

**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.*

**QCD Artesia**

5. Lease Serial No.  
NMLC061862

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMMN134248

8. Well Name and No.  
COTTON DRAW 14 FED COM 1H

9. API Well No.  
30-015-42091-00-S1

10. Field and Pool, or Exploratory  
PADUCA  
UNKNOWN

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
DEVON ENERGY PRODUCTION CO  
Contact: CHANCE BLAND  
Email: chance.bland@devn.com

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

3b. Phone No. (include area code)  
Ph: 405-228-8593

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 14 T25S R31E NWNW 330FNL 1150FWL  
32.136755 N Lat, 103.753498 W Lon

**12. CHECK 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       | Surface Commingling                       |
|  | <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 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.)

Devon Energy Prod Co. Lp respectfully requests for a Central Tank Battery and a Surface Commingle for the following wells.

Cotton Draw 14 Fed Com 1H NW/NW Sec. 14, T25S, R31E 30-015-42091 Paduca; Bone Spring (O) ✓  
NMMN 0000503, NMLC-061862

Cotton Draw 14 Fed Com 2H NE NW Sec. 14, T25S, R31E 30-015-42092 Paduca; Bone Spring (O)  
NMMN 0000503, NMLC-061862

Cotton Draw 14 Fed 3H NE/NE Sec. 14, T25S, R31E 30-015-42504 Paduca; Bone Spring (O) NMLC ✓  
0061862

CONSERVATION  
DISTRICT  
JAN 11 2017

RECEIVED

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

**Electronic Submission #347653 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/12/2016 (16PP2005SE)**

Name (Printed/Typed) CHANCE BLAND Title REG PROF

Signature (Electronic Submission) Date 08/11/2016

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

Approved By J.D. Whitlock Title TRPET Date 1/5/17

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.

## **Additional data for EC transaction #347653 that would not fit on the form**

### **32. Additional remarks, continued**

Cotton Draw 14 Fed 4H NE/NE Sec. 14, T25S, R31E 30-015-42505 Paduca; Bone Spring (O) NMLC 0061862 ✓

The central tank battery is located at the Cotton Draw 14 in NE/4 NW/4 of Sec. 14 25S 32E in Lea County, New Mexico. The production from each well will flow through an individual dedicated three phase separator with measurement for all three phase. The measurement devices are as follows: 1) Oil measurement is a Micro Motion Coriolis Meter, 2) Water measurement is a Magnetic flow meter, 3) Gas measurement is an Orifice meter tube with EFM. All water is to be commingled and sent to the water tanks. Gas recovered from the ULPS via the VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

A total of four (4) production wells will flow into the COTTON DRAW 14 Battery. All oil from all four wells will commingle into a common header after measured by individual 3 phase separators. The commingled oil will then be refined by a dedicated heater treater.

The COTTON DRAW 14 Battery will have four (4) oil storage tanks for these wells. Measurement is done through a LACT unit utilizing a SMITH PD METER. LACT Meter number provided upon receipt. All commingled gas will be sold through a Federal Measurement Point on location. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separators.

Attachments Deliverables

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

## Proposal for Cotton Draw 14 Fed Wells:

Devon Energy Production Company, LP is requesting approval for a Central Tank Battery\Off Lease Measurement, Sales, & Storage for the following wells:

### Federal Lease NMLC061862, NMNM0000503, CA NMNM 134248 (12.5%)

| Well Name                 | Location            | API#         | Pool 96641              | BOPD | OG | MCFPD | BTU  |
|---------------------------|---------------------|--------------|-------------------------|------|----|-------|------|
| Cotton Draw 14 Fed Com 1H | Sec. 14, T25S, R31E | 30-015-42091 | Paduca; Bone Spring (O) | 141  | 43 | 572   | 1288 |
| Cotton Draw 14 Fed Com 2H | Sec. 14, T25S, R31E | 30-015-42092 | Paduca; Bone Spring (O) | 148  | 44 | 623   | 1288 |

### Federal Lease NMLC061862, (12.5%)

| Well Name             | Location            | API#         | Pool 96641              | BOPD | OG | MCFPD | BTU  |
|-----------------------|---------------------|--------------|-------------------------|------|----|-------|------|
| Cotton Draw 14 Fed 3H | Sec. 14, T25S, R31E | 30-015-42504 | Paduca; Bone Spring (O) | 229  | 44 | 1048  | 1288 |
| Cotton Draw 14 Fed 4H | Sec. 14, T25S, R31E | 30-015-42505 | Paduca; Bone Spring (O) | 234  | 44 | 534   | 1288 |

\*All numbers are proposed number.

Attached is a map that displays the federal leases and well locations in Sec. 14, T25S, R31E & Sec. The BLM's interest in all four wells is 12.5%

## Oil & Gas metering:

The central tank battery is located at the Cotton Draw 14 in NE/4 NW/4 of Sec. 14 25S 32E in Lea County, New Mexico. The production from each well will flow through an individual dedicated three phase separator with measurement for all three phase. The measurement devices are as follows: 1) Oil measurement is a Micro Motion Coriolis Meter, 2) Water measurement is a Magnetic flow meter, 3) Gas measurement is an Orifice meter tube with EFM. All water is to be commingled and sent to the water tanks. Gas recovered from the ULPS via the VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

A total of four (4) production wells will flow into the COTTON DRAW 14 Battery. All oil from all four wells will commingle into a common header after measured by individual 3 phase separators. The commingled oil will then be refined by a dedicated heater treater.

The COTTON DRAW 14 Battery will have four (4) oil storage tanks for these wells. Measurement is done through a LACT unit utilizing a SMITH PD METER. LACT Meter **number provided upon receipt**. All commingled gas will be sold through a Federal Measurement Point on location. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separators.

The Cotton Draw 14 Fed Com 1H flows directly to a dedicated three phase separator where all 3 phases are separated and metered. Gas flows through the gas allocation meter (**number provided upon receipt**), then combines with the gas from the other wells and is measured by the Federal Measurement Point Meter (**number provided upon receipt**). Oil is metered with a Micro Motion Coriolis Meter (**number provided upon receipt**). After measurement, the oil combines with the Cotton Draw 14 Fed Com 2H and goes to a heater treater for further refinement. Refined oil then dumps to a common ULPS where it combines with oil from the Cotton Draw 14 Fed 3H and Cotton Draw 14 Fed 4H wells and to the 4 oil storage tanks where it can be sold through a LACT.

The Cotton Draw 14 Fed Com 2H flows directly to a dedicated three phase separator where all 3 phases are separated and metered. Gas flows through the gas allocation meter (**number provided upon receipt**), then combines with the gas from the other wells and is measured by the Federal Measurement Point Meter (**number provided upon receipt**). Oil is metered with a Micro Motion Coriolis Meter (**number provided upon receipt**). After measurement, the oil combines with the Cotton Draw 14 Fed Com 2H and goes to a heater treater for further refinement. Refined oil then dumps to a common ULPS where it combines with oil from the Cotton Draw 14 Fed 3H and Cotton Draw 14 Fed 4H wells and to the 4 oil storage tanks where it can be sold through a LACT.

The Cotton Draw 14 Fed 3H flows directly to a dedicated three phase separator where all 3 phases are separated and metered. Gas flows through the gas allocation meter (**number provided upon receipt**), then combines with the gas from the other wells and is measured by the Federal Measurement Point Meter (**number provided upon receipt**). Oil is metered with a Micro Motion Coriolis Meter (**number provided upon receipt**). After measurement, the oil combines with the Cotton Draw 14 Fed 4H and goes to a heater treater for further refinement. Refined oil then dumps to a common ULPS where it combines with oil from the Cotton Draw 14 Fed Com 1H and Cotton Draw 14 Fed Com 2H wells and to the 4 oil storage tanks where it can be sold through a LACT.

The Cotton Draw 14 Fed 4H flows directly to a dedicated three phase separator where all 3 phases are separated and metered. Gas flows through the gas allocation meter (**number provided upon receipt**), then combines with the gas from the other wells and is measured by the Federal Measurement Point Meter (**number provided upon receipt**). Oil is metered with a Micro Motion Coriolis Meter (**number provided upon receipt**). After measurement, the oil combines with the Cotton Draw 14 Fed 3H and goes to a heater treater for further refinement. Refined oil then dumps to a common ULPS where it combines with oil from the Cotton Draw 14 Fed Com 1H and Cotton Draw 14 Fed Com 2H wells and to the 4 oil storage tanks where it can be sold through a LACT.

A free water knockout is used to capture emulsified oil in the water stream from the 3 phase separators. Over time, oil will build up in the free water knockout and dump into the same oil header that the heater treater dump lines are connected into which feeds the ULPS. This provides recovery of small volumes of oil that were not separated at the 3 phase separator and ensures that the oil does not enter the water storage tanks.

Oil production will be allocated on a daily basis based on the Micro Motion Coriolis Meter for each well. The total sales gas production will be metered by the Federal Measurement Point (to be specified). Gas allocation to each well is calculated by determining the percentage contribution that each well produced on a daily basis via the individual well gas meters and multiplying the percentage by the total gas sales volume. 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 Process Flow Diagram, along with a description of each vessel and map which shows the lease boundaries, 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 reduce operating expenses, as well as, 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.

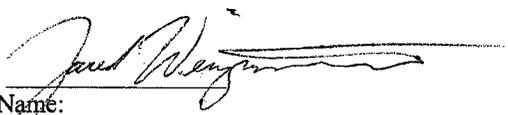
Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Signed:

Printed Name:

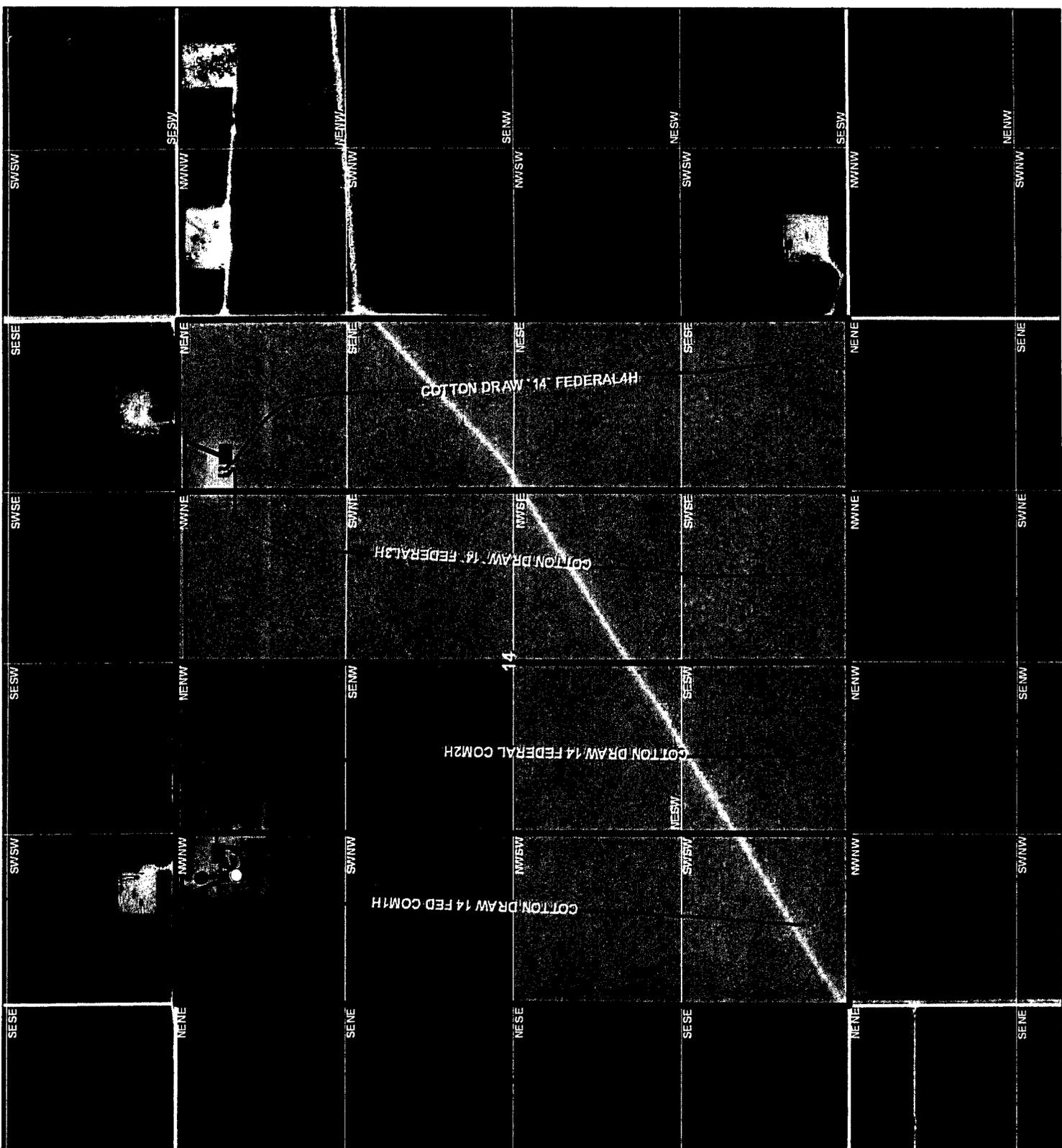
Title: ENGINEER

Date: 08.11.16









25S 31E

**COTTON DRAW 14H WELLS**  
**Eddy Co, New Mexico**

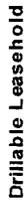
This map is for illustrative purposes only and is neither a legally recorded map nor a survey and it is not intended to be used as one. Deere makes no warranty, expressed or implied, for any use or purpose other than that intended by the user. Kind regards, this map.

**dewon**

NAD 1927 StatePlane New Mexico East FIPS 3001  
 Datum: North American 1927; Units: FootUS  
 Created by: duncam2  
 Map is current as of 7/14/2016



**Legend**

-  Surface Hole
-  Tank Battery
-  Central Delivery
-  Project Area
-  Flow Line
-  Driltable Leasehold

USA NMLC 061862  
 USA NMNM 000503

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 09:48 AM

Page 1 of 2

Run Date: 07/12/2016

01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND  
Commodity 459: OIL & GAS  
Case Disposition: AUTHORIZED

Total Acres 2,360.800  
Serial Number NMMN-- 0 000503

| Name & Address          |                      | Serial Number: NMMN-- 0 000503 |  | Int Rel          | % Interest   |
|-------------------------|----------------------|--------------------------------|--|------------------|--------------|
| CHEVRON USA INC         | 6301 DEAUVILLE       | MIDLAND TX 797062964           |  | LESSEE           | 50.000000000 |
| DEVON ENERGY PROD CO LP | 333 W SHERIDAN AVE   | OKLAHOMA CITY OK 731025010     |  | LESSEE           | 50.000000000 |
| XTO ENERGY INC          | 810 HOUSTON ST #2000 | FT WORTH TX 761026298          |  | OPERATING RIGHTS | 0.000000000  |

| Serial Number: NMMN-- 0 000503 |       |       |      |          |             |                       |        |                     |
|--------------------------------|-------|-------|------|----------|-------------|-----------------------|--------|---------------------|
| Mer Twp                        | Rng   | Sec   | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency         |
| 23                             | 0250S | 0310E | 001  | ALIQ     | S2N2,S2;    | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 0250S | 0310E | 001  | LOTS     | 1,2,3,4;    | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 0250S | 0310E | 010  | ALIQ     | E2SE,SWSE;  | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 0250S | 0310E | 011  | ALIQ     | ALL;        | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 0250S | 0310E | 012  | ALIQ     | SW,N2;      | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 0250S | 0310E | 014  | ALIQ     | NW;         | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 0250S | 0310E | 015  | ALIQ     | NE,E2W2;    | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

**Relinquished/Withdrawn Lands**

Serial Number: NMMN-- 0 000503

|    |       |       |     |    |                    |                       |      |                     |
|----|-------|-------|-----|----|--------------------|-----------------------|------|---------------------|
| 23 | 0250S | 0310E | 715 | FF | SWSW,SEGR;         | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0250S | 0310E | 715 | FF | 02 W2NW,NWSW,ASGN; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0250S | 0310E | 710 | FF | NWSE ASGN;         | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

| Serial Number: NMMN-- 0 000503 |      |                          |                       |                |  |
|--------------------------------|------|--------------------------|-----------------------|----------------|--|
| Act Date                       | Code | Action                   | Action Remark         | Pending Office |  |
| 09/26/1949                     | 124  | APLN RECD                |                       |                |  |
| 02/01/1950                     | 237  | LEASE ISSUED             |                       |                |  |
| 02/01/1950                     | 496  | FUND CODE                | 05;145003             |                |  |
| 02/01/1950                     | 530  | RLTY RATE - 12 1/2%      |                       |                |  |
| 02/01/1950                     | 868  | EFFECTIVE DATE           |                       |                |  |
| 08/01/1952                     | 570  | CASE SEGREGATED BY ASGN  | INTO NMMN0503-A;      |                |  |
| 07/27/1958                     | 700  | LEASE SEGREGATED         | INTO NMMN052869;      |                |  |
| 07/28/1958                     | 232  | LEASE COMMITTED TO UNIT  | NMMN70928X;COTTON DRA |                |  |
| 07/28/1958                     | 501  | REFERENCE NUMBER         | 14-08-001-5247        |                |  |
| 01/01/1960                     | 570  | CASE SEGREGATED BY ASGN  | INTO NMMN0503-B;      |                |  |
| 02/01/1961                     | 660  | MEMO OF 1ST PROD-ALLOC   |                       |                |  |
| 07/22/1969                     | 500  | GEOGRAPHIC NAME          | UNDEFINED FIELD;      |                |  |
| 07/22/1969                     | 510  | KMA CLASSIFIED           |                       |                |  |
| 05/21/1970                     | 315  | RENTAL RATE DET/ADJ      | \$1.00;               |                |  |
| 05/15/1987                     | 974  | AUTOMATED RECORD VERIF   |                       | BFM/MLO        |  |
| 08/04/1987                     | 963  | CASE MICROFILMED/SCANNED | CNUM 100,197          | DS             |  |
| 03/27/1991                     | 817  | MERGER RECOGNIZED        | HONDO/PAULEY          |                |  |
| 03/27/1991                     | 940  | NAME CHANGE RECOGNIZED   | PAULEY/HONDO O&G      |                |  |
| 03/27/1991                     | 974  | AUTOMATED RECORD VERIF   |                       | GLC/MT         |  |
| 09/09/1991                     | 140  | ASGN FILED               | TEXACO OILS/EXPL&PROD |                |  |
| 12/17/1991                     | 139  | ASGN APPROVED            | EFF 10/01/91;         |                |  |
| 12/17/1991                     | 974  | AUTOMATED RECORD VERIF   |                       | AR/CG          |  |
| 08/14/1992                     | 140  | ASGN FILED               | HONDO/DEVON ENERGY    |                |  |
| 10/29/1992                     | 139  | ASGN APPROVED            | EFF 09/01/92;         |                |  |
| 10/29/1992                     | 974  | AUTOMATED RECORD VERIF   |                       | BCO/JS         |  |

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 01/05/17 10:19 AM

Page 1 of 2

**01 02-25-1920;041STAT0437;30USC226**  
**Case Type 311111: O&G LSE NONCOMP PUB LAND**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED Case File Juris:**

**Total Acres**  
1,720.000

**Serial Number**  
NMLC-- 0 061862

**Serial Number: NMLC-- 0 061862**

| Name & Address          |                      |                            | Int Rel          | %Interest    |
|-------------------------|----------------------|----------------------------|------------------|--------------|
| CHEVRON USA INC         | 6301 DEAUVILLE       | MIDLAND TX 797062964       | LESSEE           | 50.000000000 |
| DEVON ENERGY PROD CO LP | 333 W SHERIDAN AVE   | OKLAHOMA CITY OK 731025010 | LESSEE           | 50.000000000 |
| XTO ENERGY INC          | 810 HOUSTON ST #2000 | FT WORTH TX 761026298      | OPERATING RIGHTS | 0.000000000  |

**Serial Number: NMLC-- 0 061862**

| Mer Twp | Rng   | Sec   | SType | Nr Suff | Subdivision    | District/Resource Area | County | Mgmt Agency         |
|---------|-------|-------|-------|---------|----------------|------------------------|--------|---------------------|
| 23      | 0250S | 0310E | 012   | ALIQ    | SE;            | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |
| 23      | 0250S | 0310E | 013   | ALL     | ENTIRE SECTION | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |
| 23      | 0250S | 0310E | 014   | ALIQ    | NE,S2;         | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |
| 23      | 0250S | 0310E | 015   | ALIQ    | NESE,S2SE;     | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |
| 23      | 0250S | 0310E | 023   | ALIQ    | N2;            | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |

**Serial Number: NMLC 0061862**

**Relinquished/Withdrawn Lands**

|                    |    |                      |                       |      |                     |
|--------------------|----|----------------------|-----------------------|------|---------------------|
| 23 0250S 0310E 715 | FF | NWSE ASGN;           | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 0250S 0310E 721 | FF | N2NE,N2NW,S2N2 ASGN; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

**Serial Number: NMLC-- 0 061862**

| Act Date   | Code | Action                   | Action Remarks        | Pending Office |
|------------|------|--------------------------|-----------------------|----------------|
| 10/02/1943 | 124  | APLN RECD                |                       |                |
| 06/01/1950 | 237  | LEASE ISSUED             |                       |                |
| 06/01/1950 | 496  | FUND CODE                | 05;145003             |                |
| 06/01/1950 | 530  | RLTY RATE - 12 1/2%      |                       |                |
| 06/01/1950 | 868  | EFFECTIVE DATE           |                       |                |
| 08/01/1952 | 570  | CASE SEGREGATED BY ASGN  | INTO NMLC061862-A;    |                |
| 07/28/1958 | 232  | LEASE COMMITTED TO UNIT  | NMNM70928X;COTTON DRA |                |
| 07/28/1958 | 660  | MEMO OF 1ST PROD-ALLOC   | 14-08-001-5247        |                |
| 05/01/1960 | 570  | CASE SEGREGATED BY ASGN  | INTO NMLC06186-C;     |                |
| 01/20/1961 | 102  | NOTICE SENT-PROD STATUS  |                       |                |
| 02/16/1970 | 510  | KMA CLASSIFIED           |                       |                |
| 05/21/1970 | 315  | RENTAL RATE DET/ADJ      | \$1.00;               |                |
| 05/01/1987 | 963  | CASE MICROFILMED/SCANNED | CNUM 560,465 DS       |                |
| 07/29/1988 | 974  | AUTOMATED RECORD VERIF   | AR/LO                 |                |
| 03/27/1991 | 817  | MERGER RECOGNIZED        | HONDO/PAULEY          |                |
| 03/27/1991 | 940  | NAME CHANGE RECOGNIZED   | PAULEY/HONDO O&G      |                |
| 03/27/1991 | 974  | AUTOMATED RECORD VERIF   | GLC/MT                |                |
| 09/09/1991 | 140  | ASGN FILED               | TEXACO OILS/EXPL&PROD |                |
| 12/17/1991 | 139  | ASGN APPROVED            | EFF 10/01/91;         |                |
| 12/17/1991 | 974  | AUTOMATED RECORD VERIF   | AR/JS                 |                |
| 08/14/1992 | 140  | ASGN FILED               | HONDO O&G/DEVON ENE   |                |
| 10/30/1992 | 139  | ASGN APPROVED            | EFF 09/01/92;         |                |
| 10/30/1992 | 974  | AUTOMATED RECORD VERIF   | TF/JS                 |                |
| 06/30/1993 | 140  | ASGN FILED               | DEVON ENE/DEVON CORP  |                |
| 09/17/1993 | 139  | ASGN APPROVED            | EFF 07/01/93;         |                |
| 09/17/1993 | 974  | AUTOMATED RECORD VERIF   | MRR/KRP               |                |
| 08/01/1997 | 575  | APD FILED                |                       |                |
| 09/16/1997 | 576  | APD APPROVED             | COTTON DRAW UNIT      |                |

**NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM**

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 01/05/17 10:29 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Total Acres  
160.000**

**Serial Number  
NMNM-- - 134246**

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE**

**Serial Number: NMNM-- - 134246**

| Name & Address    |                    | Int Rel                    | %Interest                   |
|-------------------|--------------------|----------------------------|-----------------------------|
| BLM CARLSBAD FO   | 620 E GREENE ST    | CARLSBAD NM 88220          | OFFICE OF RECORD 0.00000000 |
| DEVON ENERGY CORP | 333 W SHERIDAN AVE | OKLAHOMA CITY OK 731025010 | OPERATOR 100.00000000       |

**Serial Number: NMNM-- - 134246**

| Mer Twp | Rng   | Sec   | SType | Nr Suff | Subdivision | District/Resource Area | County | Mgmt Agency         |
|---------|-------|-------|-------|---------|-------------|------------------------|--------|---------------------|
| 23      | 0250S | 0310E | 014   | ALIQ    | E2W2;       | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |

**Serial Number: NMNM-- - 134246**

| Act Date   | Code | Action                   | Action Remarks   | Pending Office |
|------------|------|--------------------------|------------------|----------------|
| 03/01/2014 | 387  | CASE ESTABLISHED         |                  |                |
| 03/01/2014 | 516  | FORMATION                | BONE SPRING      |                |
| 03/01/2014 | 526  | ACRES-FED INT 100%       | 160;100%         |                |
| 03/01/2014 | 868  | EFFECTIVE DATE           | /1/ 3001542092   |                |
| 01/05/2015 | 654  | AGRMT PRODUCING          | /1/              |                |
| 01/05/2015 | 658  | MEMO OF 1ST PROD-ACTUAL  | /1/ MEMO 3/12/15 |                |
| 03/12/2015 | 643  | PRODUCTION DETERMINATION | /1/              |                |

**Line Nr Remarks Serial Number: NMNM-- - 134246**

|      |                                 |            |         |       |
|------|---------------------------------|------------|---------|-------|
| 0001 | RECAPITULATION EFFECTIVE 3/1/14 |            |         |       |
| 0002 | TR#                             | LEASE#     | AC COMM | % INT |
| 0003 | 1                               | NMLC061862 | 80      | 50    |
| 0004 | 2                               | NMNM0503   | 80      | 50    |
| 0005 | TOTAL                           |            | 160     | 100   |

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 01/05/17 10:27 AM

Page 1 of 1

**01 02-25-1920;041STAT0437;30USC181**

**Total Acres**

**Serial Number**

**Case Type 318310: O&G COMMUNITIZATION AGRMT**

**160.000**

**NMNM-- - 134248**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE**

**Serial Number: NMNM-- - 134248**

| Name & Address    |                    | Int Rel                    | %Interest                   |
|-------------------|--------------------|----------------------------|-----------------------------|
| BLM CARLSBAD FO   | 620 E GREENE ST    | CARLSBAD NM 88220          | OFFICE OF RECORD 0.00000000 |
| DEVON ENERGY CORP | 333 W SHERIDAN AVE | OKLAHOMA CITY OK 731025010 | OPERATOR 100.00000000       |

**Serial Number: NMNM-- - 134248**

| Mer Twp | Rng   | Sec   | SType | Nr Suff | Subdivision | District/Resource Area | County | Mgmt Agency         |
|---------|-------|-------|-------|---------|-------------|------------------------|--------|---------------------|
| 23      | 0250S | 0310E | 014   | ALIQ    | W2W2;       | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |

**Serial Number: NMNM-- - 134248**

| Act Date   | Code | Action                   | Action Remarks   | Pending Office |
|------------|------|--------------------------|------------------|----------------|
| 03/01/2014 | 387  | CASE ESTABLISHED         |                  |                |
| 03/01/2014 | 516  | FORMATION                | BONE SPRING      |                |
| 03/01/2014 | 526  | ACRES-FED INT 100%       | 160;100%         |                |
| 03/01/2014 | 868  | EFFECTIVE DATE           | /1/ 3001542091   |                |
| 01/06/2015 | 654  | AGRMT PRODUCING          | /1/              |                |
| 01/06/2015 | 658  | MEMO OF 1ST PROD-ACTUAL  | /1/ MEMO 3/12/15 |                |
| 03/12/2015 | 643  | PRODUCTION DETERMINATION | /1/              |                |

| Line Nr | Remarks                         |
|---------|---------------------------------|
| 0001    | RECAPITULATION EFFECTIVE 3/1/14 |
| 0002    | TR# LEASE# AC COMM % INT        |
| 0003    | 1 NMLC061862 80 50              |
| 0004    | 2 NMNM0503 80 50                |
| 0005    | TOTAL 160 100                   |

**Serial Number: NMNM-- - 134248**

Name1 | Int. Type | Name2 | Name3 | Name4 | Street 1 | City | State | Postal Code | Cert. Mailing Tr#

**Cotton Draw 14 Fed 1H Battery**

| Name1                       | Int. Type | Name2                             | Name3                   | Name4 | Street 1              | City       | State | Postal Code | Cert. Mailing Tr#       |
|-----------------------------|-----------|-----------------------------------|-------------------------|-------|-----------------------|------------|-------|-------------|-------------------------|
| XTO ENERGY INC              | WI        | JP MORGAN CHASE DALLAS            |                         |       | PO BOX 730586         | DALLAS     | TX    | 75373-0586  | 92148901527181001742 19 |
| MICHAEL LEE PRUDE           | OR        |                                   |                         |       | 1401 W WASHINGTON AVE | ARTESIA    | NM    | 88210       | 92148901527181001742 26 |
| BALLARD E SPENCER TRUST INC | OR        |                                   |                         |       | PO BOX 6              | ARTESIA    | NM    | 88211-0006  | 92148901527181001742 33 |
| JANICE MENDOZA BRYAN        | OR        |                                   |                         |       | PO BOX 972            | POHNP      | FM    | 96941       | 92148901527181001742 19 |
| BARRY EUGENE BRYAN          | OR        |                                   |                         |       | PO BOX 207            | VIDA       | OR    | 97488       | 92148901527181001742 40 |
| BRYNNE LEE BRYAN            | OR        |                                   |                         |       | 900 W 14TH ST APT 7   | SAN PEDRO  | CA    | 90731-3938  | 92148901527181001742 57 |
| EDEN MENDOZA BRYAN          | OR        |                                   |                         |       | 31 MEYERS CT          | GREENVILLE | SC    | 29609       | 92148901527181001742 64 |
| MORRIS E SCHERTZ            | OR        |                                   |                         |       | PO BOX 2588           | ROSWELL    | NM    | 88202-2588  | 92148901527181001742 71 |
| BETTY JO BRYAN BRADSHAW     | OR        |                                   |                         |       | PO BOX 761            | PLACITAS   | NM    | 87043       | 92148901527181001742 88 |
| ROLLA R HINKLE III          | RI        | ROYALTY MANAGEMENT PROGRAM        |                         |       | PO BOX 2292           | ROSWELL    | NM    | 88202-2292  | 92148901527181001742 95 |
| ONRR                        | OR        |                                   |                         |       | PO BOX 25627          | DENVER     | CO    | 80225-0627  | 92148901527181001743 01 |
| MADISON M HINKLE            | OR        |                                   |                         |       | PO BOX 2292           | ROSWELL    | NM    | 88202-2292  | 92148901527181001743 18 |
| MCCAW PROPERTIES LLC        | OR        | A NEW MEXICO LIMITED LIABILITY CO | WILLIAM J MCCAW PARTNER |       | PO BOX 127            | ARTESIA    | NM    | 88211-0376  | 92148901527181001743 25 |
| FOERTSCH OIL & GAS LP       | OR        |                                   |                         |       | PO BOX 663            | MIDLAND    | TX    | 79702       | 92148901527181001743 23 |

| WC Name                   | Month | Year | Oil DN Name               | Prod     |
|---------------------------|-------|------|---------------------------|----------|
| COTTON DRAW 14 FED COM 2H | 1     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,868.14 |
| COTTON DRAW 14 FED COM 1H | 1     | 2016 | COTTON DRAW 14 FED 1H OIL | 5,675.23 |
| COTTON DRAW 14 FED 4H     | 1     | 2016 | COTTON DRAW 14 FED 1H OIL | 8,553.69 |
| COTTON DRAW 14 FEDERAL 3H | 1     | 2016 | COTTON DRAW 14 FED 1H OIL | 6,731.46 |
| COTTON DRAW 14 FED COM 2H | 2     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,927.35 |
| COTTON DRAW 14 FED COM 1H | 2     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,355.88 |
| COTTON DRAW 14 FED 4H     | 2     | 2016 | COTTON DRAW 14 FED 1H OIL | 7,382.45 |
| COTTON DRAW 14 FEDERAL 3H | 2     | 2016 | COTTON DRAW 14 FED 1H OIL | 8,160.82 |
| COTTON DRAW 14 FED COM 2H | 3     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,349.87 |
| COTTON DRAW 14 FED COM 1H | 3     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,386.90 |
| COTTON DRAW 14 FED 4H     | 3     | 2016 | COTTON DRAW 14 FED 1H OIL | 6,814.05 |
| COTTON DRAW 14 FEDERAL 3H | 3     | 2016 | COTTON DRAW 14 FED 1H OIL | 6,817.01 |
| COTTON DRAW 14 FED COM 2H | 4     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,133.18 |
| COTTON DRAW 14 FED COM 1H | 4     | 2016 | COTTON DRAW 14 FED 1H OIL | 3,827.80 |
| COTTON DRAW 14 FED 4H     | 4     | 2016 | COTTON DRAW 14 FED 1H OIL | 3,851.68 |
| COTTON DRAW 14 FEDERAL 3H | 4     | 2016 | COTTON DRAW 14 FED 1H OIL | 6,966.37 |
| COTTON DRAW 14 FED COM 2H | 5     | 2016 | COTTON DRAW 14 FED 1H OIL | 4,317.06 |
| COTTON DRAW 14 FED COM 1H | 5     | 2016 | COTTON DRAW 14 FED 1H OIL | 3,888.63 |
| COTTON DRAW 14 FED 4H     | 5     | 2016 | COTTON DRAW 14 FED 1H OIL | 7,149.98 |
| COTTON DRAW 14 FEDERAL 3H | 5     | 2016 | COTTON DRAW 14 FED 1H OIL | 6,759.40 |
| COTTON DRAW 14 FED COM 2H | 12    | 2015 | COTTON DRAW 14 FED 1H OIL | 4,779.31 |
| COTTON DRAW 14 FED COM 1H | 12    | 2015 | COTTON DRAW 14 FED 1H OIL | 4,800.06 |
| COTTON DRAW 14 FED 4H     | 12    | 2015 | COTTON DRAW 14 FED 1H OIL | 7,489.43 |
| COTTON DRAW 14 FEDERAL 3H | 12    | 2015 | COTTON DRAW 14 FED 1H OIL | 7,144.78 |

| Well ID | WC ID | WC Name                   | Year | Month | Gas DOI/Unit Name         | Gas DN ID | Prod Days | Prod   | Flare | Fuel 1 |
|---------|-------|---------------------------|------|-------|---------------------------|-----------|-----------|--------|-------|--------|
| 36049   | 1     | COTTON DRAW 14 FED COM 2H | 2016 | 1     | COTTON DRAW 14 FED COM 2H | 48681 23  |           | 17,226 | 2,239 | 296    |
| 36087   | 1     | COTTON DRAW 14 FED COM 1H | 2016 | 1     | COTTON DRAW 14 FED COM 1H | 48681 29  |           | 24,314 | 3,160 | 417    |
| 37476   | 1     | COTTON DRAW 14 FED 4H     | 2016 | 1     | COTTON DRAW 14 FED 4H     | 48681 29  |           | 20,600 | 2,677 | 354    |
| 37582   | 1     | COTTON DRAW 14 FEDERAL 3H | 2016 | 1     | COTTON DRAW 14 FED 3H     | 48681 21  |           | 22,311 | 2,898 | 383    |
| 36049   | 1     | COTTON DRAW 14 FED COM 2H | 2016 | 2     | COTTON DRAW 14 FED COM 2H | 48681 29  |           | 21,811 | 1,906 | 281    |
| 36087   | 1     | COTTON DRAW 14 FED COM 1H | 2016 | 2     | COTTON DRAW 14 FED COM 1H | 48681 29  |           | 24,950 | 2,180 | 321    |
| 37476   | 1     | COTTON DRAW 14 FED 4H     | 2016 | 2     | COTTON DRAW 14 FED 4H     | 48681 29  |           | 22,424 | 1,959 | 289    |
| 37582   | 1     | COTTON DRAW 14 FEDERAL 3H | 2016 | 2     | COTTON DRAW 14 FED 3H     | 48681 28  |           | 42,940 | 3,751 | 553    |
| 36049   | 1     | COTTON DRAW 14 FED COM 2H | 2016 | 3     | COTTON DRAW 14 FED COM 2H | 48681 31  |           | 23,888 | 67    | 353    |
| 36087   | 1     | COTTON DRAW 14 FED COM 1H | 2016 | 3     | COTTON DRAW 14 FED COM 1H | 48681 31  |           | 22,559 | 64    | 333    |
| 37476   | 1     | COTTON DRAW 14 FED 4H     | 2016 | 3     | COTTON DRAW 14 FED 4H     | 48681 29  |           | 23,772 | 67    | 351    |
| 37582   | 1     | COTTON DRAW 14 FEDERAL 3H | 2016 | 3     | COTTON DRAW 14 FED 3H     | 48681 28  |           | 34,679 | 98    | 513    |
| 36049   | 1     | COTTON DRAW 14 FED COM 2H | 2016 | 4     | COTTON DRAW 14 FED COM 2H | 48681 30  |           | 22,378 | 80    | 364    |
| 36087   | 1     | COTTON DRAW 14 FED COM 1H | 2016 | 4     | COTTON DRAW 14 FED COM 1H | 48681 30  |           | 20,209 | 72    | 328    |
| 37476   | 1     | COTTON DRAW 14 FED 4H     | 2016 | 4     | COTTON DRAW 14 FED 4H     | 48681 22  |           | 10,720 | 38    | 174    |
| 37582   | 1     | COTTON DRAW 14 FEDERAL 3H | 2016 | 4     | COTTON DRAW 14 FED 3H     | 48681 30  |           | 39,016 | 139   | 634    |
| 36049   | 1     | COTTON DRAW 14 FED COM 2H | 2016 | 5     | COTTON DRAW 14 FED COM 2H | 48681 31  |           | 22,538 | 243   | 375    |
| 36087   | 1     | COTTON DRAW 14 FED COM 1H | 2016 | 5     | COTTON DRAW 14 FED COM 1H | 48681 31  |           | 18,539 | 200   | 308    |
| 37476   | 1     | COTTON DRAW 14 FED 4H     | 2016 | 5     | COTTON DRAW 14 FED 4H     | 48681 25  |           | 15,311 | 165   | 255    |
| 37582   | 1     | COTTON DRAW 14 FEDERAL 3H | 2016 | 5     | COTTON DRAW 14 FED 3H     | 48681 31  |           | 36,764 | 395   | 612    |
| 36049   | 1     | COTTON DRAW 14 FED COM 2H | 2015 | 12    | COTTON DRAW 14 FED COM 2H | 48681 26  |           | 21,687 | 1,244 | 270    |
| 36087   | 1     | COTTON DRAW 14 FED COM 1H | 2015 | 12    | COTTON DRAW 14 FED COM 1H | 48681 26  |           | 22,667 | 1,300 | 283    |
| 37476   | 1     | COTTON DRAW 14 FED 4H     | 2015 | 12    | COTTON DRAW 14 FED 4H     | 48681 26  |           | 27,427 | 1,573 | 342    |
| 37582   | 1     | COTTON DRAW 14 FEDERAL 3H | 2015 | 12    | COTTON DRAW 14 FED 3H     | 48681 26  |           | 32,494 | 1,864 | 405    |

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

**Devon Energy Production Co.**

January 5, 2017

**Condition of Approval**

Surface commingling, off lease/off CA storage measurement and sales, and alternate method of measurement.

Cotton Draw 14 Fed Com 1H, 2H, 3H & 4H

3001542091, 3001542092, 3001542504 & 3001542505

Lease NMNM0503, NMLC061862, & CA's NMNM134248, NMNM134246

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. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Approval for alternate method of measurement for oil production. Coriolis meters will be used off 3 phase separators for allocation of oil production and oil will be sold through a common Coriolis LACT meter at facility.