

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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 page 2**

5. Lease Serial No.
Multiple--See Attached
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached
8. Well Name and No.
Multiple--See Attached
9. API Well No.
Multiple--See Attached
10. Field and Pool or Exploratory Area
Multiple--See Attached
11. County or Parish, State
EDDY COUNTY, NM

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other
2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY
Contact: ERIN WORKMAN
Email: Erin.workman@dev.com
- 3a. Address
333 WEST SHERIDAN AVENUE
OKLAHOMA, OK 73102
- 3b. Phone No. (include area code)
Ph: 405-552-7970
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached

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"/> Hydraulic Fracturing <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 Surface Commingling
	<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

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.

Per NOWO 16GRB0891 on 05/31/2016 by Mr. Girndt. The submittal in response to these NOWO's was sent via certified mail on 07/08/2016. Devon Energy Production Company, LP respectfully requests approval to surface commingle (Central Tank Battery) Off Lease Measurement Sales, & Storage) for the following wells:

Federal Lease NMNM0107697 (12.5-32%)
Antares 23 Fed 4H Sec. 23-SWNW-T19S-R31E 30-015-41108 Lusk; Bone Spring, West
Antares 23 Fed 13H Sec. 23-SWNW-T19S-R31E 3Q-015-42076 Lusk; Bone Spring, West

Federal Lease NMNM092767 (16 2/3), NMNM044594 (12.5-25% Schedule B) Communization Agreement Pending for the Aquila 22 Fed Com 13H Aquila 22 Fed Com 13H Sec. 23-SWNW-T19S-R31E 30-015-41914 Lusk; Bone Spring, W

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 18 2018

Accepted for record - NMOCD

RECEIVED

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

Electronic Submission #411124 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY LP, sent to the Carlsbad
Committed to AFMSS for processing by DUNCAN WHITLOCK on 04/11/2018 (18DW0125SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 04/11/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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)

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

Additional data for EC transaction #411124 that would not fit on the form

5. Lease Serial No., continued

NMNM0107697
NMNM92767

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM0107697	NMNM0107697	ANTARES 23 FEDERAL 4H	30-015-41108-00-S1	Sec 23 T19S R31E NWSW 2190FSL 185FWL
NMNM0107697	NMNM0107697	ANTARES 23 FEDERAL 13H	30-015-42076-00-S1	Sec 23 T19S R31E SWNW 2400FNL 190FWL 32.646622 N Lat, 103.847921 W Lon
NMNM92767	NMNM92767	AQUILA 22 FED COM 13H	30-015-41914-00-S1	Sec 23 T19S R31E SWNW 2400FNL 140FWL 32.645964 N Lat, 103.848537 W Lon

10. Field and Pool, continued

WILLIAMS SINK

32. Additional remarks, continued

The central tank battery is located at the Antares 23 Fed 4H Battery in Sec. 23 ~~SW~~SW-T19S-R31E in Eddy County, New Mexico. The Antares 23 Fed 4H Battery will have four oil tanks that all three wells will utilize. All three wells will have one common gas delivery point, DCP CDP #1315420 on location at the battery. They will also share a common LACT PD Unit #1401E10180. There is a production side that will be utilized only in emergency situations. The inlet piping from the header to the production separator has been removed to ensure that no production can flow into the production separator at this time. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production. Allocation described in attached documentation.

Working, Royalty, & Overriding Interest Owners have been notified of this proposal vis certified mail (See Attached)

ATTACHMENTS: Deliverables

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

Proposal for Antares 23 Fed 4H, Antares 23 Fed 13H, & Aquila 22 Fed Com 13H

Devon Energy Production Company, LP is requesting approval for a Lease Commingle for the following wells:

Federal Lease NMNM107697 (12.5-32% Schedule B)

Well Name	Location	API #	Pool 41480	BOPD	OG	MCFPD	BTU
Antares 23 Fed 4H	Sec. 23, NWSW, T19S, R31E	30-015-41108	Lusk; Bone Spring, West	41.6	41	47.3	1458.2
Antares 23 Fed 13H	Sec. 23, SWNW, T19S, R31E	30-015-42076	Lusk; Bone Spring, West	40	43	43	1291.9

Federal Lease NMNM92767 (16 2/3%) NMNM044594 (12.5-25% Schedule B) CA Pending for the Aquila 22 Fed Com 13H

Well Name	Location	API #	Pool 41480	BOPD	OG	MCFPD	BTU
Aquila 22 Fed Com 13H	Sec. 23, SWNW, T19S, R31E	30-015-41914	Lusk; Bone Spring, West	74.6	39	222.7	1291.9

CA Has been submitted for the Aquila 22 Fed Com 13H

Oil & Gas metering:

The central tank battery is located at the Antares 23 Fed 4H Battery in Sec. 23, NWSW, T19S, R31E in Eddy County, New Mexico. The Antares 23 Fed 4H Battery will have four oil tanks that all three wells will utilize. All three wells will have one common gas delivery point, **DCP CDP #13135420** on location at the battery. They will also share a common **LACT PD Unit #1407E10180**. There is a production separator that will be utilized only in emergency situations. The inlet piping from the header to the production separator has been removed to ensure that no production can flow into the production separator at this time. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production. Individual production flow described below.

The Antares 23 Fed 4H will flow into the Flowline Riser and its production will then be routed into its own designated two-phase separator. After separation, the gas flows into the **gas allocation meter #677-49-082**, the oil and water then flow into the heater/treater. The oil then flows through the **Micro Motion Coriolis #14340834** and then combines with the production oil into the ULPS and into one of the 500 BBL oil tank. The water is measured with a mag meter and flows into one of the 500 BBL produced water tanks, along with the water from the other wells. The gas off the heater/treater combines with the Antares 23 Fed 13H & Aquila 22 Fed Com 13H heater/treater gas, flows into the ULPS, then into VRU and metered with **EFM #677-00-083** and then to **DCP Sales #13135420**.

The Antares 23 Fed 13H is routed to its own three phase test separator, where after separation, gas is routed to a **gas allocation meter #677-49-125**, then flows into a gas production line where it is combined with the Antares 23 Fed 4H & Aquila 22 Fed Com 13H gas and flows through the **DCP gas sales meter #13135420**. The oil is metered with a **Micro Motion Coriolis Meter #14420814**, it then combines with the oil production from the Aquila 22 Fed Com 13H, flows into the heater/treater, then into the Ultra-Low Pressure Separator (ULPS), and into one of the 500 BBL oil tanks. The water from the 3-phase separator is measured with a mag meter, combines with the water from the Aquila 22 Fed Com 13H, then flows into the FWKO, and into one of the 500 BBL produced water tanks, along with the water from the other wells. The gas off the heater/treater combines with the Antares 23 Fed 4H & Aquila 22 Fed Com 13H heater/treater gas, flows into the ULPS, then into VRU and metered with **EFM #677-00-083** and then to **DCP Sales #13135420**.

The Aquila 22 Fed Com 13H flows into its own three phase test separator, where after separation, gas is routed to a **gas allocation meter #677-49-126**, then flows into a gas production line where it is combined with the Antares 23 Fed 4H & Antares 23 Fed 13H gas and flows through the **DCP gas sales meter #13135420**. The oil is metered with a **Micro Motion Coriolis Meter #14420804**, it then combines with the oil production from the Antares 23 Fed 13H, flows into the heater/treater, then into the Ultra-Low Pressure Separator (ULPS), and into one of the 500 BBL oil tanks. The water from the 3-phase separator is measured with a mag meter, combines with the water from the Antares 23 Fed 13H, then flows into the FWKO, and into one of the 500 BBL produced water tanks, along with the water from the other wells. The gas off the heater/treater combines with the Antares 23 Fed 4H & Antares 23 Fed 13H heater/treater gas, flows into the ULPS, then into VRU and metered with **EFM #677-00-083** and then to **DCP Sales #13135420**.

Oil production from the Antares 23 Fed 4H will be allocated on a daily basis based on the Coriolis Test Meter located downstream of the heater/treater. The Antares 23 Fed 13H and the Aquila 22 Fed Com 13H will be allocated on a daily basis based on the Coriolis Test Meter located downstream of each three phase separator. Devon will continue to operate and maintain the Micro Motion Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the Micro Motion Coriolis Meter to meet applicable BLM standards. Gas production from the Antares 23 Fed 4H will be

allocated on a daily basis utilizing the gas test meter. The gas production from the Antares 23 Fed 13H and Aquila 22 Fed Com 13H wells will be allocated on a daily basis utilizing the individual gas allocation meters. The gas production from the production equipment, and the test gas meter will commingle and flow through DCP CDP #13135420. The gas recovered by the VRU will flow into the VRU meter #677-00-083, then is combined with the gas from all the wells, and into the DCP CDP #13135420. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production. 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, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. 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 have been notified of this proposal via certified mail (see attached).

Date: 04/11/18

Antares 23 Fed 3H & 4H
NW/4, SW/4 S23,T19S,R31E
30-015-41107 & 30-015-41108
Eddy County, N.M
NMNM0107697

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.

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
Ledger for Site Diagram

- | | |
|-------------------------------------|--|
| Valve #1: <u>Production Line</u> |  |
| Valve #2: <u>Test or Roll line</u> |  |
| Valve #3: <u>Equalizer Line</u> |  |
| Valve #4: <u>Circ./Drain Line</u> |  |
| Valve #5: <u>Sles Line</u> |  |
| Valve #6: <u>BS&W Load Line</u> |  |

Buried Lines: -----

Firewall: 

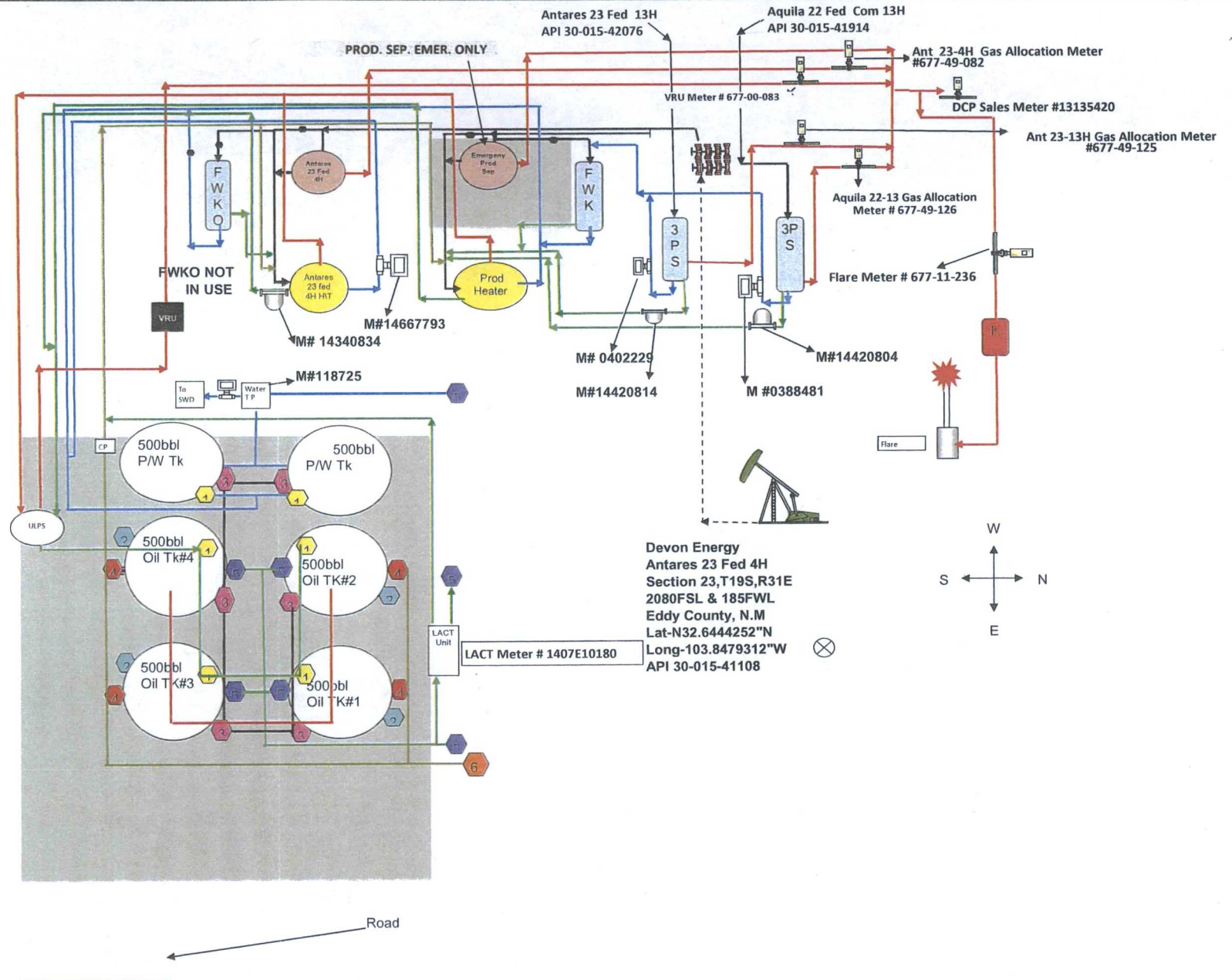
Wellhead: 

Stak-pak: 

Production line: _____

Water line: -----

Gas Meter   



Economic Justification Report

Antares 23 Fed 4H Battery

Value (bbl): \$45.27

Value (mcf): \$2.16

Well Name & Number	Type	Fed Lease 1	Royalty Rate	Fed Lease 2: (if applicable)	Royalty Rate	Fed Lease 3 (if applicable)	Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
Antares 23 Fed 4H	Sweet	10767	12.5-32%					41.6	41	47.3	1458.2
Antares 23 Fed 13H	Sweet	10767	12.5-32%					40	43	43	1291.9
Aquila 22 Fed Com 13H	Sweet	44594	12.5-25%	92767	16.67%			74.6	39	222.7	1319.9

Signed: Erin Workman

Date: 4/9/2018

Printed Name: Erin Workman

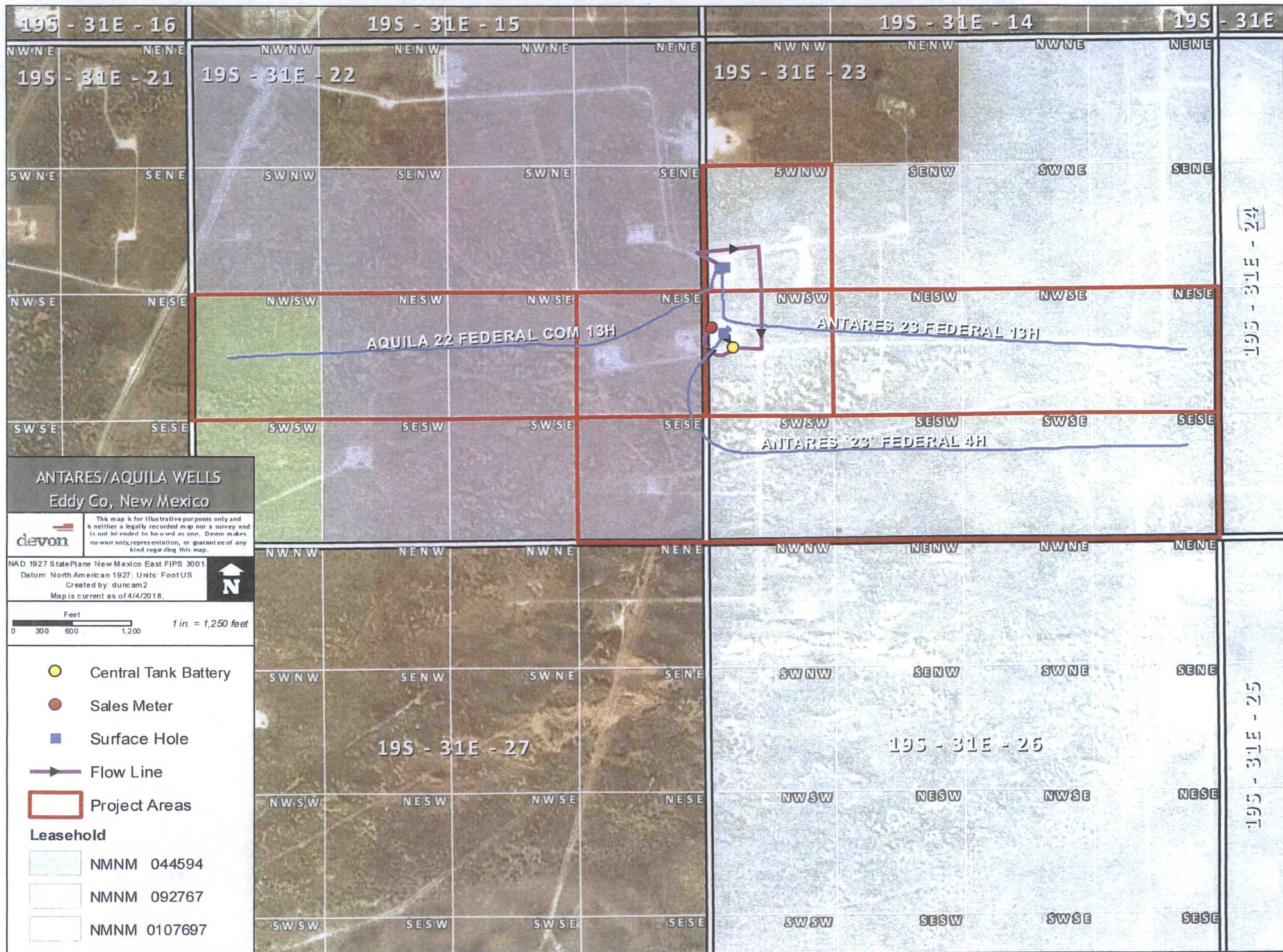
Title: Regulatory Analyst

Economic Combined Production

BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
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156.2 40.6 313.0

All three wells producing from the Lusk; Bone Spring Formation, so no royalty value affected by commingling this production.



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

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Run Date: 07/05/2016

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

Case Type 310771: O&G EXCHANGE LEASE - PD

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres
2,321.520

Serial Number
NMNM-- 0 107697

Serial Number: NMNM-- 0 107697

Name & Address			Int Rel	% Interest
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	OPERATING RIGHTS	0.000000000
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	LESSEE	0.000000000
CHISOS LTD	670 DONA ANA RD SW	DEMING NM 88030	LESSEE	0.000000000
CHISOS LTD	670 DONA ANA RD SW	DEMING NM 88030	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 740057500	LESSEE	0.000000000
CROSS BORDER RESOURCES INC	14282 GILLIS RD	FARMERS BRANCH TX 752443715	LESSEE	0.000000000
CROSS BORDER RESOURCES INC	14282 GILLIS RD	FARMERS BRANCH TX 752443715	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
ENDURANCE PROPERTIES INC	15455 DALLAS PKWY STE 1050	ADDISON TX 750016721	OPERATING RIGHTS	0.000000000
ENDURANCE RESOURCES LLC	15455 DALLAS PKWY STE 1050	ADDISON TX 750016721	OPERATING RIGHTS	0.000000000
FONAY OIL & GAS LLC	5333 N BAGGETT ST	HOBBS NM 882429703	OPERATING RIGHTS	0.000000000
LOTHIAN OIL INC	303 W WALL #500	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
MACK C CHASE TRUSTEE	PO BOX 693	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
MACK ENERGY CORP	PO BOX 960	ARTESIA NM 88211	OPERATING RIGHTS	0.000000000
MANIX ENERGY	PO BOX 2818	MIDLAND TX 797022818	OPERATING RIGHTS	0.000000000
MARBOB ENERGY CORP	PO BOX 227	ARTESIA NM 882110227	OPERATING RIGHTS	0.000000000
PETROHAWK ENERGY CORP	1100 LOUISIANA ST # 5600	HOUSTON TX 770025227	OPERATING RIGHTS	0.000000000
PRIZE ENERGY RESOURCES	20 E 5TH ST #1400	TULSA OK 74103	OPERATING RIGHTS	0.000000000
PXP GULF COAST INC	500 DALLAS #700	HOUSTON TX 77002	OPERATING RIGHTS	0.000000000
TRAVCO RESOURCES LLC	PO BOX 1708	HOBBS NM 88241	OPERATING RIGHTS	0.000000000
TRITEX ENERGY A LP	15455 DALLAS PKWY STE 600	ADDISON TX 750016760	OPERATING RIGHTS	0.000000000
WATSON OG PROPERTIES LLC	PO BOX 10	HOBBS NM 882410010	OPERATING RIGHTS	0.000000000
WESTALL OIL & GAS LLC	PO BOX 4	LOCO HILLS NM 88255	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- 0 107697

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0190S	0310E	023	ALIQ		E2,S2NW,SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S	0310E	024	ALIQ		W2NE,W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S	0310E	025	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S	0310E	026	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0190S	0320E	030	LOTS		1,2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 107697

Act Date	Code	Action	Action Remark	Pending Office
12/31/1939	387	CASE ESTABLISHED		
01/01/1940	496	FUND CODE	05;145003	
01/01/1940	533	RLTY STEP 12.5-32% <i>SCHB</i>	/A/	
01/01/1940	868	EFFECTIVE DATE		
01/04/1946	102	NOTICE SENT-PROD STATUS		
01/04/1946	246	LEASE COMMITTED TO CA	LUSK UNIT	
01/04/1946	660	MEMO OF 1ST PROD-ALLOC		
05/17/1960	102	NOTICE SENT-PROD STATUS		
05/17/1960	209	CASE CREATED BY SEGR	OUT OF NMLC029358;	

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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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Run Date: 07/05/2016

0008	CONOCOPHILLIPS CO	50.00%
0009	CHISOS LTD	25.00%
0010	PURE ENERGY GROUP	12.50%
0011	APACHE CORPORATION	12.50%
0012	/2/STRIPPER RRR EFF 05/01/1999 TO 04/30/2000;	
0013	BONDED OPERATORS/LESSEES/TRANSFEREES;	
0014	03/17/2000 - YATES DRILLING CO - NM2178 SW/NM	
0015	LYNX PETRO CONSULTANTS INC-NM1694 SW/NM	
0016	11/24/2003 - CHISOS LTD - NMB000003	
0017	06/21/2004 - RAY WESTALL - NM0322 - S/W;	
0018	LYNX PETRO CONSULTANTS INC - NM1694 -SW	
0019	06/21/2004 - CONOCOPHILLIPS CO - ES0085 - N/W;	
0020	06/17/2005 - RODNEY B WEBB - NMB000274 - S/W;	
0021	04/29/2008 - CONOCOPHILLIPS CO - ES0085 - N/W;	
0022	02/02/2009 - YATES DRILLING CO - NMB000387 - S/W;	
0023	04/01/2011 - APACHE CORP - CO1463 N/W	
0024	06/21/2011 - COG OPERATING LLC	
0025	01/27/2012 - BLUESTEM - NMB000842 S/W	
0026	02/17/2012 - DEVON ENERGY PROD CO LP - NMB000801	
0027	\$150,000 COVERAGE FOR CFO LEASES ONLY.	
0028	07/18/2013 - DEVON ENERGY PROD CO LP-NMB000801 CFO	
0029	05/19/2014 - DEVON ENERGY PROD CO LP-NMB000801 CFO	
0030	/A/ROYALTY STEP 12.5-32% - SCHEDULE "B"	
0031	12/04/14 - COG OPERATING LLC - NMB000740 CFO BOND	

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01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 312011: O&G LSE COMP PUBLIC
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres:
520.000

Serial Number

NMNM 044594

Serial Number: NMNM-- - 044594

Name & Address				Int Rel		% Interest
SHACKELFORD OIL CO	3510 N A ST BLDG B # 100	MIDLAND	TX	797055428	OPERATING RIGHTS	0.000000000
MARBOB ENERGY CORP	PO BOX 227	ARTESIA	NM	882110227	OPERATING RIGHTS	0.000000000
RKI EXPLORATION & PRODUCTION LLC	3500 ONE WILLIAMS CTR	TULSA	OK	741720135	OPERATING RIGHTS	0.000000000
CHASE OIL CORP	PO BOX 1767	ARTESIA	NM	882111767	OPERATING RIGHTS	0.000000000
TANDEM ENERGY CORP	2700 POST OAK BLVD STE 1000	HOUSTON	TX	770565778	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND	TX	797014882	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	731025010	LESSEE	100.000000000

Serial Number: NMNM-- - 044594

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0190S	0310E	022	ALIQ			E2,W2NW,SEW,E2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 044594

Act Date				Act Code		Action Txt	Action Remarks	Pending Off
02/23/1981	387	CASE ESTABLISHED	PARCEL #3					
02/24/1981	196	BID ACCEPTED						
04/29/1981	237	LEASE ISSUED						
05/01/1981	496	FUND CODE	05;145003					
05/01/1981	532	RLTY RATE 12.5-25% SCH B						
05/01/1981	868	EFFECTIVE DATE						
04/05/1982	111	RENTAL RECEIVED	\$1040.00;1YR/82-83					
03/04/1983	111	RENTAL RECEIVED	\$1040.00;1YR/83-84					
03/11/1983	140	ASGN FILED	COQUINA/SANTA FE ENE					
05/05/1983	139	ASGN APPROVED	EFF 04/01/83;					
04/16/1984	111	RENTAL RECEIVED	\$0;84-85					
04/03/1985	932	TRF OPER RGTS FILED						
04/08/1985	111	RENTAL RECEIVED	\$0;85-86					
03/26/1986	650	HELD BY PROD - ACTUAL						

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BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

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01 12-22-1987;101STAT1330;30USC181 ET SEQ
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Total Acres:
120.000

Serial Number
NMNM 092767

Serial Number: NMNM-- 092767

Name & Address						Int Rel	% Interest
WATSON OIL & GAS LLC	1501 N GRIMES ST	HOBBS	NM	882403719	OPERATING RIGHTS		0.000000000
FONAY OIL & GAS LLC	5333 N BAGGETT ST	HOBBS	NM	882429703	OPERATING RIGHTS		0.000000000
TRAVCO RESOURCES LLC	PO BOX 1708	HOBBS	NM	88241	OPERATING RIGHTS		0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	731025010	OPERATING RIGHTS		0.000000000
LYNX PETRO CONSULTANTS INC	PO BOX 1708	HOBBS	NM	882411708	LESSEE		100.000000000

Serial Number: NMNM-- 092767

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0190S	0310E	022	ALIQ				W2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0190S	0310E	028	ALIQ				SENE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 092767

Serial Number: NMNM-- 092767

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
01/18/1994	387	CASE ESTABLISHED	9401079	
01/19/1994	191	SALE HELD		
01/19/1994	267	BID RECEIVED	\$37800.00;	
01/19/1994	392	MONIES RECEIVED	\$240.00;	
02/02/1994	392	MONIES RECEIVED	\$37560.00;	
02/08/1994	237	LEASE ISSUED		
02/08/1994	974	AUTOMATED RECORD VERIF	LO/MV	
02/24/1994	111	RENTAL RECEIVED	\$180.00;21/MULTIPLE	
03/01/1994	496	FUND CODE	05;145003	
03/01/1994	868	EFFECTIVE DATE		
03/11/1994	600	RECORDS NOTED		
03/28/1994	963	CASE MICROFILMED/SCANNED		
09/12/1994	974	AUTOMATED RECORD VERIF	GSB	
03/01/1995	531	RLTY RATE - 16 2/3%	/A/	
06/29/1995	791	TERMINAT'N NOTICE ISSUED	CLASS II	

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

Name	Street	City	State	Postal Code
CONCHO OIL & GAS LLC % CONCHO RESOURCES INC				
ATTN 2CC - REVENUE DEPT	600 W ILLINOIS	MIDLAND	Texas	79701
COG OPERATING LLC % CONCHO RESOURCES INC				
ATTN 2CC - REVENUE DEPT	600 W ILLINOIS	MIDLAND	Texas	79701
NESTEGG ENERGY CORP	PO BOX 210	ARTESIA	New Mexico	88211-0210
OXY Y-1 CO	PO BOX 841803	DALLAS	Texas	75284-1803
MARATHON OIL COMPANY	PO BOX 732312	DALLAS	Texas	75373-2312
YATES INDUSTRIES LLC	PO BOX 1091	ARTESIA	New Mexico	88211
HODGES FAMILY TRUST U A D 8-14-2006 HOWARD C				
HODGES & SHIRLEY L HODGES TTEES	435 32 RD UNIT 716	CLIFTON	Colorado	81520
SHARBRO ENERGY LLC	PO BOX 840	ARTESIA	New Mexico	88210
ONRR ROYALTY MANAGEMENT PROGRAM	PO BOX 25627	DENVER	Colorado	80225-0627
MCVAY DRILLING COMPANY CORP	PO BOX 2450	HOBBS	New Mexico	88241
MOUTRAY PROPERTIES LLC H GIL MOUTRAY				
MANAGER	PO BOX 1598	CARLSBAD	New Mexico	88221
DENNIS EIMERS	PO BOX 50637	MIDLAND	Texas	79710
JERRY D BARNES	1657 LIV 510	CHILLICOTHE	Missouri	64601-6309
JIM BROTEN	PO BOX 1536	OKLAHOMA CITY	Oklahoma	73101-1536
NESTEGG ENERGY CORP	PO BOX 210	ARTESIA	New Mexico	88211-0210

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Devon Energy Production Co., LP **OGRID Number:** 6137
Well Name: Antares 23 Fed 4H & 13H and Aquila 22 Fed Com 13H **API:** 30-015-41108, 42076, & 41914
Pool: Lusk; Bone Spring, West **Pool Code:** 53805

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC

☒ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☐ Offset operators or lease holders

B. ☒ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☐ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐

Notice Complete

☐

Application

Content

Complete

- 3) 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.

04/09/2018

Erin Workman

Print or Type Name

Date

(405) 552-7970

Phone Number

Erin.workman@dvn.com

e-mail Address

Signature

Erin Workman

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

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION
ARTESIA DISTRICT

APR 18 2018
RECEIVED

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 Co., LP

OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102

APPLICATION TYPE: **Check box**

☒ 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 – fill if Pool Commingle
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 (Coriolis Test Method)
(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.
(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
(4) Measurement type: ☒ Metering ☒ Other (Coriolis Test)

(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: _____ TITLE: Regulatory Compliance Prof. DATE: 04/09/2018

TYPE OR PRINT NAME: Erin Workman TELEPHONE NUMBER: 405-552-7970

E-MAIL ADDRESS: Erin.workman@dvn.com

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

Antares 23 Fed 4H & 13H, Aquila 22 Fed Com 13H (see below)

**Devon Energy Production Company
April 12, 2018**

**Condition of Approval
Lease/CA Commingling, off Lease/CA storage, measurement and sales**

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 or 43 CFR 3175 and API requirements 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 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33".
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases/CAs require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.

Well	API/Formation	Lease number	Royalty Rate
Antares 23 Fed 4H,	3001541108, Bone Springs	NMNM107697	Sch. B 12.5-32%
Antares 23 Fed 13H,	3001542076, Bone Springs	NMNM107697	Sch. B 12.5-32%
Aquila 22 Fed Com 13H,	3001541914, Bone Springs	CA - Pending	See below
CA - NMNM Pending	NMNM44594 Royalty Rate 12.5 - 25% Allocated production to lease - 75%		
	NMNM92767 Royalty Rate 16 2/3% Allocated production to lease - 25%		