

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side

5 Lease Serial No
SF 079060

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NEBU 4M

9 API Well No
30-039-30072

10. Field and Pool, or Exploratory Area
Blanco Mesaverde/Lajara PC

11. County or Parish, State
Rio Arriba, NM

1 Type of Well
 Oil Well Gas Well Other **UT 17 2007**

2 Name of Operator
Devon Energy Production Company, L.P.

3a Address
PO Box 6459, Navajo Dam, NM 87419

3b Phone No (include area code)
405-552-7917

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
**SL - 1,800' FNL & 2,610' FWL, SE NW, Unit F, Sec. 21-T30N- R7W
BHL - 1,963' FNL & 1,952' FWL, SE NW, Unit F, Sec. 21-T30N- R7W**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 Tubing Depth
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 Company would like to request approval to down-hole commingle production from the Blanco Mesaverde and Lajara Pictured Cliffs zones at an unspecified future date. Please refer to the attached exhibits.

RCVD OCT 19 '07
OIL CONS. DIV.
DIST. 3

Not pre-approved Pool combo. No order -11-19-07

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Melisa Castro** Title **Senior Staff Operations Technician**

Signature *[Signature]* Date **October 15, 2007**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Joe Hewitt** Title **Geo** Date **10-18-07**

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 **FF0**

Title 18 USC Section 1001 and Title 43 USC 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)



ENERGY PRODUCTION COMPANY, L.P.

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone: (405) 235-3611
Facsimile: (405) 552-1357

October 15, 2007

IN RE: Permit to Down hole Commingle
NEBU #4M, API # 30-039-30072
SE NW 1,800' FNL & 2,610' FWL
Sec. 21, T30N, R7W
Rio Arriba County, New Mexico

VIA CERTIFIED MAIL
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Attn: Steve Henke

Dear Mr. Henke:

Devon Energy Production Company, L.P., in accordance with the New Mexico Oil Conservation Division Rule 303.C governing down hole commingling, wishes to notify your office of our intent to down hole commingle the Blanco-Mesaverde and Pictured Cliffs pools in the above captioned well.

To this end, please refer to the following attachments:

- Copy of NMOCD form C-103, with all attachments
- Copy of notification to working interest owners
- List of names and addresses of working interest owners in each pool

Please direct any inquiries regarding this matter to the undersigned at (405) 552-7917.

Sincerely,
DEVON ENERGY PRODUCTION COMPANY, L.P.

Melisa Castro
Senior Staff Operations Technician

ATTACHMENTS TO APPLICATION TO DOWNHOLE COMMINGLE

The following information is being provided as supporting data for application to down hole commingle production from the following well:

Well: NEBU 4M
Location: SE NW, Sec. 21, T30N, R7W
Rio Arriba County, New Mexico

1. Case # 12346, Order # R-11363 establishes the two subject pools as pre-approved for commingling.
2. The pools to be commingled are the Lajara Pictured Cliffs (96199) and the Blanco Mesaverde (72319).
3. The subject well is presently completed in both zones flowing and measured separately. The perforated interval in the Pictured Cliffs pool being 3,293' – 3,375'. The perforated interval in the Blanco-Mesaverde pool being 5,062' - 5,788'.
4. Commingling will not reduce the value of the total remaining production in this well. Produced waters from both the Blanco-Mesaverde and the Pictured Cliffs have been found to be compatible, with no evidence of scaling problems on tubules, or of precipitate fill in the well bore. The increased volume of gas flowing up the tubing will facilitate the well's ability to unload itself, thus increasing production and reducing potential operational problems.
5. Notice has been sent to all interest owners in the spacing unit by certified mail (return receipt) of Devon Energy's intent to down hole commingle production. A copy of this notice and a list of all working interest owners are attached.
6. A copy of this notice of intent to down hole commingle has been sent to the Bureau of Land Management.

October 15, 2007

IN RE: Permit to Down hole Commingle
NEBU #4M, API # 30-039-30072
SE NW 1,800' FNL & 2,610' FWL
Sec. 21, T30N, R7W
Rio Arriba County, New Mexico

VIA CERTIFIED MAIL
To all Working Interest Owners:

In accordance with the New Mexico Oil Conservation Division Rule 303.C governing down hole commingling, you are hereby notified that Devon Energy Production Company, L.P., as operator of the above-captioned well, intends to down-hole commingle production from the Pictured Cliffs and Blanco Mesaverde pools. These pools are pre-approved for commingling by the State of New Mexico Oil Conservation Division of the Energy, Minerals and Natural Resources Department. As such Devon Energy is required to submit application to the OCD on form C-103 (Sundry Notice) of our intent to commingle the two zones.

The Pictured Cliffs and Blanco-Mesaverde will be completed and tested simultaneously to establish a production potential. The production from the Pictured Cliffs and the Blanco-Mesaverde will be allocated on a production trend based formula which has been approved by the NMOCD. A "Method of Allocation" explanation has been enclosed with this notice.

Please direct inquiries regarding this matter to the undersigned at (405) 552-7917

Sincerely,
DEVON ENERGY PRODUCTION COMPANY, L.P.



Melisa Castro
Senior Staff Operations Technician

Method of Allocation

Devon Energy recommends the following procedure to allocate downhole commingled production between the Blanco-Mesaverde and the Lajara Pictured Cliffs pools within the Northeast Blanco Unit:

- The Mesaverde and Lajara Pictured Cliffs formations will be completed simultaneously.
- A single 2-3/8" tubing string will be run in the well, with a packer isolating the two horizons.
- The Mesaverde completion will be produced up the tubing string.
- The Lajara Pictured Cliffs completion will be produced up the 2-3/8" x 4-1/2" annulus.
- Production from each zone will be measured separately using a 3 phase metering device prior to flowing through a mutual production separator. Total well stream gas will be measured using a conventional orifice plate meter tube located downstream of the production separator.
- The completions will be flow tested separately for approximately 90 days to establish a stabilized rate and trend.
- Following the testing period the packer will be removed and the two pools will be downhole commingled. Total well production will flow through common surface facilities and total produced gas will be measured.
- Production will be allocated between the Mesa Verde and Lajara Pictured Cliffs intervals by applying the variable percentage schedule to the daily total well production.

The Variable Percentage Schedule was derived using Mesa Verde and Lajara Pictured Cliffs production type curves. These type curves were generated by normalizing production data from surrounding wells. The variable percentage schedule is required due to the dissimilar decline trends exhibited by the Mesa Verde and Lajara Pictured Cliffs. Figure 1 depicts a typical Mesa Verde – Lajara Pictured Cliffs production allocation. The actual percentages will vary from well to well, depending on well productivity.

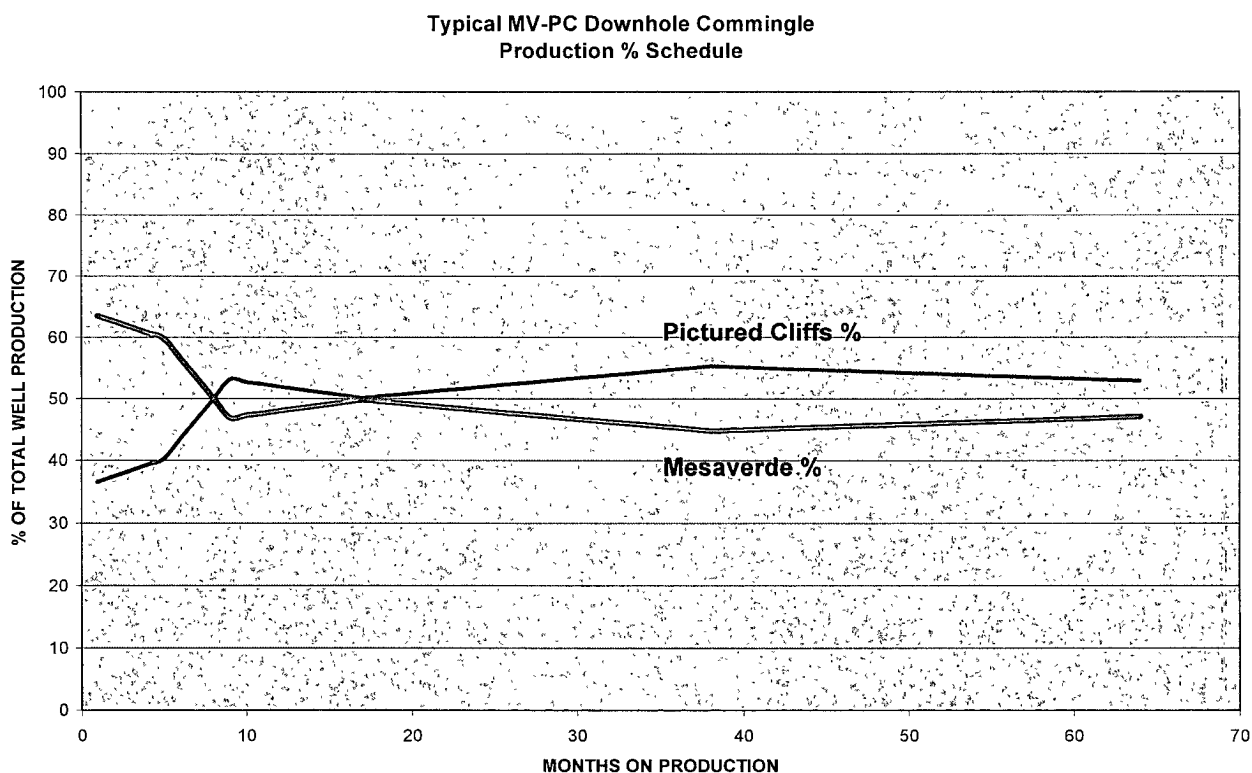


Figure 1