

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1 S. 1st Street
Artesia, NM

2834 FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other -----

2. Name of Operator

DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.

20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 1980' FWL Unit "N" Section 25-T23S-R31E, Eddy County, NM

5. Lease Designation and Serial No.

NM-NM0544986

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Todd 25 "N" Federal #14

9. API Well No.

30-015-28859

10. Field and Pool, or Exploratory Area

Ingle Wells (Delaware)

11. County or Parish, State

Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Surface Commingle CC & BC

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

In August, 1998, Devon Energy Corporation (Nevada) plans to recompleteness this well to a Cherry Canyon zone. BLM approval to surface commingle Cherry Canyon and Brushy Canyon production is requested. If after recompleteness this well is proved commercial, it is planned to produce the hydrocarbons and water from the Cherry Canyon zone to a common battery. That battery being the Todd 25 Federal Brush Canyon Battery located in Unit letter "F", Section 25-T23S-R31E. Production volumes will be allocated back to each well based on monthly production tests of each well in the section as is the current standard. Attached please find compatibility tests of Cherry Canyon and Brushy Canyon Oil and Water. Please note that no significant problems were seen in the tests as a result of commingling production. There should not be any detrimental affects on production as a result of this action.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Signed

Walter M. Frank

Title District Engineer

Date 8/21/98

(This space for Federal or State office use)

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

AUG 25 1998

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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 to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

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660' FSL & 1980' FWL Unit N Section 25-T23S-R31E, Eddy Cnty, NM

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6. If Indian, Allottee or Tribe Name

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7. If Unit or CA, Agreement Designation

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8. Well Name and No.

TODD "25N" Federal #14

9. API Well No.

30-015-28859

10. Field and Pool, or Exploratory Area

Ingle Wells (Delaware)

11. County or Parish, State

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☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

In August, 1998, we plan to workover the Todd "25N" Federal #14. Attached please find our proposed procedure including current and proposed well bore schematics.

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

Candace R. Graham

Signed Candace R. Graham

Title Engineering Technician

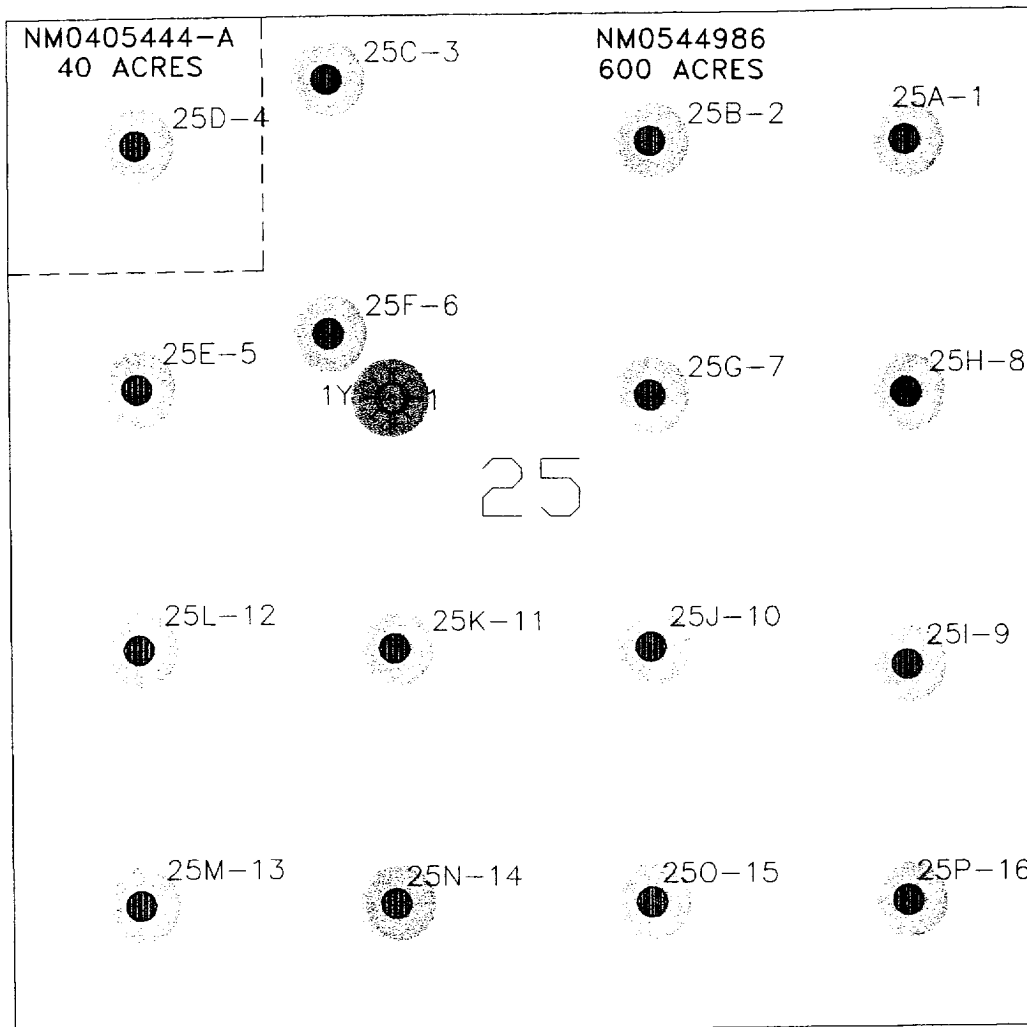
Date July 29, 1998

(This space for Federal or State office use)

Approved by (ORIG. SGD.) GARY GOURLEY

PETROLEUM ENGINEER

Date AUG 06 1998



DEVON WELL STATUS



GAS



SALTWATER DISPOSAL



BRUSHY CANYON



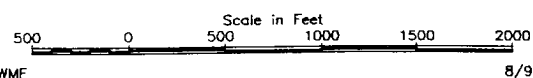
CHERRY CANYON

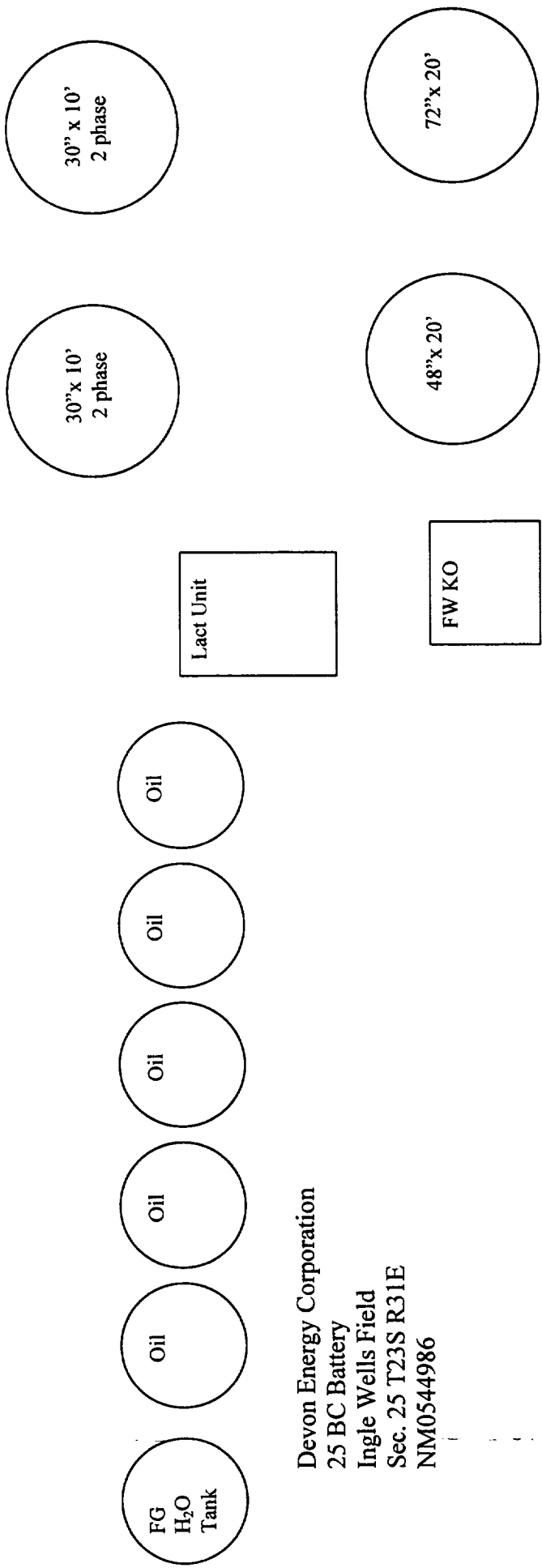
D	C	B	A
E	F	G	H
L	K	J	I
M	N	O	P



TODD AREA
EDDY COUNTY, NEW MEXICO

SEC. 25-T23S-R31E
PRODUCTION MAP





* For further detail see subject batteries site security diagram.

Section 25 Brushy Canyon Producers
Most Recent Production Tests

<u>Well #</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>
1	33	67	335
2	50	95	150
3	12	85	108
4	43	98	106
5	9	76	26
6	9	70	138
7	40	92	156
8	11	62	47
9	12	93	80
10	16	101	154
11	15	96	265
12	34	116	115
13	8	60	23
14	14	100	325
15	36	98	138
16	33	110	395

Ingle Wells Field (Brushy Canyon)

Section 25 Battery

Oil Gravity 37.6° API

Gas BTU Content 1.254 MMBTU/Mcf

Sand Dunes Field (Cherry Canyon)

Section 26 Battery

Oil Gravity 34.7° API

Gas BTU Content 1.306 MMBTU/Mcf

(Please see following pages)

1. *Phragmites australis* (Cav.) Trin. ex Steud. (Common reed)

Figure 1. The effect of the concentration of the Ca^{2+} solution on the Ca^{2+} uptake by *Chlorella* sp. (1000 cells mL^{-1}) in the presence of Ca^{2+} and Mg^{2+} ions. The Ca^{2+} uptake was measured after 24 h of incubation. The Ca^{2+} concentration in the medium was 0.01, 0.05, 0.1, 0.5, 1, 5, and 10 mM . The Mg^{2+} concentration in the medium was 0.01, 0.05, 0.1, 0.5, 1, 5, and 10 mM . The Ca^{2+} uptake was measured after 24 h of incubation. The Ca^{2+} concentration in the medium was 0.01, 0.05, 0.1, 0.5, 1, 5, and 10 mM . The Mg^{2+} concentration in the medium was 0.01, 0.05, 0.1, 0.5, 1, 5, and 10 mM .

DEVON ENERGY Operating Limited Partnership
P.O. Box 4666 Houston, TX 77210-4666 (713)993-5900

CRUDE OIL PURCHASE STATEMENT

Lease: 5063361
Lease Name: TODD 26 (SAND DUNE)
County, State: EDDY, NM
Field: SAND DUNES (CHRY CNYN)

Statement Month: 06/98
Date of Report: 07/07/98

264950 DEVON ENERGY CORPORATION
ATTN PRODUCTION DEPARTMENT
SUITE 1500
20 N BROADWAY
OKLA CITY, OK 73102-8202

Operator: 264950
DEVON ENERGY CORPORATION
ATTN PRODUCTION DEPARTMENT
SUITE 1500
20 N BROADWAY
OKLA CITY, OK 73102-8202

Date	Ticket Number	P P	Grav	Tank Number	Barrels	Allocated Barrels	Price	Gross Value	Tax	Net Value
06/05	101623		34.8	24354	479.98	479.98	12.079	5,797.68	.00	5,797.68
06/20	101648		34.7	24355	474.98	474.98	12.078	5,737.28	.00	5,737.28
06/98			CURRENT PROD MONTH		954.96	954.96		11,534.96	.00	11,534.96
06/98			MONTH TOTAL		954.96	954.96		11,534.96	.00	11,534.96
			GRAND TOTAL		954.96 ✓	954.96		11,534.96 ✓	.00	11,534.96

*****CUMULATIVE RUNS*****

06/98					954.96	954.96				
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PRODUCTION
JUL 13 1998
ACCOUNTING

LG & E Natural Gathering & Processing Co. Dallas, Texas

Gas Settlement Statement

Report Type: POP-Keepwhole

Statement Date: 07/16/1998 08:45:12 AM
Date of Flow: 6/ 1998

Contract ID: P-DEVONENERGY-T-01
POP Liquid %: 80.00
Meter ID: 00000650
Meter Name: TODD 26-4

Seller: DEVONENERGY
POP Residue %: 80.00
Recovery Allocation: Plant Alloc

Meter MCF	Meter Alloc Plant Inlet Gas MCF	Meter BTU Factor	Meter GPM	Seller Share %	Seller Meter Share MCF	Seller Meter MMBTU	Seller Fuel Loss MMBTU	Seller Liquid Shrink MMBTU	Seller Residue Gas MMBTU
4,820	4,498	1.306	100.00		4,820	6,295	522	2,782	2,991

Component	Mol Percent	Meter GPM	Meter Test Gallons	Seller Share Test Gallons	Seller Share Recovered Gallons	NGL Sales Price FOB Plant \$/Gal	Seller Share Gross Liquid Value \$	Seller Share Net Liquid Value \$	Seller Share Liquid Shrink MMBTU
C1 METHANE	65.8000	0.000	0	0	0	0.00000	\$0.00	\$0.00	0
C2 ETHANE	12.4700	3.326	14,960	14,960	11,699	0.12427	\$1,453.92	\$1,163.13	776
C3 PROPANE	8.3200	2.288	10,291	10,291	10,136	0.19632	\$1,989.83	\$1,591.87	928
CO2 CARBON DIOXIDE	0.0500	0.000	0	0	0	0.00000	\$0.00	\$0.00	0
IC4 ISO-BUTANE	1.2900	0.420	1,889	1,889	1,774	0.24288	\$430.89	\$344.71	177
N2 NITROGEN	6.9500	0.000	0	0	0	0.00000	\$0.00	\$0.00	0
NC4 NORMAL BUTANE	2.4500	0.771	3,468	3,468	3,395	0.23839	\$809.34	\$647.47	352
NG NATURAL GASOLINES	2.6700	1.029	4,628	4,628	4,628	0.27734	\$1,283.63	\$1,026.91	549
	100.0000	7.834	35,237	35,237	31,633		\$5,967.61	\$4,774.09	2,782

Residue Gas Price (\$/MMBTU):	\$1.8600	Seller Gross Residue Gas Value (\$):	\$5,563.91	Seller Net Residue Gas Value (\$):	\$4,451.12
				Seller Net Liquid Value (\$):	4,774.09
				Seller Share of Fees (\$):	\$0.00

Keepwhole Residue Gas Price (\$/MMBTU):	\$1.8600	Seller Gross Keepwhole Gas Value (\$):	\$10,737.74	Seller Net Residue Keepwhole Gas Value (\$):	\$9,127.08
				Seller Share of Fees (\$):	\$0.00
				Total Seller Net Keepwhole Proceeds:	\$9,127.08
				Value Paid to Seller under Keepwhole/Percent of Proceeds Settlement:	\$9,225.21

Total Seller Net Proceeds: \$9,225.21

**Guidelines for Off-Lease Measurement,
Storage, and Surface Commingling Approvals**

Item #5 The proposed method of measuring and allocating production for each lease involved is:

As is currently the case, the Ingle Wells (Delaware) Brush Canyon production from all 16 wells in Section 25 now goes to a common battery located at Unit letter "F" in Section 25. Located at the battery there is a test heater treater and separator along with a production heater treater and separator. Each well is tested at approximately 30-day intervals. Total production is allocated back to each well based on these tests.

If the 25-14 Cherry Canyon interval is allowed to be surface commingled with the Brushy Canyon intervals then the same measuring and allocation procedure will be used.

August 20, 1998

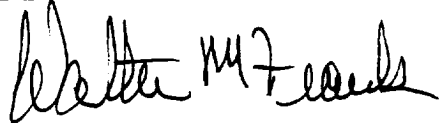
STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division, District II
2040 South Pacheco
Santa Fe, NM 87505

Re: Intent to Surface Commingle Production
Todd 25 Cherry Canyon
Todd 25 Brush Canyon
Sec. 25-T23S-R31E
Eddy County, New Mexico

This is to inform you, per BLM regulations, of our intention to surface commingle production from the referenced pools. We have attached a copy of our application to the BLM. Please note that the planned method of allocating production to this well is based on periodic well tests. We have also notified the NMOCD of our intentions in this matter.

We anticipate production from the Cherry Canyon formation. If proved commercial, it is planned to produce the hydrocarbons and water from the Cherry Canyon zone to the Todd 25 Federal Brush Canyon battery located in Unit letter "F", Section 25-T23S-R31E. Please advise if this proposal does not meet with your approval.

Sincerely,
DEVON ENERGY CORPORATION



Walter M. Frank
District Engineer

/kdc
Enclosures

Copy: NMOCD in Artesia, WIO's, DEC Field Office, WF, files

**Guidelines for Off-Lease Measurement,
Storage, and Surface Commingling Approvals**

Item #7 Evidence that Federal or Indian royalties will not be reduced through approval of the application.

As is currently the case the Ingle Wells (Delaware) Brush Canyon production from all 16 wells in Section 25 now goes to a common battery located at Unit letter "F" in Section 25. Located at the battery there is a test heater treater and separator along with a production heater treater and separator. Each well is tested at approximately 30-day intervals. Total production is allocated back to each well based on these tests.

If the 25-14 Cherry Canyon interval is allowed to be surface commingled with the Brushy Canyon intervals then the same measuring and allocation procedure will be used.

Basically, excepting the formation change, there will be no change in the production method, testing method, or allocation method upon completion of the 25-14 to the Cherry Canyon. Therefore there can be no reduction of Federal royalties.

**Guidelines for Off-Lease Measurement,
Storage, and Surface Commingling Approvals**

- Item #8 Detailed economic justification, when the application to combine production is based on economic necessity.

This application is not based on economic justification, it is based on prudent operational considerations and has the additional benefit of minimizing the impact upon federal lands in Section 25. If this application is denied then our only recourse is to enlarge the location pad of the Todd 25 "N" Federal #14 to accommodate a single well battery. By enlarging this location we will have to disturb land that has already been reseeded and has new growth. Devon Energy Corporation (Nevada) hopes not to have disturb this land and with the granting of this application will not have to.

Attachment 16 (E)

Wally Franks
Devon Energy
Oklahoma City, Ok.

Dear Sir,

The oil from the Todd 26-5 and the Todd 36-4 was tested for compatibility per your request. I mixed the oil from these wells in ratios of 25%, 50% and 75%.

Both of these wells currently have an emulsion problem. We are currently treating both of these wells on a continuous basis for emulsion.

After mixing the oil in these ratios I didn't see any problems other than the fact that there was still an emulsion of 1.0% to 3.0%.

I received the water analysis today and faxed you a copy of them. The two waters don't seem to be a problem to mix. The analysis showed that these waters when mixed do not cause any more of a scale problem than the well water from only one of the wells.

If you have any more questions please do not hesitate to call me at 505-370-3934.

Thank you,

Curry Pruitt
Account Manager
Baker Petrolite



Baker Petrolite / 3900 Essex Lane, Suite 300 / Houston, TX 77027-5133 USA / Phone: (713) 599-7400 Fax: (713) 599-7520

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