proposal for the Rigel 20 Fed Com 1H & 5H
Devon Energy Production Company, LP is requesting approval for a Central Tank Battery for the following wells:

Federal Lease: NMNM0557729 (12.5%) NMNM63362 (Schedule B) NMNM28328 (12.5%) NMNM129458 (CA)

Well Name	Location	API #	Pool 29345	BOPD	Grav.	Oil MCFPD	BTU
Rigel 20 Fed Com 1H	NWNW Sec 20, T19S, 31E	30-015-39393	Hackberry; BS	64	37	100	1212.6
Rigel 20 Fed Com 5H	NENE Sec. 19, T19S, 31E	30-015-41514	Hackberry; BS	95	41	570	1295.9

Attached is a map displays the federal leases and well locations in Section 19, T19S, R31E, & Sec. 20, T19S, R31E.

Communization Agreement has been approved for the Rigel 20 Fed Com 1H & 5H (NMNM 129458)

The BLM's interest these wells are identical.

Oil & Gas metering:
The central tank battery is located at the Rigel 20 Fed Com 1H battery in Sec. 20, T19S, R31E, in Eddy County, New Mexico. The Rigel 20 Fed Com 1H production will flow through their own three phase separator with a micro motion coriolis meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Rigel 20 Fed Com 5H will flow through a two phase separator, then through a three phase separator with a micro motion corilis meter to meter the oil and then to the heater\treater with another micro motion coriolis meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Rigel 20 Fed Com 1H battery will have 3 oil tanks that both wells will utilize. The Rigel 20 Fed 1H gas production will flow to the DCP CDP **#926982-00** which is on location at the Rigel 20 Fed Com 1H battery in Sec. 20, T19S, R31E, on the east side of the facility . The Rigel 20 Fed 5H gas production will flow to Enterprise CDP **# 6883001** in Sec. 18, SWSE, T19S, R31E. Oil, gas, and water volumes from both wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Oil sold through a common LACT meter using meter **#P655654331**.

The Rigel 20 Fed Com 1H flows into a three phase separator, after separation, the gas flows to the gas allocation meter **(number provided upon receipt)** then to the DCP CDP **#926982-00**. The produced oil is metered with a Micro Motion Coriolis Meter **(will provide number upon receipt),** combines with the oil from the 5H, flows into the heater/treater, is measured with the Micro Motion Coriolis Meter **(number provided upon receipt),** and then flows to one of the 500 bbl. oil tanks. The produced water is metered utilizing a mag meter, it then flows into the FWKO, and into the 500 bbl. produced water tank.

The Rigel 20 Fed Com 5H flows into a two phase separator, where after separation gas combines with the gas from the 3 phase separator and is routed to the gas allocation meter **#67749123,** then to the Enterprise CDP **# 6883001** in Sec. 18, SWSE, T19S, R31E. The produced water and oil then flows into a three phase separator and after separation, the produced oil is metered with a Micro Motion Coriolis Meter **#14417581** combines with the oil from the 1H, flows into the heater/treater, is measured with the Micro Motion Coriolis Meter **(number provided upon receipt),** and then flows to one of the 500 bbl. oil tanks. The water is metered utilizing a mag meter, then flows into the FWKO, and into the 500 bbl. produced water tank.

Oil production will be allocated on a daily basis based on the Micro Motion Coriolis allocation meters for each well. This meter will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production for these wells will be allocated on a daily basis using the gas allocation meters for each well. The gas production from the Rigel 20 Fed 1H and VRU gas allocation meters will flow to the Duke Energy CDP **#926982-00.** The Rigel 20 Fed 5H gas allocation meter will flow to the Enterprise CDP **# 6883001** in Sec. 18, SWSE, T19S, R31E. 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:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, communization agreement boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed

commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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. ROW NM-130245 has been granted.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Signed: _____
Printed Name: Erin Workman
Title: Regulatory Compliance Professional
Date: 01.08.15

Rigel 20 Fed Com #1H
Sec.20, T19S, R31E
425'FSL 330'FWL
Eddy County, NM
API 30-015-39393

PROCESS FLOW DIAGRAM

DCP CDP Meter #926982-00

VRU Meter #67700161

To Enterprise Sales
CDP # 6883001
Sec. 18, SWSE, T19S, R31E

Rigel 20-5 Gas Test Meter #67749123

Rigel 20-1H gas meter Number provided upon receipt

EQUIPMENT NOT BEING UTILIZED AT THIS TIME

Test Meter #67749152

Rigel 20-1H

Rigel 20-1H, 3 Phase Seperator

Rigel 20-1H Coriolis Mtr number provided upon receipt

Production system: closed

Rigel20-5

H2O Flow Meter

Rigel 20-5 Coriolis Mtr. #144175[illegible]

Rigel 20-5H, 3 Phase Seperator

H2O Flow Meter

All valves will be sealed 30 minutes prior to sales

Free Water Knock Out

Meter (number provided upon receipt)

NOTE: ALL METER NUMBERS HAVE BEEN ADDED

H2O Flow Meter

North

Production Heator Treator

H2O Flow Meter

Note;
Devon Energy Site Security Plan located in the Artesia Main Office

Number provided upon receipt

Gas
Oil
Water
Vent

EQUIPMENT NOT BEING UTILIZED

H2O Flow Meter

Rigel 20 Fed Com 1H
S-20 T-19S R-31E
425'FNL&330'FWL
Eddy County, N.M.
API# 3001539393

Production Header

VRU

500bbl water

500 bbl oil

500bbl oil

500bbl oil

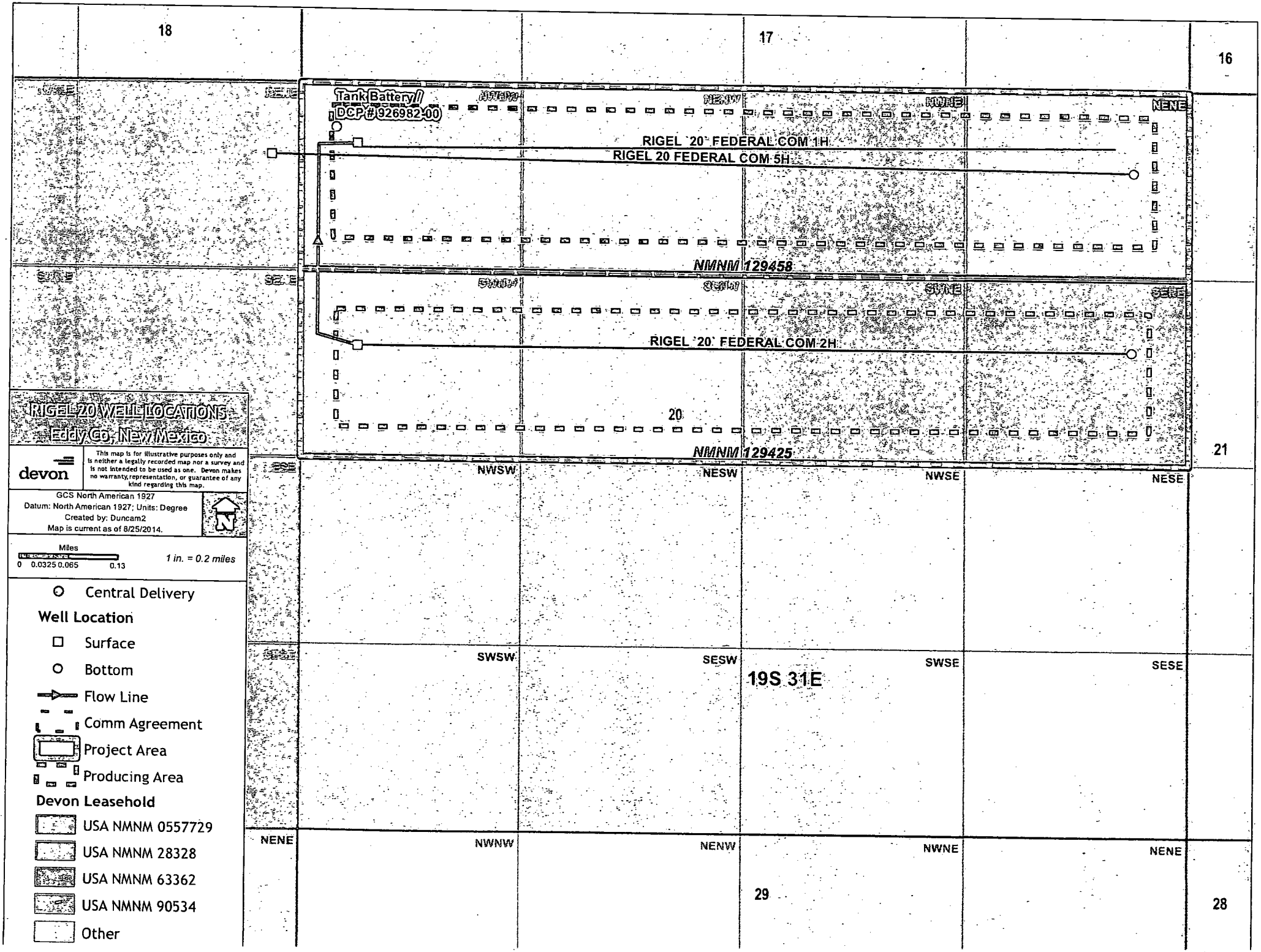
vent tank

Lact Unit Smith Meter #P655654331

Compressor

Discharge

Suction


18
17
16
21
28
29
Tank Battery//
DCP #926982-00
RIGEL 20 FEDERAL COM 1H
RIGEL 20 FEDERAL COM 5H
NMNM 129458
RIGEL 20 FEDERAL COM 2H
20
NMNM 129425
NWSW
NESW
NWSE
NESE
SWSW
SESW
SWSE
SESE
19S 31E
NENE
NWNW
NENW
NWNE
NENE
RIGEL 20 WELL LOCATIONS
Eddy Co, New Mexico
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.
GCS North American 1927
Datum: North American 1927; Units: Degree
Created by: Duncam2
Map is current as of 8/25/2014.
Miles
0 0.0325 0.065 0.13
1 in. = 0.2 miles
Central Delivery
Well Location
Surface
Bottom
Flow Line
Comm Agreement
Project Area
Producing Area
Devon Leasehold
USA NMNM 0557729
USA NMNM 28328
USA NMNM 63362
USA NMNM 90534
Other

SECTION LAND PLAT

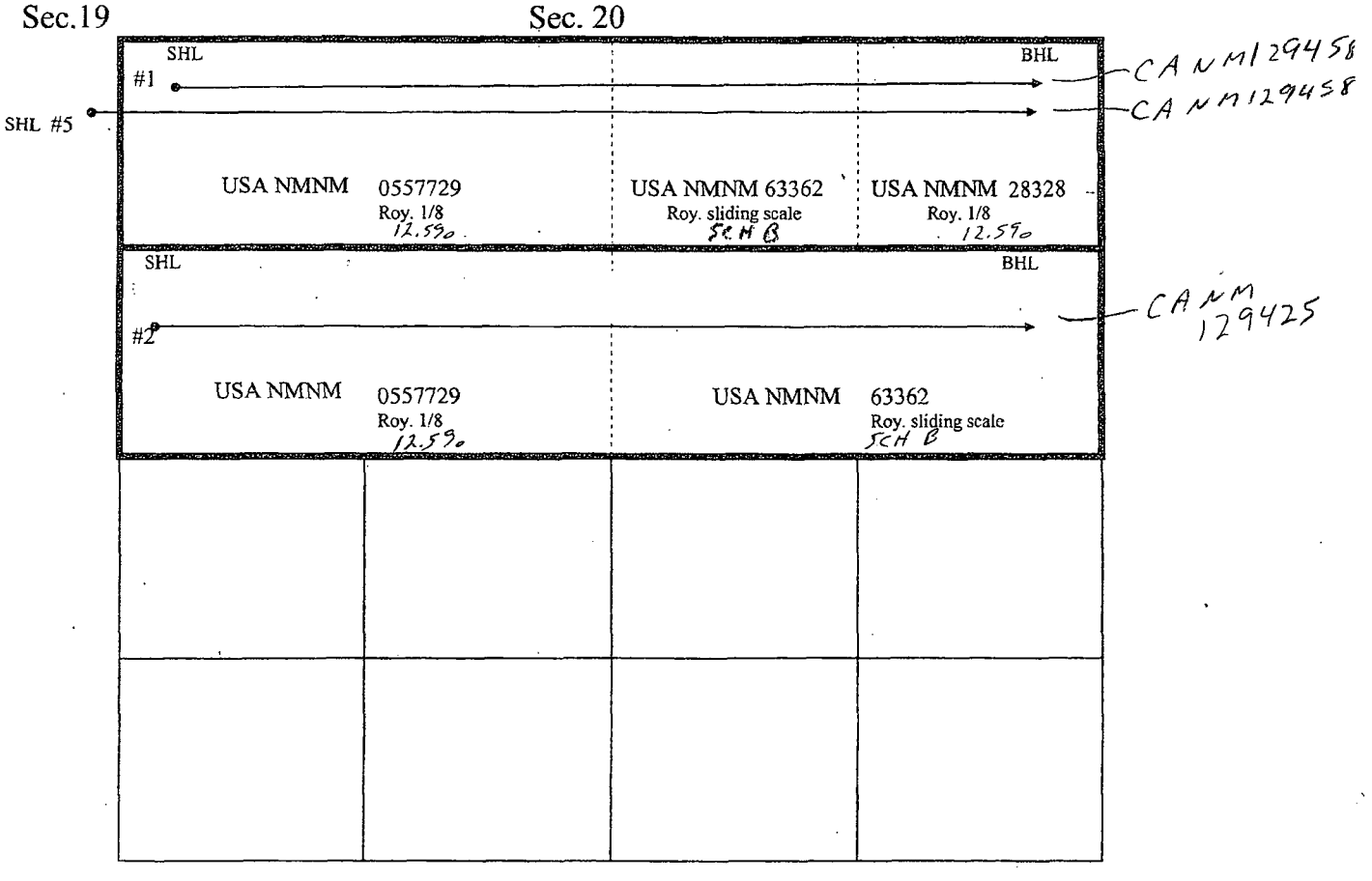
County Eddy State New Mexico .

Section 20 . Township 19 S . Range 31 E .

Rigel 20 Federal Com 1 H : Sec. 20 SHL: 425' FNL, 330' FWL / Sec. 20 BHL: 400' FNL, 330' FEL
[API 30-015-39393]

Rigel 20 Federal Com 2 H : Sec. 20 SHL: 1850' FNL, 330' FWL / Sec. 20 BHL: 1804' FNL, 347' FEL
[API 30-015-39394]

Rigel 20 Federal Com 5 H : Sec. 19 SHL: 480' FNL, 190' FEL / Sec. 20 BHL: 550' FNL, 340' FEL
[API 30-015-41514]



REVISED 8-12-2014
JM

DEVON ENERGY PRODUCTION COMPANY, L.P.
333 W. SHERIDAN AVENUE
OKLAHOMA CITY, OK 73102