

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.**

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		<b>RECEIVED</b> <b>OCT 26 2009</b> <b>NMOCD ARTESIA</b>	7 If Unit of CA/Agreement, Name and/or No.
1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other			8. Well Name and No. Sheep Dip 20 Fed Com 1
2 Name of Operator Devon Energy Production Co., LP			9 API Well No. 30-015-26530
3a. Address 20 North Broadway OKC, OK 73102	3b Phone No. (include area code) (405)-552-7802	10 Field and Pool or Exploratory Area Carlsbad; Morrow, South (73960)	
4 Location of Well (Footage, Sec, T, R, M, or Survey Description) Sec 20-T23S-R26E 1980' FEL & 660' FEL		11. Country or Parish, State Eddy County, NM	

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Off-Lease Gas Sales
	<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.)

Devon Energy respectfully requests permission for off-lease gas sales for the Sheep Dip 20 Fed 1. Produced gas flows through a check meter on location before metering at a DCP sales meter located approximately 1.5 miles east in the NE SW of section 22 T23S R26E, Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the DCP sales meter volumes. These volumes are compared against the check meter volumes.

**SUBJECT TO LIKE  
APPROVAL BY STATE**

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**



14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Stephanie A. Ysasaga	Title Sr. Staff Engineering Technician
Signature	Date 09/14/2009

**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

# Sheep Dip 20 Fed Com # 1

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 unaccessible. 

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

## Legend for Site Diagram

Valve #1: Production Line 

Valve #2: Test or Roll line 

Valve #3: Circ./Drain Line 

Valve #4: Equilizer Line 

Valve #5: Sies Line 

Valve #6: BS&W Load Line 

Buried Lines: -----

Firewall: 

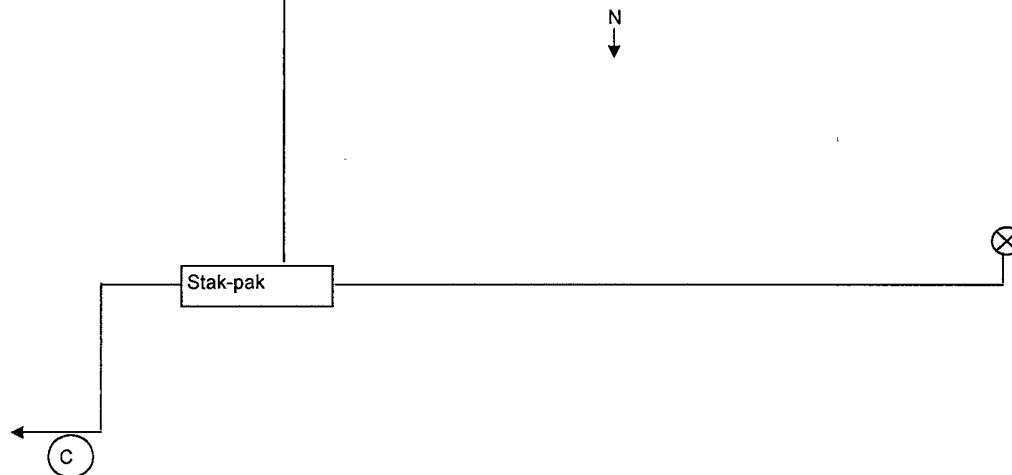
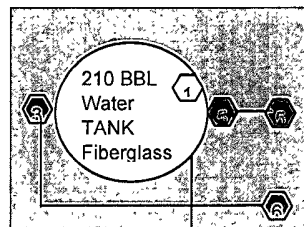
Wellhead: 

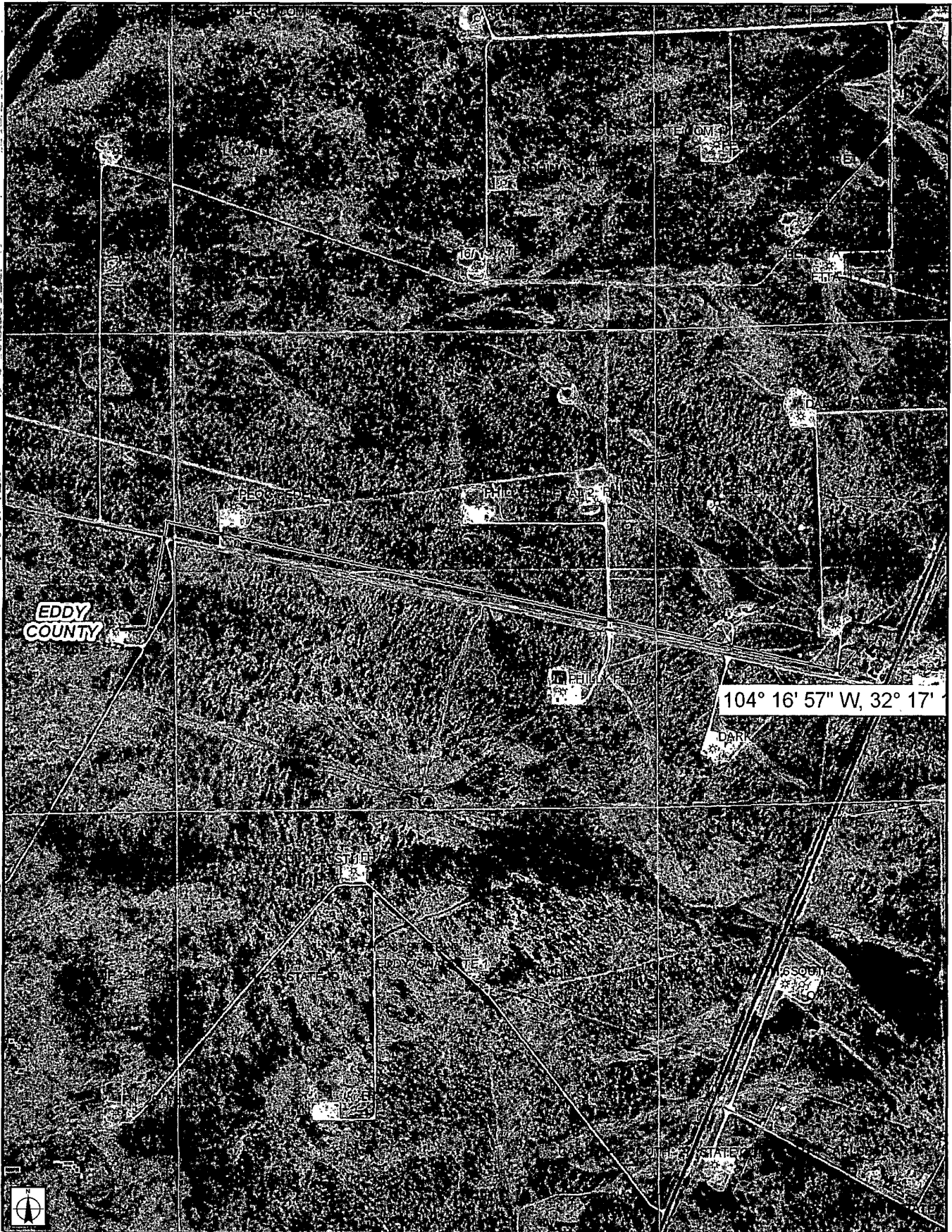
Stak-pak: 

Production line: \_\_\_\_\_

Water line: -----

Gas Meter  





# OPERATOR'S COPY

Form 3160-9  
(December 1989)

Number 09CD1041

Page 1 of 2

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### NOTICE OF INCIDENTS OF NONCOMPLIANCE

<input checked="" type="checkbox"/>	Certified Mail - Return Receipt Requested 70080150000188632326
<input type="checkbox"/>	Hand Delivered Received by

Identification	
IID	
Lease	NMNM69578
CA	NMNM85333
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator DEVON ENERGY PRODUCTION CO L P			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 20 NORTH BROADWAY STE 1500 OKLAHOMA CITY OK 73102			
Telephone 575-234-5911				Attention			
Inspector DE MONTIGNY				Attn Addr			
Site Name (FACILITY)	Well or Facility L	1/4 1/4 Section NESE 20	Township 23S	Range 26E	Meridian NMP	County EDDY	State NM
Site Name SHEEP DIP 20 FEDERAL COM	Well or Facility 1	1/4 1/4 Section NESE 20	Township 23S	Range 26E	Meridian NMP	County EDDY	State NM

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
08/31/2009	08:23	43 CFR 3162 1(a), 43 CFR 3162 7-3, OO#5.III D 2 a.	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
09/28/2009			43 CFR 3163.1()

#### Remarks

OFF LEASE MEASUREMENT AND SALES OF GAS IS NOT APPROVED. SUBMIT FORM 3160-5 FOR APPROVAL OF OFF LEASE MEASUREMENT AND SALES OF GAS.

FOR MONITORING AND TRACKING PURPOSES, PLEASE SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE  
(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Company Comments \_\_\_\_\_

### WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

### REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>De Montigny</i>				Date 8/31/09	Time 08:30
FOR OFFICE USE ONLY					
Number 24	Date	Assessment	Penalty	Termination	
Type of Inspection PI					

BLM Remarks, continued

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ATTENTION: CHERYL DE MONTIGNY

CONTACT CHERYL DE MONTIGNY AT (575) 234-5911 IF YOU HAVE ANY QUESTIONS.

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

**Off-Lease Measurement, Storage and Surface Commingling**

**Conditions of Approval**

Approval of surface commingling and off-lease storage and/or 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 facility.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling 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 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.
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.