

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.**

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

JAN 07 2010

NMOCD ARTESIA

5. Lease Serial No  
NMNM-055493 & NMNM99039

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No  
see below9 API Well No  
see below10 Field and Pool or Exploratory Area.  
Lusk; Morrow West (Gas)11 Country or Parish, State  
Eddy County, NM

1 Type of Well

☐ Oil Well☒ Gas Well☐ Other2 Name of Operator  
Devon Energy Production Co., LP3a Address  
20 North Broadway  
OKC, OK 731023b Phone No (include area code)  
(405)-552-78024. Location of Well (Footage, Sec., T, R, M., or Survey Description)  
Sec 10 & 14-T19S-R31E  
(See Below)

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Lease Commingle, Off Lease Measurement & 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 recompleat 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 recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Co., LLP respectfully requests approval for lease commingle and off lease sales and measurement of gas hydrocarbon production from the following wells:

- \* Acme 10 Fed Com 1: API # 30-015-35063 Sec 10-T19S-R31E Lease NMNM-055493 Lusk; Morrow West (Gas) (80840)
- \* Coyote 14 Fed 1: API # 30-015-35071 Sec 14-T19S-R31E Lease NMNM-99039 Lusk; Morrow West (Gas) (80840)
- \* Coyote 14 Fed 2Y: API # 30-015-35423 Sec 14-T19S-R31E Lease NMNM-99039 Lusk; Morrow West (Gas) (80840)

Each location has its' own tank battery and EFM. A common gas sales meter associated with a DCP central delivery point (CDP) is located in Sec 14-T19S-R31E approximately 200' west of the Coyote 14 Federal 1. Waste is not induced and no correlative rights are impaired.

Working, royalty, and overriding interest owners have been notified via certified mail (see attached).

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 11/02/2009

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

L PET

Date

1/5/2010

Office

CFO

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

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)

## APPLICATION FOR LEASE COMMINGLING & OFF-LEASE MEASUREMENT AND OFF LEASE SALES APPROVAL

State of New Mexico – Santa Fe  
Oil Conservation Division  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

### Lease commingling proposal for Acme & Coyote leases:

Devon Energy Production Company, LP is requesting approval for lease commingle, off-lease storage and off-lease measurement of hydrocarbon gas production from the Lusk; Morrow West (Gas) (80840) from the following wells:

#### Federal Lease NMNM-055493

Well Name	Location	API #	Pool 80840	MCFPD	BTU
Acme 10 Fed Com 1	NESE Sec 10-T19S-R31E	30-015-35063	Lusk; Morrow West (Gas)	31	1426

#### Federal Lease NMNM-99039

Well Name	Location	API #	Pool 80840	MCFPD	BTU
Coyote 14 Fed 1	NWNE Sec 14-T19S-R31E	30-015-35071	Lusk; Morrow West (Gas)	1825	1084
Coyote 14 Fed 2Y	SWNW Sec 14-T19S-R31E	30-015- <del>35071</del>	Lusk; Morrow West (Gas)	13578	1163

35423

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 10 and 14 of T19S R31E. The ownership in the Acme and Coyote leases are not identical; all affected working interest, royalty and overriding royalty owners have been notified of this proposal (Exhibit B).

### Gas metering:

The gas hydrocarbon production from the Acme 10 Fed Com 1, Coyote 14 Fed 1 and Coyote 14 Fed 2Y will be the only hydrocarbon being lease commingled, measured and sold off-lease. Each location has its' own facility located in the NESE, NWNE and SWNW of Section 10 and 14 (respectively) in T19S, R31E on Federal Leases NMNM-055493 and NMNM-99039 in Eddy County, New Mexico (see facility diagrams). Each location has it own EFM to verify gas rates. A common gas sales meter associated with a DCP central delivery point (CDP) is located in Sec 14-T19S-R31E approximately 200' west of the Coyote 14 Federal 1 (see Exhibit C). The BLM's interest in all three wells is the same. Waste is not induced and no correlative rights are impaired.

These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. ROW has been obtained according to Exhibit C to transport gas production to the DCP CDP. The BLM and OCD will be notified of any future changes in the facilities.

### Process and Flow Descriptions:

Please see attached diagrams for the proposed Acme 10 Fed Com 1, Coyote 14 Fed 1 and Coyote 14 Fed 2Y batteries. The flow of produced fluids is shown in detail on Exhibit D along with a description of each vessel

The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

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. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- 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

#### Application Acronyms:

**[NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling]** **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling]** **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion]** **[PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal]** **[IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification]** **[PPR-Positive Production Response]**

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Stephanie A Ysasaga  
 Print or Type Name

Signature

Sr Staff Engineering Technician  
 Title

11/02//2009  
 Date

Stephanie.Ysasaga@dm.com  
 e-mail Address

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

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**

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

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: 20 North Broadway, Ste 1500

APPLICATION TYPE:

☐ 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**

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 (Specify)

(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 Lusk, Morrow West (Gas) 80840

(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 (Specify)

**(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

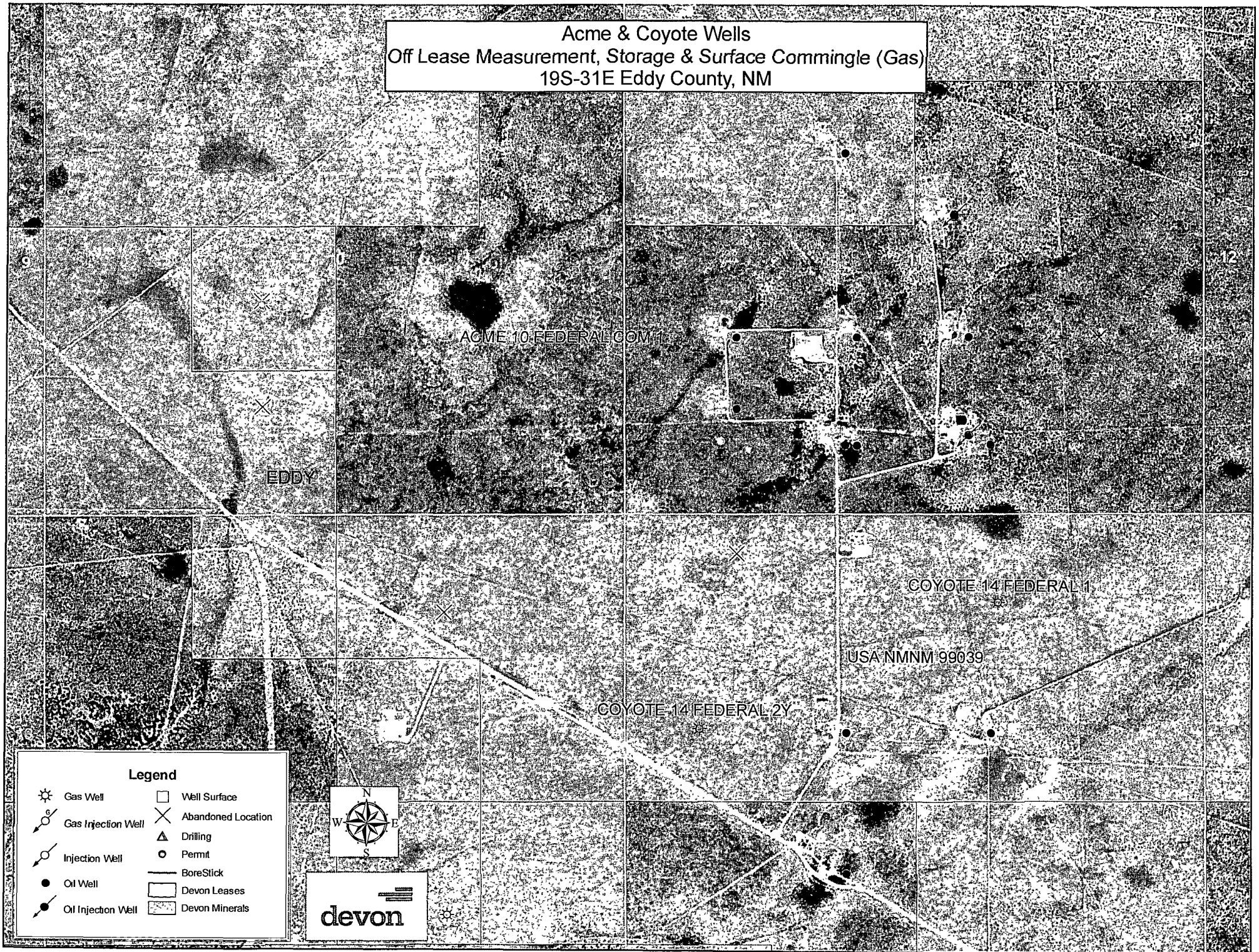
I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE \_\_\_\_\_ TITLE Sr Staff Engineering Technician DATE 11/02/2009

TYPE OR PRINT NAME Stephanie A Ysasaga TELEPHONE NO (405)-552-7802

E-MAIL ADDRESS Stephanie.Ysasaga@dmr.com

Acme & Coyote Wells  
Off Lease Measurement, Storage & Surface Commingle (Gas)  
19S-31E Eddy County, NM



**Exhibit B**

Marbob Energy Corporation  
P O Drawer 227  
Artesia, NM 88211-0227  
7008-1830-0003-1986-2550

Minerals Management Service Royalty Mgmt Pgrm  
P.O Box 5810  
Denver, Colorado 80217  
7008-1830-0003-1986-2567

Nearburg Exploration Co LLC  
3300 North "A" St, Bldg 2, Ste 120  
Midland, Texas 79705  
7008-1830-0003-1986-2574

COG Oil & Gas LP – Fasken Center Tower II  
550 W Texas Ave, Ste 1300  
Midland, Texas 79701  
7008-1830-0003-1986-2581

Badger Energy Inc  
P O Box 1708  
Hobbs, NM 88241  
7008-1830-0003-1986-2598

Penwell Employee Royalty Pool  
200 N Loraine Suite 1550  
Midland, TX 79701  
7008-1830-0003-1986-2604

McCombs Energy Ltd – Ricky Haiken VP  
5599 San Felipe, Ste 1200  
Houston, TX 77056  
7008-1830-0003-1986-2611

John Lawrence Thomas  
P O Box 863418  
Plano, TX 75086  
7008-1830-0003-1986-2628

James E Gettgey  
P O Box 51451  
Midland, TX 79710  
7008-1830-0003-1986-2635

C Mark Wheeler  
24 Smith Road, Ste 405  
Midland, TX 79705  
7008-1830-0003-1986-2642

Paul R. Barwis c/o Dutton Harris Co  
P O Box 230  
Midland, Texas 79702  
7008-1830-0003-1986-2659

Buffalo Oil Company – BOK - Acct # 11633  
P O Box 1588  
Tulsa, OK 74101  
7008-1830-0003-1986-2666

Sandra Mary Thomas – A Single Woman  
789 W. Hellsgate Drive  
Strawn, TX 79705  
7008-1830-0003-1986-2673

## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Badger Energy Inc.  
P.O. Box 1708  
Hobbs, NM 88241

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2598

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Anita Davonport*☐ Agent☐ Addressee

B. Received by (Printed Name)

Anita Davonport

C. Date of Delivery

11-17-9

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Buffalo Oil Company - BOK - Acct # 11633  
P.O. Box 1588  
Tulsa, OK 74101

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2666

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *PO*☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

NOV 16 2009

3. Service Type

☐ Certified Mail☒ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John Lawrence Thomas  
P.O. Box 863418  
Plano, TX 75086

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2628

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *John Thomas*☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

11/16/09

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



## SENDER: COMPLETE THIS SECTION

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- ☐ Print your name and address on the reverse so that we can return the card to you.
- ☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Penwell Employee Royalty Pool  
200 N. Loraine Suite 1550  
Midland, TX 79701

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2604

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Caren Copeland

☐ Agent☐ Addressee

B. Received by (Printed Name)

Caren Copeland

C. Date of Delivery

11-16-09

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

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- ☐ Print your name and address on the reverse so that we can return the card to you.
- ☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Oil & Gas LP - Fasken Center Tower II  
550 W Texas Ave, Ste 1300  
Midland, Texas 79701

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2581

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

L Koening

☐ Agent☐ Addressee

B. Received by (Printed Name)

L KOENING

C. Date of Delivery

11-16

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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- ☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marbob Energy Corporation  
P.O. Drawer 227  
Artesia, NM 88211-0227

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2550

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Misti McLaughlin

☐ Agent☐ Addressee

B. Received by (Printed Name)

MISTI MCLAUGHLIN

C. Date of Delivery

11-16-09

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Sandra Mary Thomas -- A Single Woman  
789 W. Hellsgate Drive  
Strawn, TX 79705

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Sin Thomas*☐ Agent☒ Addressee

B. Received by (Printed Name)

*Sin Thomas*

C. Date of Delivery

*11-16-09*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2673

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

C. Mark Wheeler  
24 Smith Road, Ste 405  
Midland, TX 79705

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *C. Mark Wheeler*☐ Agent☐ Addressee

B. Received by (Printed Name)

*C. Mark Wheeler*

C. Date of Delivery

*11/16/09*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2642

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nearburg Exploration Co. LLC  
3300 North "A" St, Bldg 2, Ste 120  
Midland, Texas 79705

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *D. Walton*☐ Agent☐ Addressee

B. Received by (Printed Name)

*D. Walton*

C. Date of Delivery

*11-16-09*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7008 1830 0003 1986 2574

PS Form 3811, February 2004

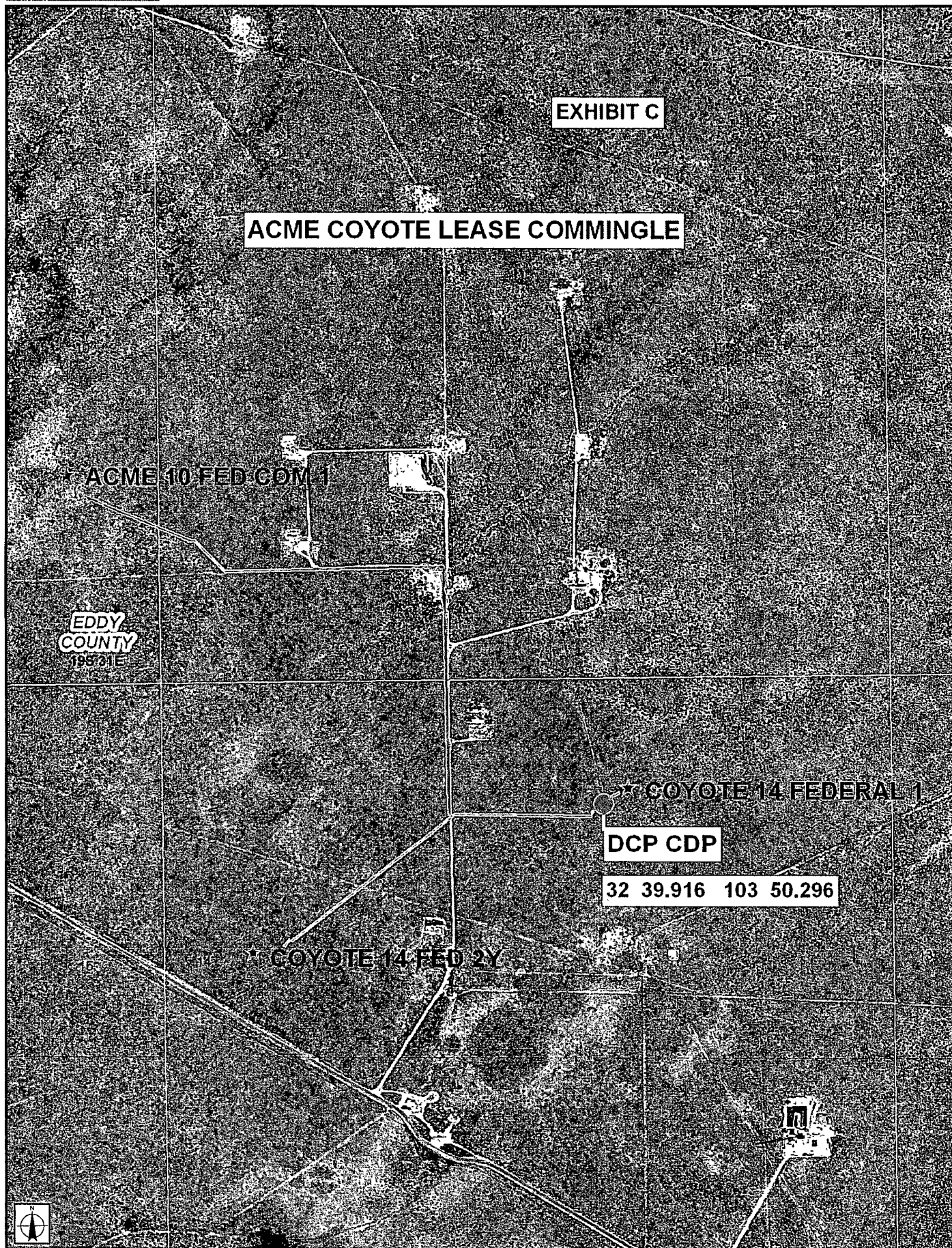
Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="display: flex; justify-content: space-between;"> <span><b>X</b> <i>Billy Forney</i></span> <span><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</span> </div> </p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span>  <div style="display: flex; justify-content: space-between;"> <span><i>Billy Forney</i></span> <span><i>11/16/09</i></span> </div> </p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p>  <p style="text-align: center;">McCombs Energy Ltd – Ricky Haiken VP 5599 San Felipe, Ste 1200 Houston, TX 77056</p>	<p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Certified Mail</span> <span><input type="checkbox"/> Express Mail</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Registered</span> <span><input type="checkbox"/> Return Receipt for Merchandise</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Insured Mail</span> <span><input type="checkbox"/> C.O.D.</span> </div> <p>4. Restricted Delivery? (Extra Fee) <span style="float: right;"><input type="checkbox"/> Yes</span></p>
<p>2. Article Number (Transfer from service label) <span style="float: right;"><b>7008 1830 0003 1986 2611</b></span></p>	
<p>PS Form 3811, February 2004 <span style="float: right;">Domestic Return Receipt 102595-02-M-1540</span></p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="display: flex; justify-content: space-between;"> <span><b>X</b> <i>[Signature]</i></span> <span><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span> </div> </p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span>  <div style="display: flex; justify-content: space-between;"> <span><i>[Signature]</i></span> <span><i>11/16/2009</i></span> </div> </p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p>  <p style="text-align: center;"><i>Minerals Management Service Royalty Mgmt Pgrm</i> P.O. Box 5810 Denver, Colorado 80217</p>	<p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Certified Mail</span> <span><input type="checkbox"/> Express Mail</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Registered</span> <span><input type="checkbox"/> Return Receipt for Merchandise</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Insured Mail</span> <span><input type="checkbox"/> C.O.D.</span> </div> <p>4. Restricted Delivery? (Extra Fee) <span style="float: right;"><input type="checkbox"/> Yes</span></p>
<p>2. Article Number (Transfer from service label) <span style="float: right;"><b>7008 1830 0003 1986 2567</b></span></p>	
<p>PS Form 3811, February 2004 <span style="float: right;">Domestic Return Receipt 102595-02-M-1540</span></p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="display: flex; justify-content: space-between;"> <span><b>X</b> <i>Kristy Franklin</i></span> <span><input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</span> </div> </p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span>  <div style="display: flex; justify-content: space-between;"> <span><i>Kristy Franklin</i></span> <span><i>11/12</i></span> </div> </p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p>  <p style="text-align: center;">James E Geitgcy P.O. Box 51451 Midland, TX 79710</p>	<p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Certified Mail</span> <span><input type="checkbox"/> Express Mail</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Registered</span> <span><input type="checkbox"/> Return Receipt for Merchandise</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Insured Mail</span> <span><input type="checkbox"/> C.O.D.</span> </div> <p>4. Restricted Delivery? (Extra Fee) <span style="float: right;"><input type="checkbox"/> Yes</span></p>
<p>2. Article Number (Transfer from service label) <span style="float: right;"><b>7008 1830 0003 1986 2635</b></span></p>	
<p>PS Form 3811, February 2004 <span style="float: right;">Domestic Return Receipt 102595-02-M-1540</span></p>	



Acme 10 Fed Com #1  
Sec 10, T195, R31E  
1480 FSL & 660 FEL  
Eddy, n.m.

Devon Energy  
Acme 10 Fed Com #1  
Allocation Gas Meter  
NMNM 055493

Devon Energy  
Coyote 14 Fed #1  
Allocation Gas meter

Coyote 14 Fed Com  
#1

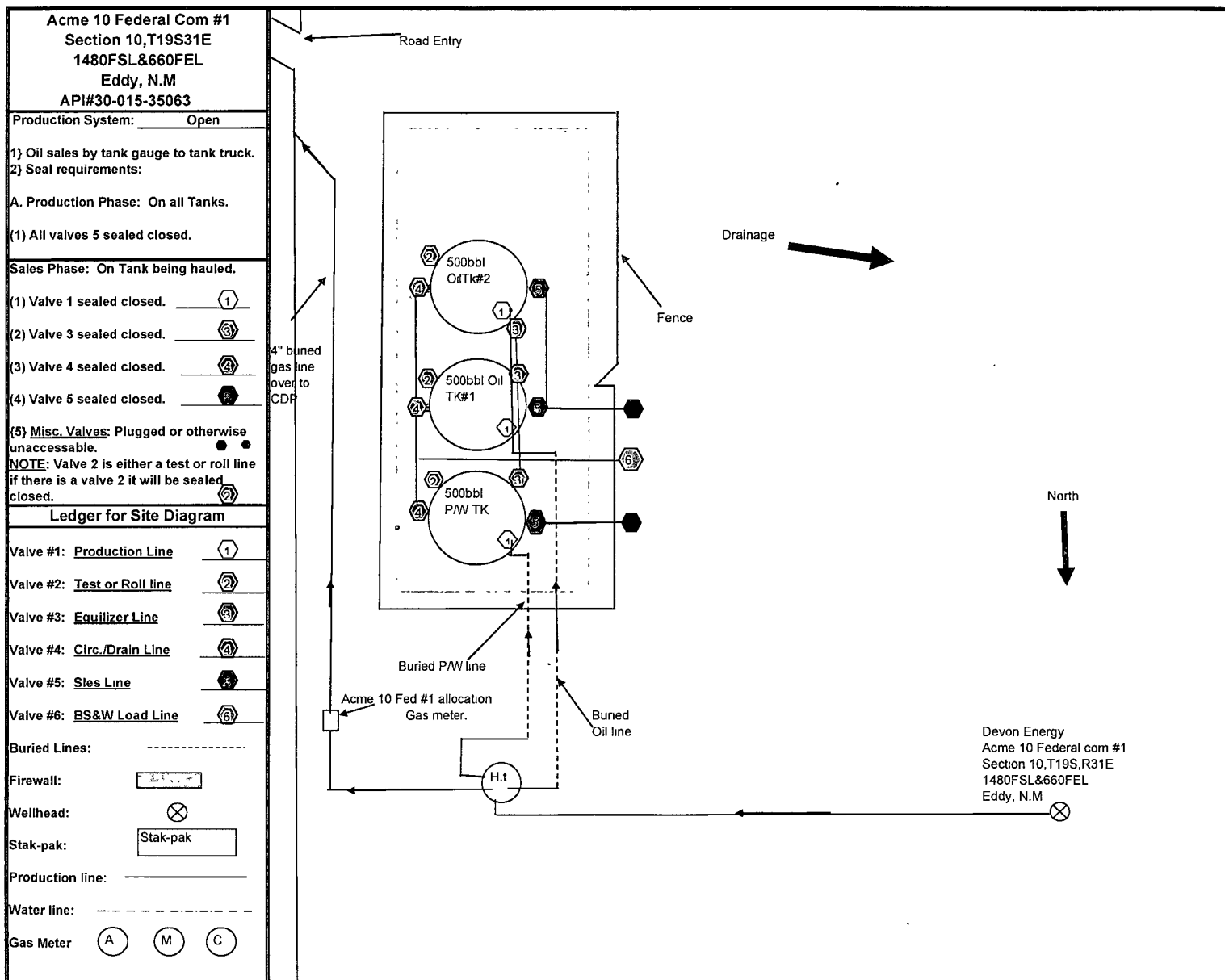
Sec 14, T195, R31E  
810 FNL & 1905 FEL  
Eddy Co. n.m.

DGP  
CDP  
Sec 14, T195, R31E NMNM 99039  
E

Devon Energy, Coyote 14 #24  
Allocation Gas meter

Coyote 14 Fed Com #24  
Sec 14, T195, R31E  
1980 FNL & 760 FNL

Eddy Co, n.m.  
NMNM 99039



Coyote 14 Fed #1  
 Section 14,T19S,R31E  
 810FNL&1905FEL  
 Eddy, N.M  
 API# 30-015-35071





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 unaccessible. 

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

#### Ledger for Site Diagram

- |                                     |   |
|-------------------------------------|---|
| Valve #1: <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&amp;W Load Line</u> |  |

Buried Lines: -----

Firewall: 

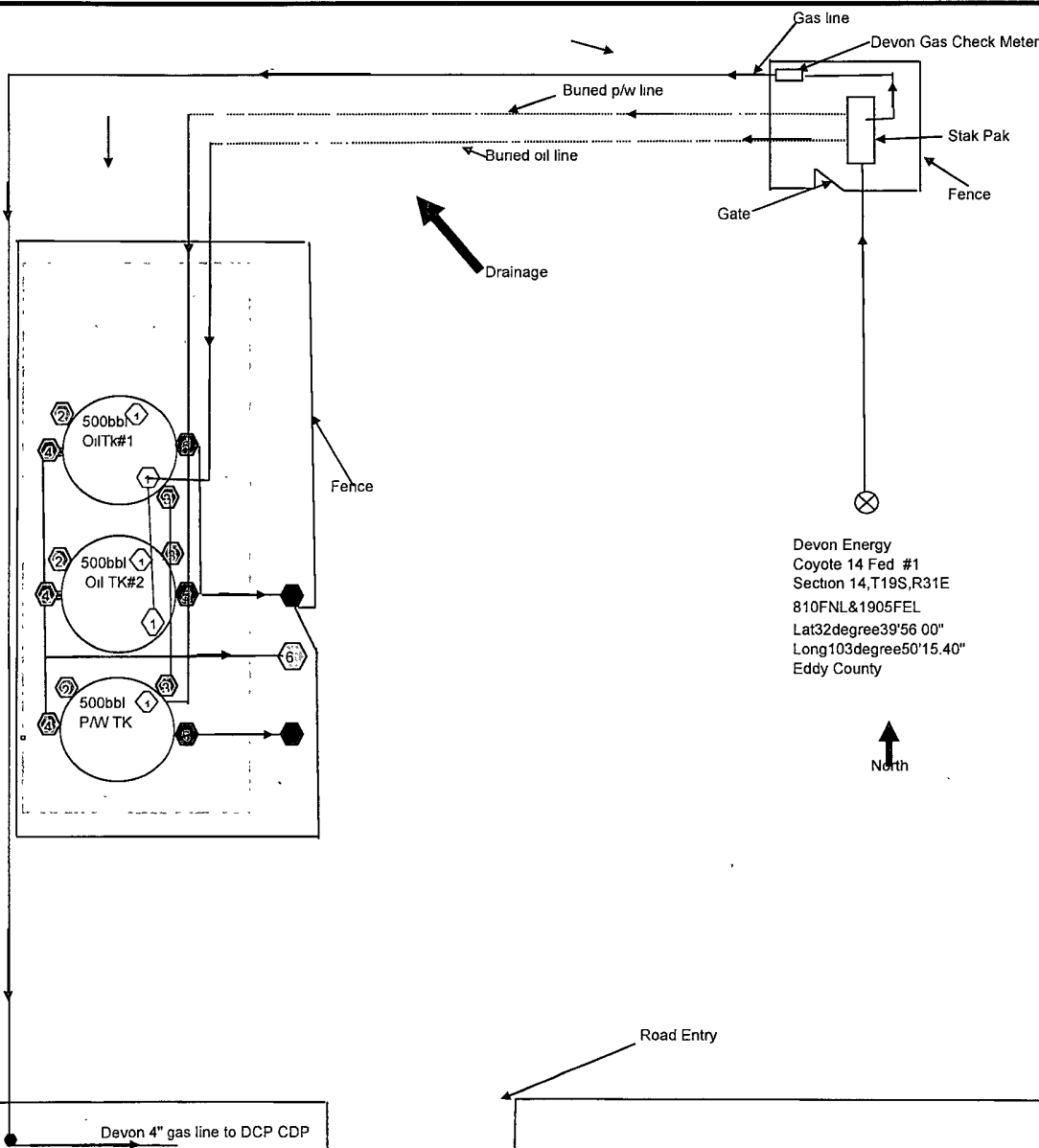
Wellhead: 

Stak-pak: 

Production line: -----

Water line: -----

Gas Meter   









Coyote 14 Federal 2Y  
Section 14, T19S, R31E  
1980FNL & 760FWL  
Eddy, N.M  
API# 30-015-35423







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.  
(2) Valves 3 open  
(3) Valves 2 & 4 closed  
(4) Valve 1 open on tk producing into

Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed.   
(2) Valve 3 sealed closed.   
(3) Valve 4 sealed closed.   
(4) Valve 5 sealed closed.   
(5) Misc. Valves: Plugged or otherwise inaccessible.   
**NOTE:** Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed. 

Ledger for Site Diagram

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

Buried Lines:

Firewall:

Wellhead:

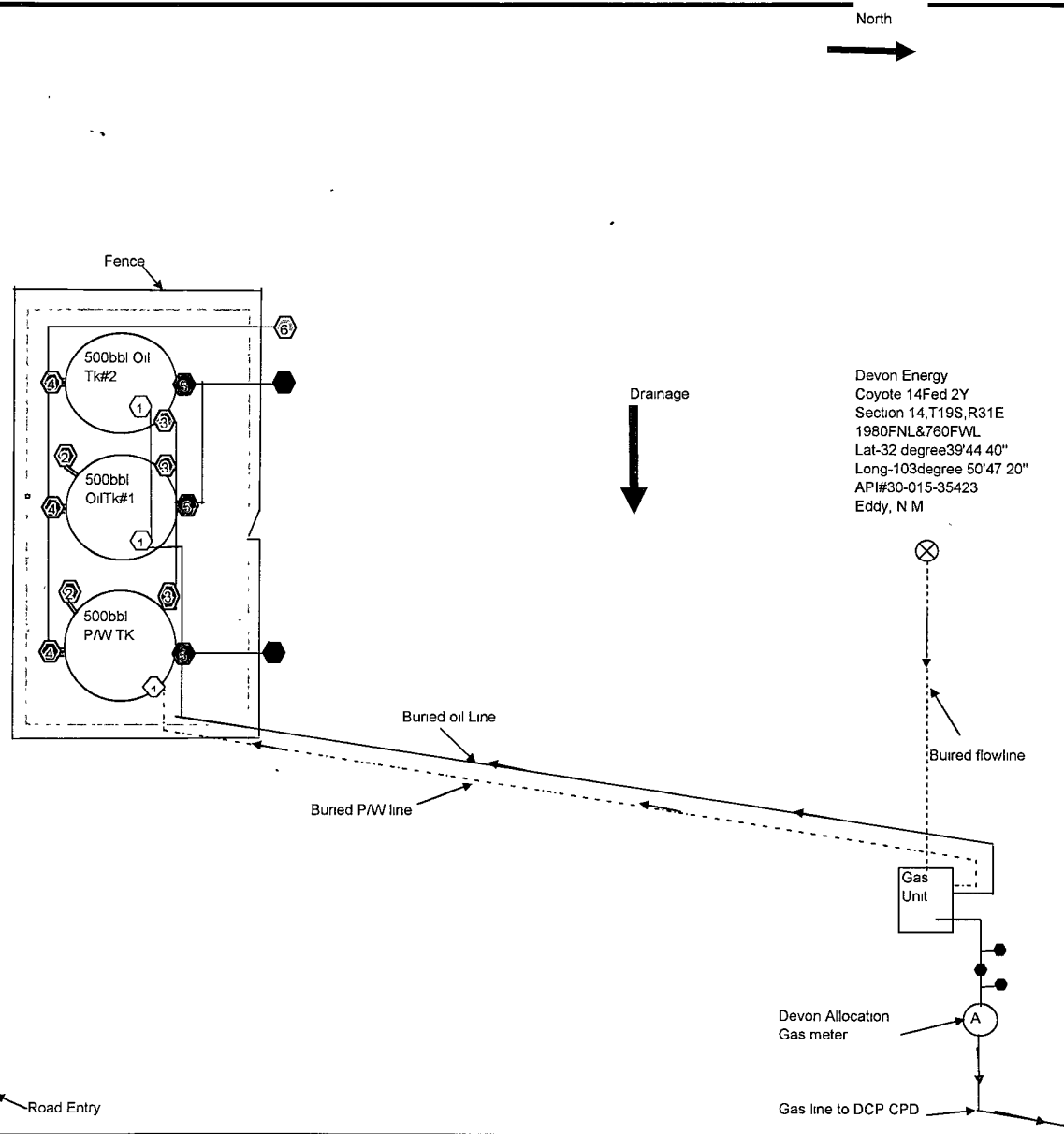
Stak-pak:

Production line:

Water line:

Gas Meter

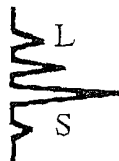
A M C





## OFF LEASE PRODUCTION - EDDY COUNTY

	01/01/09	02/01/09	03/01/09	04/01/09	05/01/09	06/01/09	07/01/09	08/01/09
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
ACME 10 FED COM 1 (BONE SPRING)	125.77	120.05	117.06	100.2	91.82	93.21	90.09	30.48
COYOTE 14 FEDERAL 1	11,602.17	7,750.45	6,510.34	5,156.58	1,997.89	2,621.47	4,970.5	1,825.22
COYOTE 14 FEDERAL 2Y	12,666.2	12,539.98	14,613.58	12,086.05	13,267.29	13,197.16	13,577.91	4,258.9



## Laboratory Services, Inc.

2609 West Marland  
Hobbs, New Mexico 88240

Telephone: (575) 397-3713

FOR: Devon Energy  
P. O. Box 250  
Artesia, New Mexico 88211-0250

SAMPLE:  
IDENTIFICATION Acme 10 Fed. #1  
COMPANY: Devon Energy  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED:  
ANALYSIS DATE: 7/31/09  
PRESSURE - PSIA  
SAMPLE TEMP. °F  
ATMOS. TEMP. °F

GAS (XX) LIQUID ( )  
SAMPLED BY:  
ANALYSIS BY: Vickie Sullivan

REMARKS:

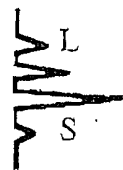
## COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	2.744	
Carbon Dioxide (CO2)	0.424	
Methane (C1)	67.649	
Ethane (C2)	13.292	3.546
Propane (C3)	7.709	2.119
I-Butane (IC4)	1.102	0.360
N-Butane (NC4)	2.956	0.930
I-Pentane (IC5)	1.029	0.376
N-Pentane (NC5)	1.006	0.363
Hexane Plus (C6+)	2.089	0.907
	100.000	8.601

BTU/CU.FT. - DRY 1426  
AT 14.650 DRY 1421  
AT 14.650 WET 1396  
AT 14.73 DRY 1429  
AT 14.73 WET 1404

MOLECULAR WT. 24.9615

SPECIFIC GRAVITY -  
CALCULATED 0.857  
MEASURED



## Laboratory Services, Inc.

 2609 West Marland  
 Hobbs, New Mexico 88240

Telephone: (575) 397-3713

H

 FOR: Devon Energy  
 P. O. Box 250  
 Artesia, New Mexico 88211-0250

 SAMPLE: Sta. #67712094  
 IDENTIFICATION Coyote 14 Fed. #1  
 COMPANY: Devon Energy  
 LEASE:  
 PLANT:

 SAMPLE DATA: DATE SAMPLED: 11/24/08 2:30 pm  
 ANALYSIS DATE: 11/26/08  
 PRESSURE - PSIA 723  
 SAMPLE TEMP. °F 71  
 ATMOS. TEMP. °F 70

 GAS (XX) LIQUID ( )  
 SAMPLED BY: Robert Hernandez  
 ANALYSIS BY: Vickie Sullivan

REMARKS:

## COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	1.731	
Carbon Dioxide (CO2)	5.628	
Methane (C1)	80.395	
Ethane (C2)	7.442	1.986
Propane (C3)	3.101	0.852
I-Butane (IC4)	0.362	0.118
N-Butane (NC4)	0.705	0.222
I-Pentane (IC5)	0.164	0.060
N-Pentane (NC5)	0.158	0.057
Hexane Plus (C6+)	0.314	0.136
	100.000	3.431

 BTU/CU.FT. - DRY 1084  
 AT 14.650 DRY 1081  
 AT 14.650 WET 1062  
 AT 14.73 DRY 1087  
 AT 14.73 WET 1068

MOLECULAR WT. 20.6053

 SPECIFIC GRAVITY -  
 CALCULATED 0.711  
 MEASURED



## Laboratory Services, Inc.

 2609 West Marland  
 Hobbs, New Mexico 88240

Telephone: (575) 397-3713

H

 FOR: Devon Energy  
 P. O. Box 250  
 Artesia, New Mexico 88211-0250

 SAMPLE: Sta. #677-12-068  
 IDENTIFICATION Coyote 14 Fed. 2 Y  
 COMPANY: Devon Energy  
 LEASE:  
 PLANT:

 SAMPLE DATA: DATE SAMPLED: 10/17/08 3:00 pm  
 ANALYSIS DATE: 10/21/08  
 PRESSURE - PSIA 34  
 SAMPLE TEMP. °F 81  
 ATMOS. TEMP. °F

 GAS (XX) LIQUID ( )  
 SAMPLED BY: Jared Pittman/AFM  
 ANALYSIS BY: Vickie Sullivan

REMARKS: H2S = 0

## COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)	0.000	
Nitrogen (N2)	0.479	
Carbon Dioxide (CO2)	0.664	
Methane (C1)	85.825	
Ethane (C2)	7.714	2.058
Propane (C3)	3.190	0.877
I-Butane (IC4)	0.407	0.133
N-Butane (NC4)	0.798	0.251
I-Pentane (IC5)	0.236	0.086
N-Pentane (NC5)	0.224	0.081
Hexane Plus (C6+)	0.463	0.201
	100.000	3.687

 BTU/CU FT. - DRY 1163  
 AT 14.650 DRY 1160  
 AT 14.650 WET 1139  
 AT 14.73 DRY 1166  
 AT 14.73 WET 1146

MOLECULAR WT. 19.3796

 SPECIFIC GRAVITY -  
 CALCULATED 0.668  
 MEASURED

10/13/09

PROPERTY DECK	MO/YR	-----PROPERTY	NAME-----	DESCRIPTION	INFLATED	PAY	EX	WP	PY	RT	LAST DATE	LEASE
OWNER SQ	BURDEN	NAME			INTEREST	TYPE	STAT	CL	CRT	CD	CHANGED	INTEREST
23661-010 AA	12/08	COYOTE 14 FED 1		MD (CORR) (EFF1STPROD 11/24/08)D								
14343		CONSOL	MARBOB ENERGY CORPORATION P O DRAWER 227 ARTESIA NM 88211-0227 85-0232108	.20312500	1-WI	PA					3/11/09	.20312500
53612		CONSOL	MINERALS MANAGEMENT SERVICE ROYALTY MANAGEMENT PROGRAM PO BOX 5810 DENVER CO 80217-5810 84-0848646	.12500000	2-ROY	GF					3/11/09	.12500000
326109		CONSOL	PENWELL EMPLOYEE ROYALTY POOL 200 N LORAIN SUITE 1550 MIDLAND TX 79701- 75-2223190	.00150000	3-ORR	PA					3/11/09	.00150000
338946		CONSOL	JOHN LAWRENCE THOMA A SINGLE MAN P O BOX 863418 PLANO TX 75086- 114-52-8727	.00300000	3-ORR	PA					3/11/09	.00300000
338947		CONSOL	SANDRA MARY THOMA A SINGLE WOMAN 789 W HELLSGATE DR STRAWN TX 76475- 085-44-5320	.00300000	3-ORR	PA					3/11/09	.00300000
425973		CONSOL	JAMES E GEITGEY P O BOX 51451 MIDLAND TX 79710-1451 286-68-2705	.00500000	3-ORR	PA					3/11/09	.00500000
425974		CONSOL	C MARK WHEELER 24 SMITH ROAD, STE 405 MIDLAND TX 79705- 460-04-7167	.00250000	3-ORR	PA					3/11/09	.00250000
425975		CONSOL	PAUL R BARWIS % DUTTON HARRIS & CO PO BOX 230 MIDLAND TX 79702- 169-46-4748	.00500000	3-ORR	PA					3/11/09	.00500000
999001		CONSOL	DEVON ENERGY PRODUCTION CO LP 20 NORTH BROADWAY OKLAHOMA CITY OK 73102-8260 73-1577174	.64125000	1-WI	CO					3/11/09	.64125000
999001		CONSOL	DEVON ENERGY PRODUCTION CO LP 20 NORTH BROADWAY OKLAHOMA CITY OK 73102-8260 73-1577174	.01062500	3-ORR	PA					3/11/09	.01062500
TOTAL:					INFT. INT: 1.00000000	RECV. INT: 1.00000000				LSE. INT: 1.00000000		

PROPERTY DECK	MO/YR	-----PROPERTY NAME-----	DESCRIPTION	INFLATED INTEREST	PAY TYPE	EX CL	WP CRT	PY CD	RT CD	LAST DATE CHANGED	LEASE INTEREST
23661-021 AA	05/07	COYOTE 14 FED 2Y	MD W/BURDENS(1STPRD 5-5-07)DAL								
14343	1	CONSOL	MARBOB ENERGY CORPORATION P O DRAWER 227 ARTESIA NM 88211-0227 85-0232108	.20312500	1-WI	PA				11/07/07	.20312500
53612	1	CONSOL	MINERALS MANAGEMENT SERVICE ROYALTY MANAGEMENT PROGRAM PO BOX 5810 DENVER CO 80217-5810 84-0848646	.12500000	2-ROY	GF				11/07/07	.12500000
326109		CONSOL	PENWELL EMPLOYEE ROYALTY POOL 200 N LORAIN SUITE 1550 MIDLAND TX 79701- 75-2223190	.00150000	3-ORR	PA				11/07/07	.00150000
338946	1	CONSOL	JOHN LAWRENCE THOMA A SINGLE MAN P O BOX 863418 PLANO TX 75086- 114-52-8727	.00300000	3-ORR	PA				2/16/09	.00300000
338947	1	CONSOL	SANDRA MARY THOMA A SINGLE WOMAN 789 W HELLSGATE DR STRAWN TX 76475- 085-44-5320	.00300000	3-ORR	PA				2/16/09	.00300000
425973	1	CONSOL	JAMES E GEITGEY P O BOX 51451 MIDLAND TX 79710-1451 286-68-2705	.00500000	3-ORR	PA				2/16/09	.00500000
425974	1	CONSOL	C MARK WHEELER 24 SMITH ROAD, STE 405 MIDLAND TX 79705- 460-04-7167	.00250000	3-ORR	PA				2/16/09	.00250000
425975	1	CONSOL	PAUL R BARWIS % DUTTON HARRIS & CO PO BOX 230 MIDLAND TX 79702- 169-46-4748	.00500000	3-ORR	PA				2/16/09	.00500000
999001	1	CONSOL	DEVON ENERGY PRODUCTION CO LP 20 NORTH BROADWAY OKLAHOMA CITY OK 73102-8260 73-1577174	.64125000	1-WI	CO				2/16/09	.64125000
999001	1	CONSOL	DEVON ENERGY PRODUCTION CO LP 20 NORTH BROADWAY OKLAHOMA CITY OK 73102-8260 73-1577174	.01062500	3-ORR	CO				2/16/09	.01062500
TOTAL:				INFT. INT: 1.00000000	RECV. INT: 1.00000000				LSE. INT: 1.00000000		

10/13/09

PROPERTY DECK	MO/YR	-----PROPERTY NAME-----	DESCRIPTION	INFLATED	PAY	EX	WP	PY	RT	LAST DATE	LEASE
OWNER SQ	BURDEN	NAME		INTEREST	STAT	CL	CRT	CD	CD	CHANGED	INTEREST
23663-010 AA	07/07	ACME 10 FED COM 1	BPO(EFF1STPRD 12.5% <3MMCF)DAL								
14343	1	CONSOL	MARBOB ENERGY CORPORATION P O DRAWER 227 ARTESIA NM 88211-0227 85-0232108	.17617186	1-WI	PA				5/14/08	.17617186
14343		CONSOL	MARBOB ENERGY CORPORATION P O DRAWER 227 ARTESIA NM 88211-0227 85-0232108	.00155555	3-ORR	PA				5/14/08	.00155555
53612		CONSOL	MINERALS MANAGEMENT SERVICE ROYALTY MANAGEMENT PROGRAM PO BOX 5810 DENVER CO 80217-5810 84-0848646	.12500000	2-ROY	GF				3/24/09	.12500000
122638	1	CONSOL	NEARBURG EXPLORATION CO LLC NEARBURG PRODUCING COMPANY <del>P O BOX 678100</del> <del>DALLAS TX 75267-8100</del> 75-2626152	.01406250	3-ORR	ST				9/01/09	.01406250
											<i>3300 North "A" St, Bldg. 2, Ste 120 Midland, TX 79705</i>
304023	1	CONSOL	COG OIL & GAS LP TEXAS LIMITED PARTNERSHIP <del>P O BOX 849929</del> <del>DALLAS TX 75284-9929</del> 14-1913261	.16000000	1-WI	PA				9/01/09	.16000000
											<i>Fasken Center, Tower II 550 W Texas Ave, Ste. 1300 Midland, TX 79701</i>
322275		CONSOL	BADGER ENERGY INC P O BOX 1708 HOBBS NM 88241- 85-0483481	.02852259	1-WI	PA				9/01/09	.02852259
326109		CONSOL	PENWELL EMPLOYEE ROYALTY POOL 200 N LORAIN SUITE 1550 MIDLAND TX 79701- 75-2223190	.00018750	3-ORR	ST				9/04/09	.00018750
332371		CONSOL	MCCOMBS ENERGY LTD A TEXAS LIMITED PARTNERSHIP MCCOMBS ENERGY GP LLC GEN.PTNR RICKY HAIKIN VICE PRESIDENT 5599 SAN FELIPE STE 1200 HOUSTON TX 77056- 74-2861751	.19750000	1-WI	PA				9/04/09	.19750000
346397		CONSOL	HEIRS & DEVISEES OF ALVIN HILL	.02500000	3-ORR	ST				9/04/09	.02500000
356716		CONSOL	JOHN L THOMA P O BOX 863418 PLANO TX 75086- 114-52-8727	.00075000	3-ORR	ST				9/04/09	.00075000



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

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

**Conditions of Approval**

Approval of surface commingling and off-lease sales 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 sales point.
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.