



Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dvn.com

February 16, 2011

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

**Re: Off Lease Gas Measurement and Lease Sales Approval
Millman SE Federal 1
API # 30-015-30376
Sec 33-T19S-R329E
Lease NMNM-98173
Parkway; Morrow West (Gas) - Pool Code: 82600
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B, OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both leases are not uniform; parties have been notified via certified mail.

BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in cursive script that reads "Melanie Crawford".

Melanie Crawford
Regulatory Analyst

Enclosures

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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 _____ Off Lease Gas Sales _____
- [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.

Melanie Crawford
 Print or Type Name

Melanie Crawford
 Signature

Regulatory Analyst
 Title

2-16-2011
 Date

Melanie.Crawford@ dvn.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.

(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: Melanie Crawford TITLE: Regulatory Analyst DATE: 2-16-2011

TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405)- 552-4524

E-MAIL ADDRESS: Melanie.Crawford@dmr.com

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.5. Lease Serial No.
NM - 98173
6. If Indian, Allottee or Tribe Name**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

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)- 552-4524

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

8. Well Name and No.
Millman SE Federal 19. API Well No.
30-015-3037610. Field and Pool or Exploratory Area
82600 Parkway; Morrow, West (gas)4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit E, Sec 33, T19S, R29E11. Country or Parish, State
Eddy, 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 type="checkbox"/> Other Off Lease Gas
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Measurement & Sales
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

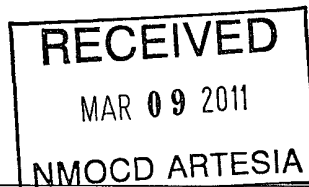
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 permission for Off-Lease Gas Measurement & Sales for Millman SE Federal 1. Produced gas flows to a separator before going to the DCP CDP Sales Meter #2340320067 located approximately 1/2 a mile NW in Sec 32 T19S R29E, Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes.

The Off Lease Gas Measurement & Sales is due to the Operator installed gathering systems. Waste is not induced and no correlative rights are impaired.

ROW will or has already been obtained.

The working interest, royalty interest and overriding royalty interest owners are not identical; parties have been notified via certified mail (see attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record - NMOCD

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)
Melanie Crawford

Title Regulatory Analyst

Signature

Melanie Crawford

Date

Feb. 16, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LRET

Date

2/27/11

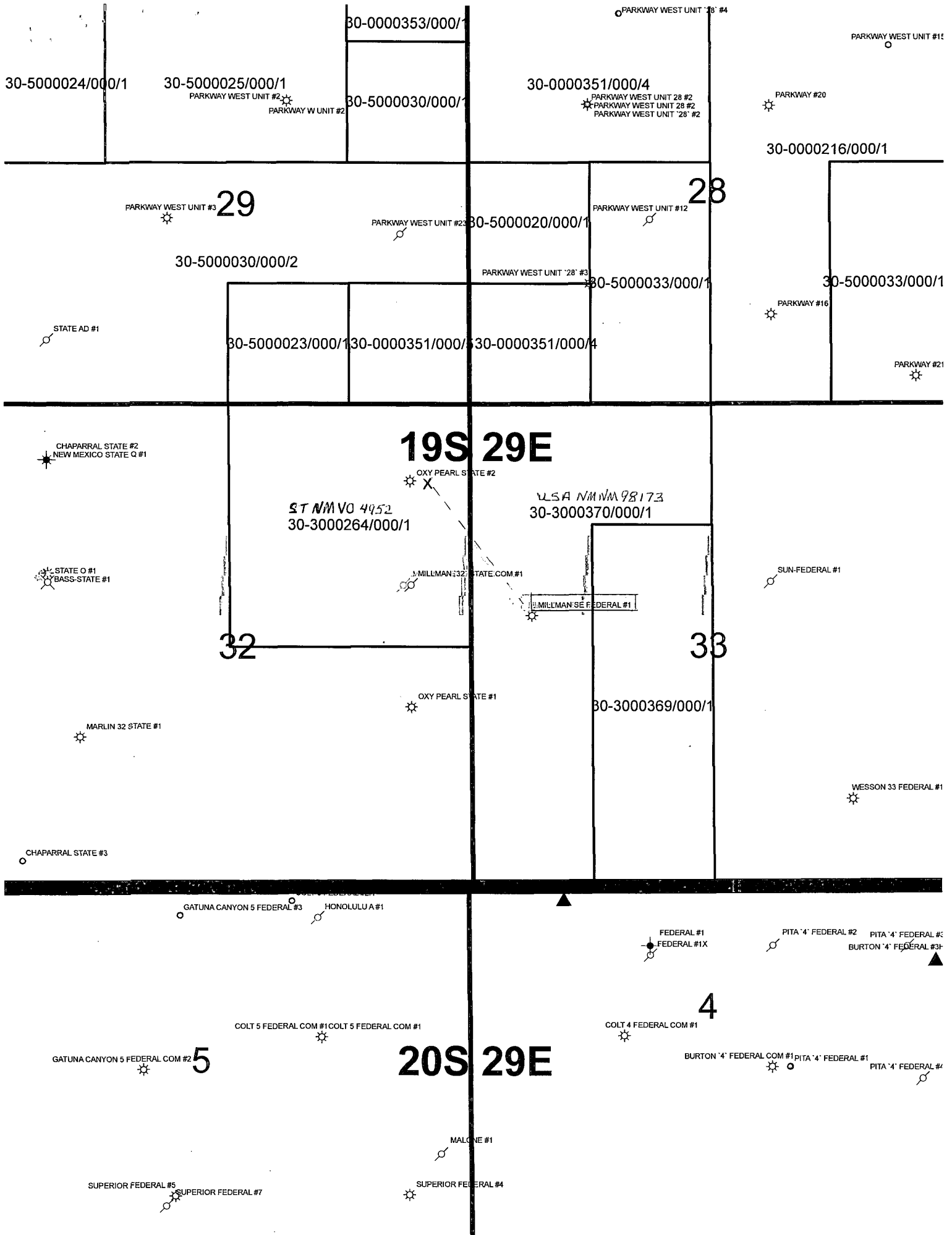
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

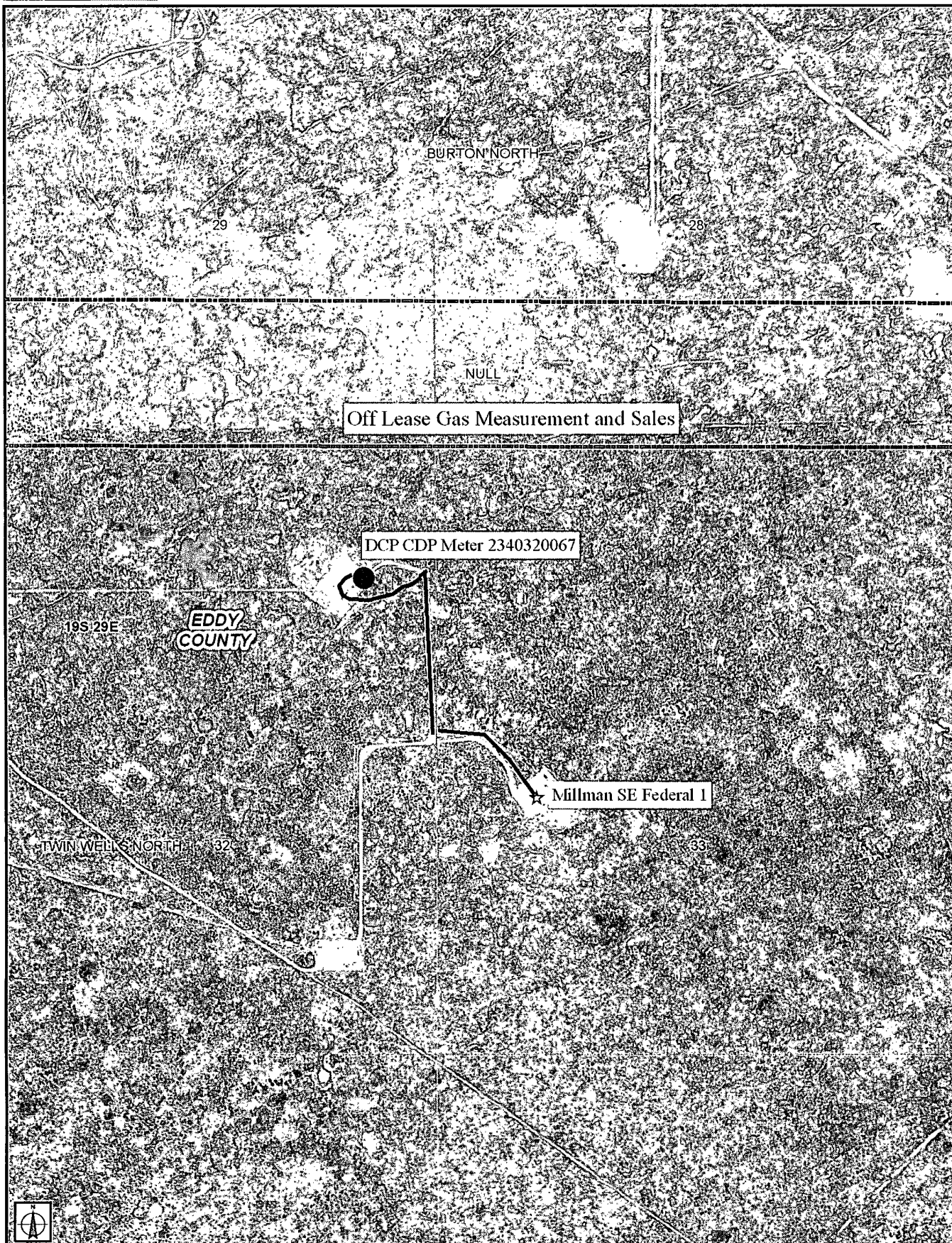
Office

CARLSBAD FIELD 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)





Devon
Millman SE 33 Fed Com #1
2310' Fnl @ 660' Fwl
Sec.33, T19S, R29E
Eddy Co, NM. Lse # NM 98173

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.

Ledger for Site Diagram

Valve #1: Production Line

①

Valve #2: Test or Roll line

②

Valve #3: Equalizer Line

③

Valve #4: Circ./Drain Line

④

Valve #5: Sles Line

⑤

Valve #6: BS&W Load Line

⑥

Buried Lines: -----

Firewall:

Wellhead:

Stak-pak:

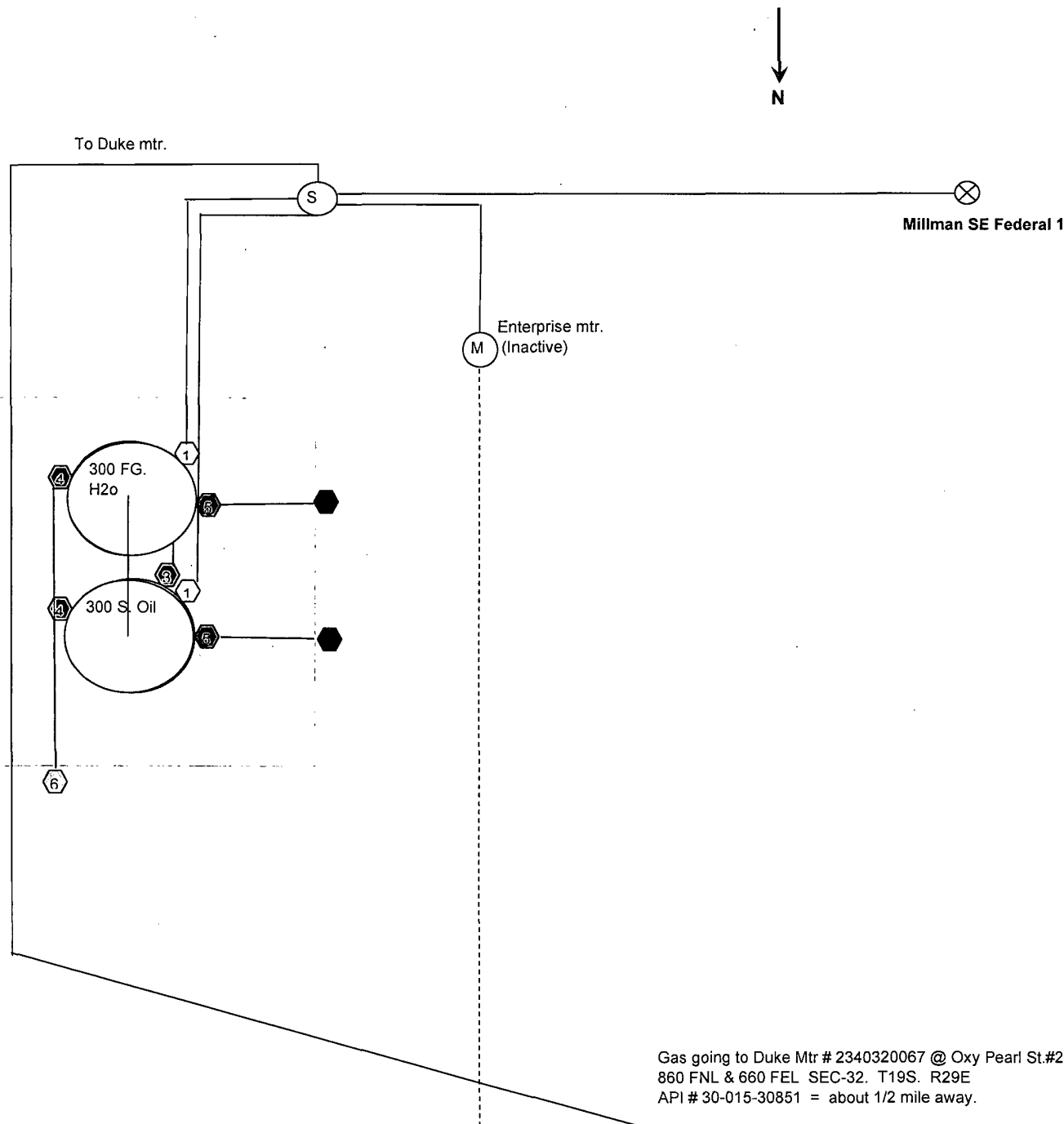
Production line: -----

Water line: -----

Gas Meter

(M)

1/7/2011
(Revised)



Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-30376
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM-98173

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name Millman SE Federal
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		8. Well Number 1
2. Name of Operator Devon Energy Production Company, LP		9. OGRID Number 6137
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524		10. Pool name or Wildcat 82600 - Parkway; Morrow, West (gas)
4. Well Location (See Below) Unit Letter <u>E</u> : <u>2310</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>33</u> Township <u>19S</u> Range <u>29E</u> NMPM Eddy County New Mexico		
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Off-Lease Gas Measurement & Sales <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
--	---

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LLP respectfully requests permission for Off-Lease Gas Measurement & Sales for Millman SE Federal 1. Produced gas flows to a separator before going to the DCP CDP Sales Meter #2340320067 located approximately 1/2 a mile NW in Sec 32 T19S R29E, Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes.

The Off Lease Gas Measurement & Sales is due to the Operator installed gathering systems. Waste is not induced and no correlative rights are impaired.

ROW will or has already been obtained.

The working interest, royalty interest and overriding royalty interest owners are not identical; parties have been notified via certified mail (see attached).

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE 2-16-2011

Type or print name Melanie Crawford E-mail address: Melanie.Crawford@dmn.com Telephone No. (405) 552-4524
For State Use Only

APPROVED BY: Accepted for record - NMOCD D.B. TITLE _____ DATE 3-14-11
Conditions of Approval (if any):



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

February 16, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Off-Lease Gas Measurement & Sales
Millman SE Federal 1
Sec 33-T19S R29E
API # 30-015-30376
Pool 82600 - Parkway; Morrow, West (gas)
Eddy County, New Mexico

To Whom It May Concern:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for Off-Lease Gas Measurement & Sales.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-4524 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in black ink that reads "Melanie Crawford". The signature is written in a cursive, flowing style.

Melanie Crawford
Regulatory Analyst

Enclosure

George G Vaught Jr
PO Box 13557
Denver, CO 80201-3557

Certified Mail Number: 7008 1830 0003 1984 6581

Alan Jochimsen
4209 Cardinal Ln
Midland, TX 79707

Certified Mail Number: 7008 1830 0003 1984 6574

Mack H Wooldridge
PO Box 3217
Albany, TX 76430

Certified Mail Number: 7008 1830 0003 1984 6567

Minerals Management Service
Royalty Management Program
PO Box 5810
Denver, CO 80217-5810

Certified Mail Number: 7008 1830 0003 1984 6550

Monty D McLane
PO Box 9541
Midland, TX 79708

Certified Mail Number: 7008 1830 0003 1984 6505

Hanson Operating Co Inc
PO Box 1515
Roswell, NM 88202-1515

Certified Mail Number: 7008 1830 0003 1984 6499

Edward R Hudson Jr
616 Texas Street
Fort Worth, TX 76102

Certified Mail Number: 7008 1830 0003 1984 6482

Kingdom Investments Limited
1601 Elm Street, Ste 3400
Dallas, TX 75201-7201

Certified Mail Number: 7008 1830 0003 1984 6475

Gerald E & Emma Harrington Tr
C/O Gerald E Harrington Tstee
PO Box 3716
Roswell, NM 88202-3716

Certified Mail Number: 7008 1830 0003 1984 6468

Jareed Partners Ltd
A Texas Limited Partnership
PO Box 51451
Midland, TX 79710-1451

Certified Mail Number: 7008 1830 0003 1984 6451

Delmar Hudson Lewis Irrevocable Trust
Bank of America NA Trustee
PO Box 840738
Dallas, TX 75284-0738

Certified Mail Number: 7008 1830 0003 1984 6444

K B Limited Partnership
PO Box Drawer 2588
Roswell, NM 88202-2588

Certified Mail Number: 7008 1830 0003 1984 6437

States Royalty Ltd Partnership, Breck Operating Corp Gen Ptnr
JH Connally President Breck Operating Corp
PO Box 911
Breckenridge, TX 76424

Certified Mail Number: 7008 1830 0003 1984 6420

GoldKing Energy
Partners I LP
777 Walker St, Ste 2500
Houston, TX 77002

Certified Mail Number: 7008 1830 0003 1984 6413

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

Certified Mail Number: 7008 1830 0003 1984 6406

M

Devargas Street LLC, All Managing Members Carol A Follingstad, Mary
Helen Follingstad, & Marion Reynolds – A New Mexico Ltd Liability Co
4613 Los Poblanos Circle N W
Albuquerque, NM 87107

Certified Mail Number: 7008 1830 0003 1984 6390

Robro Royalty Partners Ltd
DBA RRP 2010 Ltd
PO Box 671099
Dallas, TX 75367-1099

Certified Mail Number: 7008 1830 0003 1984 6383

John Lawrence Thoma
A Single Man
PO Box 17656
Golden, CO 80402

Certified Mail Number: 7008 1830 0003 1984 6376

Sandra Mary Thoma
A Single Woman
8530 Mill Run Rd
Athens, TX 77277-1165

Certified Mail Number: 7008 1830 0003 1984 6369

Energy Royalties LLC
PO Box 271165
Houston, TX 77277-1165

Certified Mail Number: 7008 1830 0003 1984 6352

Bitter End Royalties LP
PO Box 671099
Dallas, TX 75367-1099

Certified Mail Number: 7008 1830 0003 1984 6345

Rave Energy Inc
777 Walker St, Ste 2500
Houston, TX 77002

Certified Mail Number: 7008 1830 0003 1984 6338

Mary Hudson Ard
222 W 4th Street #PH-5
Fort Worth, TX 76102

Certified Mail Number: 7008 1830 0003 1984 6321

Paul R Barwis
%Dutton Harris & Co
PO Box 230
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1984 6314

SM Energy Company
Dept 766
Denver, CO 80291-0766

Certified Mail Number: 7008 1830 0003 1984 6307

Permian Hunter Corporation
275 East South Temple, Ste 250
Salt Lake City, UT 84111

Certified Mail Number: 7008 1830 0003 1984 6291

Michael J Norton III
60 Beach Ave
South Dartmouth, MA 02748-1543

Certified Mail Number: 7008 1830 0003 1984 6284

Shawn P Hannifin & Frances A Hannifin as Joint Tenants w/
Full Rights of Survivorship
730 17th St, Ste 325
Denver, CO 80202

Certified Mail Number: 7008 1830 0003 1984 6277

Bryon Bachschmid
1800 Hereford Blvd
Midland, TX 79707-9784

Certified Mail Number: 7008 1830 0003 1984 6260

L Neil Burcham & Marilyn J Burcham
665 La Melodia Drive
Las Cruces, NM 88011-7097

Certified Mail Number: 7008 1830 0003 1984 6253

Robert L Dale
15419 Peach Hill Road
Saratoga, CA 95070

M

Certified Mail Number: 7008 1830 0003 1984 6246

Alan R Hannifin
PO Box 8874
Denver, CO 80201-8874

Certified Mail Number: 7008 1830 0003 1984 6239

Josephine T Hudson
616 Texas Street
Fort Worth, TX 76102

Certified Mail Number: 7008 1830 0003 1984 6222

Jose E Rodriguez
PO Box 691168
Houston, TX 77269-1168

Certified Mail Number: 7008 1830 0003 1984 6215

Gene Shumate
PO Box 2473
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1984 6208

Carol Shumate
215 W Bandera Rd, Ste 114
Box 625
Boerne, TX 78006

Certified Mail Number: 7008 1830 0003 1984 6192

Thunderbolt Petroleum LLC
PO Box 10523
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1984 6185

Taurus Royalty LLC
% Robert B Payne Jr
PO Box 1477
Little Elm, TX 75068-1477

Certified Mail Number: 7008 1830 0003 1985 9390

Timothy Z Jennings
PO Box 1797
Roswell, TX 88203

Certified Mail Number: 7008 1830 0003 1985 9352

Vendetta Royalty Partners Ltd, Vendetta Royalty Mgmt LLC
General Partner, Robert A Helms, Mngr
PO Box 141638
Austin, TX 78714-1638

Certified Mail Number: 7008 1830 0003 1985 9314

Cieszinski Trust, U/T/A DTD 5/15/07
Drusilla C Cieszinski ttee
PO Box 3047
Roswell, NM 88202

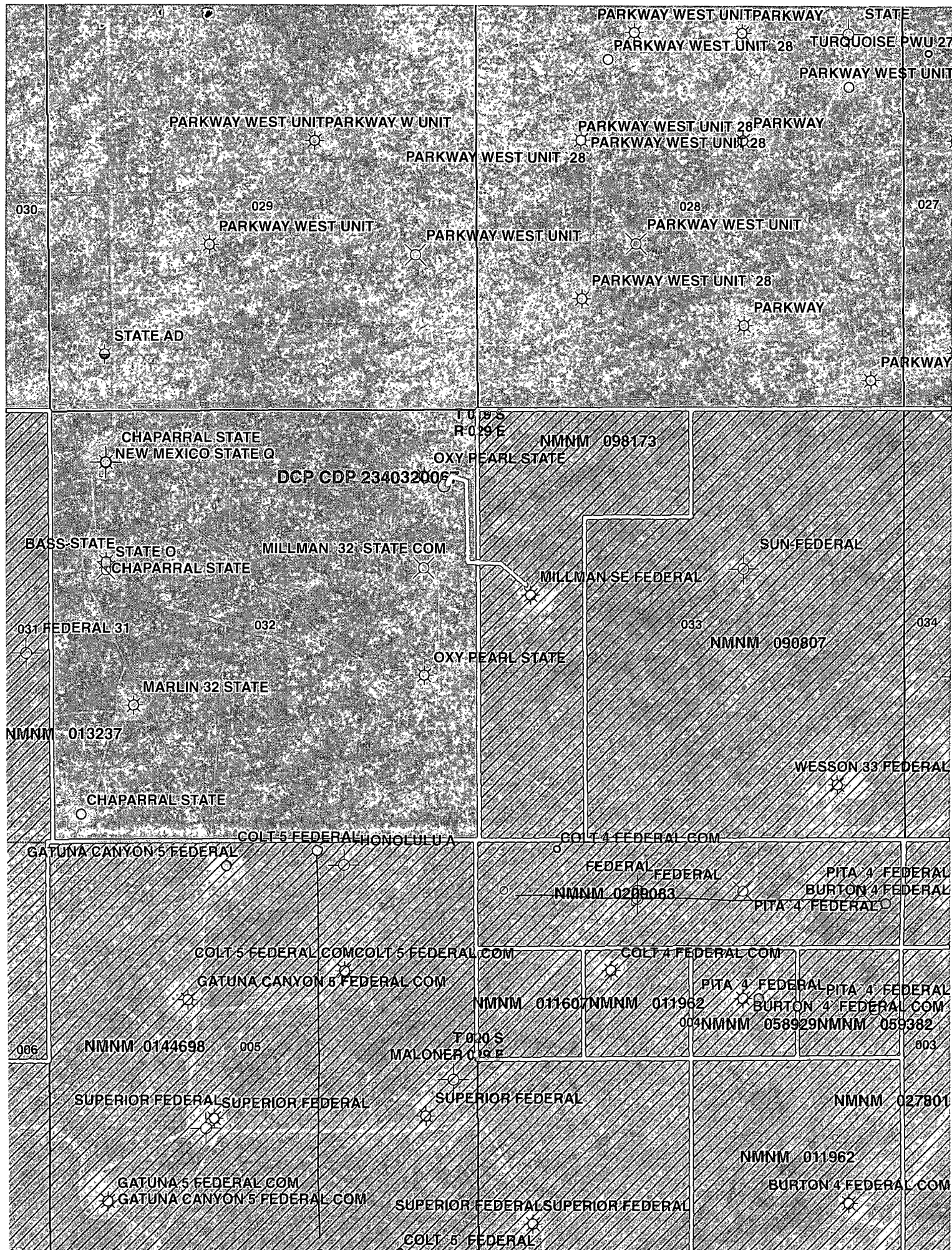
Certified Mail Number: 7008 1830 0003 1985 9321

Francis H Hudson, Trustee UTA 7984 Lindy's Living Trust
6300 Ridglea Pl, Suite 1005A
Fort Worth, TX 76116

Certified Mail Number: 7008 1830 0003 1985 9345

Coronet Trading Corporation
PO Box 218
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1985 9338



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

Off-Lease Measurement

Conditions of Approval

Approval of off-lease 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 Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
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 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 off-lease measurement 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.