

**APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL**

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CARLSBAD AREA HEADQUARTERS

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Devon Energy Corporation is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production (gas production only) from the following formations and wells on Federal Lease No. NM0405444, Lease name: Todd 23 Federal. Production from these wells is currently collected at a facility we will refer to in the remainder of this application as the Todd 23 CC battery, more specifically described below:

Well No.	Loc.	Sec.	Twp.	Rng.	Formation
23O #1	SE/4	23	T23S	R31E	Sand Dunes (Cherry Canyon)
23J #2	SE/4	23	T23S	R31E	Sand Dunes (Cherry Canyon)

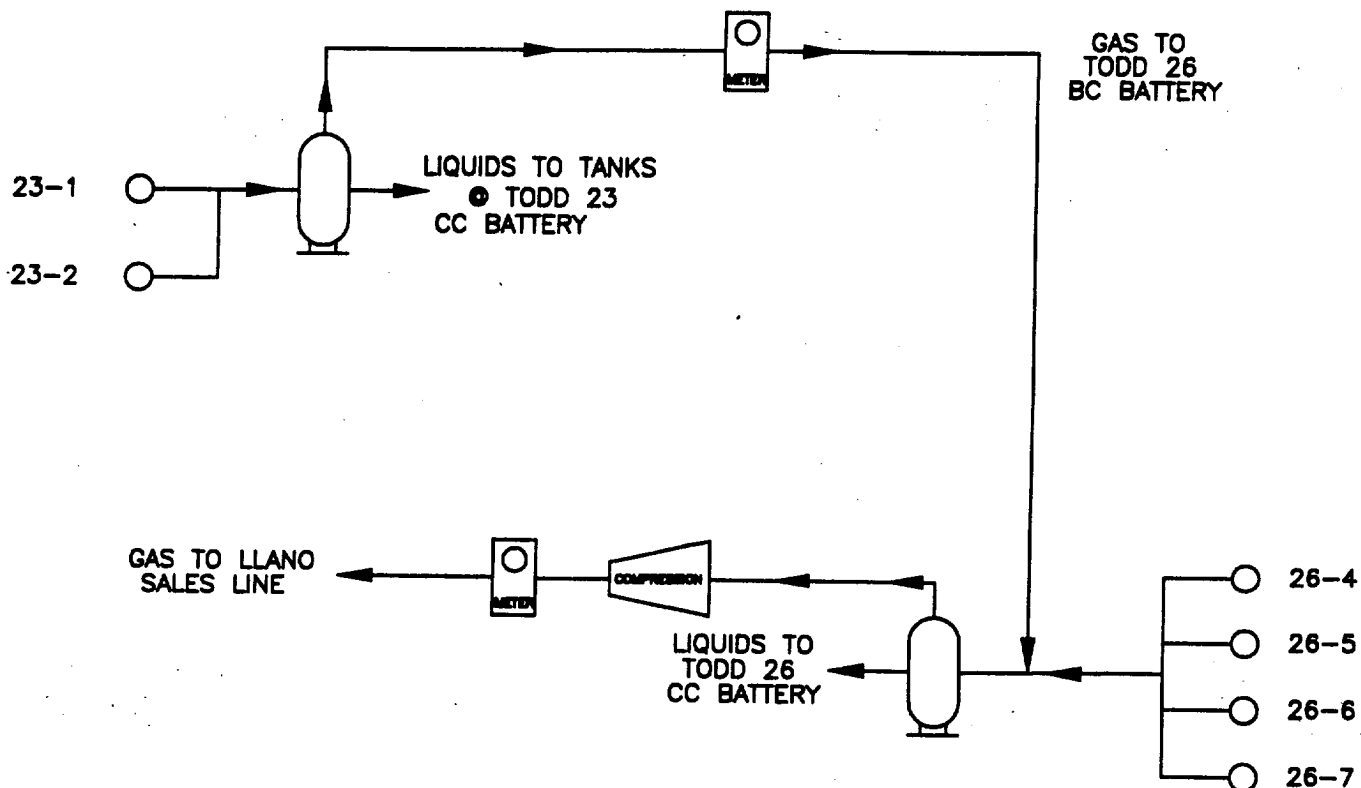
with hydrocarbon production (gas only) from the following formation and wells on Federal lease No. NM0405444-A; Lease Name: Todd 26 Federal. Production from these wells is currently collected at a facility we will refer to in the remainder of this application as the Todd 26 CC battery, more specifically described below:

Well No.	Loc.	Sec.	Twp.	Rng.	Formation
26B #4	NE/4	26	T23S	R31E	Sand Dunes (Cherry Canyon)
26J #5	SE/4	26	T23S	R31E	Sand Dunes (Cherry Canyon)
26A #6	NE/4	26	T23S	R31E	Sand Dunes (Cherry Canyon)
26O #7	SE/4	26	T23S	R31E	Sand Dunes (Cherry Canyon)

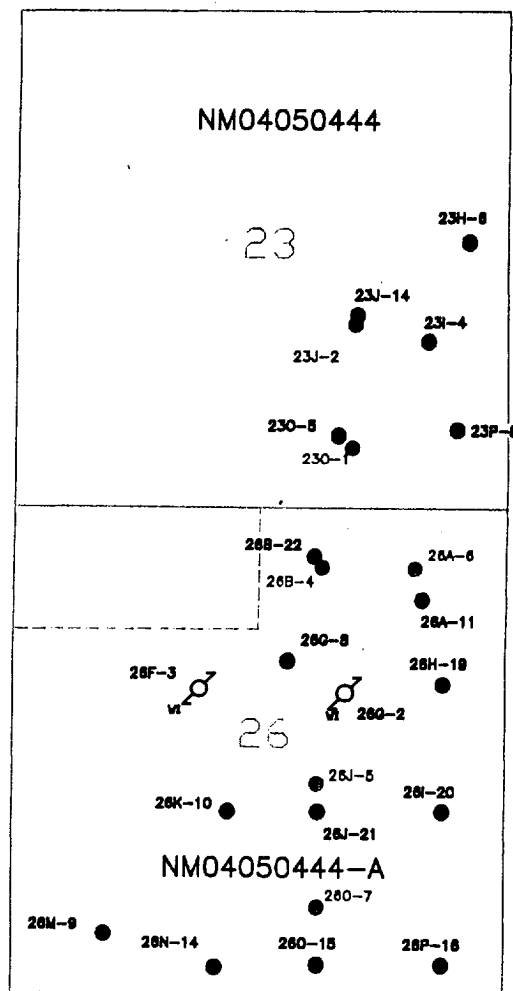
Gas production from the wells in section 23 is currently vented, and gas from the wells in section 26 is sold through a meter at that location. No recent tests are available for either the section 23 or section 26 Sand Dunes (Cherry Canyon) wells. A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram (Exhibit 1) is also attached which clearly identifies all equipment that will be utilized.

Process and Flow Description: Gas from the Cherry Canyon producers in section 23 is initially collected at the Todd 23 CC battery, located at the pad site of the Todd "23O" Federal #1 well in the SE/4, Sec. 23, T23S, R31E, on lease no. NM0405444, Eddy county, New Mexico. The storage and measuring facility where commingling of



T 23 S
R 31 E



● CHERRY CANYON WELL

● BRUSHY CANYON WELL



23-26	

SAND DUNES AREA
 EDDY COUNTY, NEW MEXICO

SEC. 23 & 26

Scale in Feet
 1000 0 1000 2000 3000 4000

K. GRAY 10/98