

| | | | | | |
|------------------|----------|--------------------|--------------------|---------|------------------------|
| DATE IN 10/21/13 | SUSPENSE | ENGINEER <i>JB</i> | LOGGED IN 10/21/13 | TYPE PC | APP NO. PPRG1329458833 |
|------------------|----------|--------------------|--------------------|---------|------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



PC-1266

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 _____

Devon
5 wells
Slider 8 Fed #1H
30-015-38242
Slider 8 Fed #2H
30-015-38281
Slider 8 Fed #3H
30-015-38272
Slider 8 Fed #4H
30-015-38243
Chimayo #1
30-015-29475

[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.

Erin Workman
 Print or Type Name

Erin Workman
 Signature

Regulatory Compliance Assoc.
 Title

10.10.13
 Date

Erin.Workman@dmv.com
 E-mail Address



RECEIVED OGD

2013 OCT 21 P 2:51

Devon Energy Production Company
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405)-552-7970
Erin.Workman@devon.com

October 11, 2013

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

Re: Pool Commingle
Slider 8 Federal 1H, Slider 8 Federal 2H, Slider 8 Federal 3H, Slider 8 Federal 4H, & Chimayo #1
API: 30-015-38242, 30-015-38281, 30-015-38272, 30-015-38243, & 30-015-29475
Sec 8-T2SS-R29E
Lease NMNM99147
Willow Lake; Bone Spring, Southeast Pool Code: 96217
Eddy County, NM

Dear Mr. Ezeanyim:

Please find attached an amendment to the previously approved OLM -68. I would like to add the Chimayo #1 to this application. Attached are the OCD Form C-103 and approved BLM Form 3160-5 Sundry Notice of Intent for a Pool Commingle. The working, royalty, and overriding royalty interest owners are identical; no additional notification is required.

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)-552-7970.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Erin Workman
Regulatory Compliance Associate

Enclosures

**APPLICATION FOR POOL COMMINGLE
AMEND OLM-68-0**

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

Pool Commingling proposal for Slider & Chimayo:

Devon Energy Production Company, LP is requesting approval to add the Chimayo #1 to the existing surface commingle, off-lease storage and off-lease measurement of production from the Willow Lake; Bone Spring, Southeast previously approved by the BLM 08/24/2012 and approved by the NMOCD under OLM-68-0.

| Federal Lease: NMNM99147 | | | | | Oil | | |
|--------------------------|-----------------------|--------------|-------------|------|---------|-------|--------|
| Well Name | Location | API # | Pool 96217 | BOPD | Gravity | MCFPD | BTU |
| Slider 8 Federal 1H | NWSE Sec. 8-T25S-R29E | 30-015-38242 | Bone Spring | 8 | 46 | 212 | 1077.4 |
| Slider 8 Federal 2H | NWSE Sec. 8-T25S-R29E | 30-015-38281 | Bone Spring | 3 | 47 | 150 | 1096.5 |
| Slider 8 Federal 3H | NWSE Sec. 8-T25S-R29E | 30-015-38272 | Bone Spring | 3 | 44 | 124 | 1096.3 |
| Slider 8 Federal 4H | SWSE Sec. 8-T25S-R29E | 30-015-38243 | Bone Spring | 8 | 47 | 100 | 1100.7 |

| Federal Lease: NMNM99147 | | | | | Oil | | |
|--------------------------|-----------------------|--------------|-------------------------------------|------|---------|-------|--------|
| Well Name | Location | API # | Pool 96846 | BOPD | Gravity | MCFPD | BTU |
| Chimayo #001 | Sec. 8-SWSE-T25S-R29E | 30-015-29475 | Corral Draw, Wolfcamp, North (G) | 11.5 | 45 | 46 | 1087.1 |

Oil & Gas metering:

The central tank battery is located at the Slider 8 Fed 4H located SWSE of Sec. 8-T25S-R29E on Federal Lease NM-99147 in Eddy County, New Mexico. A common gas sales meter associated with a DCP Central Delivery Point (CDP) #725070-00 is located in NW corner of Section 16-T25S-R29E in Eddy County, NM. The oil and water hydrocarbon production from the Slider 8 Federal 1H, 2H, 3H, 4H, and Chimayo #1 will be commingled, measured, and sold off-lease; using the Well Test Method.

Oil, gas, and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility, so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas, and water. Well tests for each well will be conducted at least once per month, for a minimum of 24 hours each well.

These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which displays the lease boundaries, location of wells, facility, and gas sales meter. The commingling of this production is the most effective, economic means of producing the reserves 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. ROW approved; RW-32177 approved on 02/08/2011, NM-126202 approved on 04/08/2011, and ROW NM-125877 was granted on 02/12/2011, amended on 12/05/2012.

The working, royalty, and overriding ownership in the Slider and Chimayo lease is uniform, so no additional notification is necessary.

Signed: 

Printed Name: Erin Workman

Title: Regulatory Compliance Associate

Date: 10.11.13

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, 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 Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|----------------------------|--|--|
| API Number 30-015-38242 | Pool Code 90217 | Pool Name WILLOWLAKE; BONE SPRING SOUTHEAST |
| Property Code 38360 | Property Name SLIDER "8" FEDERAL | Well Number 1H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 2965' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 8 | 25 S | 29 E | | 2326 | SOUTH | 1575 | EAST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 8 | 25 S | 29 E | | 2223 | SOUTH | 330 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. |
|------------------------|-----------------|--------------------|-----------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|---|--|
| <p>N 419196 5100 E 630758 6660</p> <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°08'36.99" Long - W 104°00'51.02" NMSPCE - N 416126.944 E 640119.646 (NAD-83)</p> <p>N 416553 9280 E 639798 3150</p> <p>330' BH</p> <p>2220'</p> <p>N 413910 480 E 639798 715</p> <p>3416.2'</p> <p>2964.9'</p> <p>2946.3'</p> <p>1575'</p> <p>2963.9'</p> <p>2953.4'</p> <p>2326'</p> <p>PP: 2263 FSL & 1324 FEL</p> <p>N 413682 0340 E 642453 5130</p> <p>N 413853 5730 E 645119 5070</p> <p>RECEIVED JUL 26 2011 NMOCD ARTESIA</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date 07/27/11</p> <p>Judy A. Barnett Printed Name Regulatory Specialist</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed _____ Signature & Seal of Professional Surveyor _____</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p> |
|---|--|

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, 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 DepartmentForm C-102
Revised October 15, 2009Submit one copy to appropriate
District OfficeOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-----------------------------------|---|---|
| API Number 30-015-38281 | Pool Code 96217 | Pool Name Willow Lake; AS, SE |
| Property Code 38360 | Property Name SLIDER "8" FEDERAL | Well Number 2H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 2965' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 8 | 25 S | 29 E | | 1690 | SOUTH | 1385 | EAST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| L | 8 | 25 S | 29 E | | 1664 | SOUTH | 330 | WEST | EDDY |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|--|---|---|
| <p>N 419196 5160 E 630788 6550</p> <p>RECEIVED JUL 26 2011 NMOCD ARTESIA</p> <p>PROPOSED BOTTOM HOLE LOCATION Lot - N 32°08'31.35" Long - W 104°00'09.12" NMSPCE- N 415556.947 E 640121.457 (NAD-83)</p> <p>N 415553 9280 E 639780 3150</p> <p>330' B.H.</p> <p>1650'</p> <p>CALC</p> <p>N 413910 489 E 639796 715</p> | <p>N 419157 1970 E 645102 6250</p> <p>SURFACE LOCATION Lot - N 32°08'31.26" Long - W 104°00'09.12" NMSPCE- N 415558.533 E 643723.036 (NAD-83)</p> <p>2964.8' 2936.9' 1385' 2965.1' 2963.4' 1690'</p> <p>PP: 1773 FSL & 1033 FEL</p> <p>N 413853 5730 E 645110 5070</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 7/22/11 Signature Date</p> <p>Printed Name _____ Regulatory Specialist</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed _____ Signature & Seal of Professional Surveyor <i>[Seal: Gary L. Jones, New Mexico Professional Surveyor 7977]</i></p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p> |
|--|---|---|

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, 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 Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|----------------------------|--|--|
| API Number 30-015-38272 | Pool Code 96217 | Pool Name WILLOWLAKE; BONE SPRING SOUTHEAST |
| Property Code 38340 | Property Name SLIDER "8" FEDERAL | Well Number 3H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 2965' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 8 | 25 S | 29 E | | 1640 | SOUTH | 1385 | EAST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| M | 8 | 25 S | 29 E | | 1049 | SOUTH | 330 | WEST | EDDY |
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|---|---|
| <p>W 418°36' 51.60 E 633°79' 66.90</p> <p>N 416°53' 02.80 E 639°08' 31.50</p> <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°08' 24.82" Long - W 104°00' 51.01" NMSPCE - N 414896.950 E 640123.552 (NAD-83)</p> <p>330' B.H.</p> <p>365.1'</p> <p>2964.8'</p> <p>2936.9'</p> <p>2965.1'</p> <p>2963.4'</p> <p>1385'</p> <p>640'</p> <p>PP: 1272 FSL & 1353 FEL</p> <p>4139°10' 48.9 E 635°79' 71.5</p> <p>413882 0340 E 642453 5130</p> <p>413853 3156 E 645110 5070</p> <p>RECEIVED JUL 26 2011 NMOCD ARTESIA</p> <p>SURFACE LOCATION Lat - N 32°08' 30.62" Long - W 104°00' 09.10" NMSPCE - N 415493.570 E 643725.529 (NAD-83)</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Judy A. Barnett</i> 22/11 Signature Date</p> <p>Judy A. Barnett Printed Name Regulatory Specialist</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><i>GARY L. JONES</i> Signature Seal of Professional Surveyor 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p> |
|---|---|

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|--|---|
| ¹ API Number 30-15-38243 | ² Pool Code 96217 | ³ Pool Name WILLOWLAKE; BONE SPRING SOUTHEAST |
| Property Code 38360 | ⁵ Property Name SLIDER 8 FEDERAL | ⁶ Well Number 4H |
| ⁷ OGRID No. 6137 | ⁸ Operator Name Devon Energy Production, Company L. P. | ⁹ Elevation 2970' |

¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|--------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot no. O | Section 8 | Township T25S | Range R29E | Lot Idn | Feet from the 225 | North/South line SOUTH | Feet from the 1868 | East/West line EAST | County EDDY |
|--------------------|--------------|------------------|---------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot no. M | Section 8 | Township T25S | Range R29E | Lot Idn | Feet from the 417 | North/South line SOUTH | Feet from the 330 | East/West line WEST | County EDDY |
| ¹² Dedicated Acres 160 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. | | | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| | |
|--|--|
| | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Judy A. Barnett</i> 8/24/12 Signature Date</p> <p>Judy A. Barnett Regulatory Specialist Printed Name</p> <p>Judith.Barnett@dm.com E-mail Address</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><i>on file</i> Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> |
| | <p>Certificate Number</p> |
| | |



Ken Gray
Senior Advisor, Land

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 552-4633
Fax: (405) 552-8113

December 13, 2012

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Off Lease Gas Measurement and Sales
Section 8-T25S-R29E
Eddy County, New Mexico

Gentlemen:


I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the wells listed below and the associated federal oil and gas lease NM-99147 and find that the ownership of the working interest, royalty and overriding royalty interests are uniform with respect to Devon's application for Off Lease Gas Measurement and Sales from the following pool, insofar as such pool covers the following wells:

| | | |
|----------------------|-------------------|---|
| Slider 8 Federal #1H | API: 30-015-38242 | Willow Lake Bone Spring SE Pool (96217) |
| Slider 8 Federal #2H | API: 30-015-38281 | Willow Lake Bone Spring SE Pool (96217) |
| Slider 8 Federal #3H | API: 30-015-38272 | Willow Lake Bone Spring SE Pool (96217) |
| Slider 8 Federal #4H | API: 30-015-38243 | Willow Lake Bone Spring SE Pool (96217) |
| Chimayo Unit #1 | API: 30-015-29475 | Willow Lake Bone Spring SE Pool (96217) |

If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Ken Gray
Senior Advisor, Land

BAR 4
FEDERAL 1
XTO ENERGY

SUPERIOR-FEDERAL 81
BENNETT
J GLENN

**SUPERIOR 1
WILLS NEIL**

16
CHIMAYO
16' STATE
DEVON

Project Area
Devon Leases

This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.


 1:12,000
 GCS: North American 1983
 Datum: North American 1983

Made by: Daniel Slovacek
Made for: Erin Workman
Date: 8-27-13
County: Eddy, NM

rdm.com/work/USA/Corporate/Apps/App-Data/GIS/gis_data/01c_land/Fernian_Basin/
Area_Map/New_Mexico/Wild_EDOY/Wild_Project_Area_PlazaBlder_8_Chimayo.mxd

A horizontal number line with arrows at both ends. It is marked with major tick marks at 0, 100, 200, 300, 400, 500, 600, 700, 800, 900, and 1,000. The number 400 is specifically labeled below the tick mark.

Slider Chimayo PC

25S-29E

NMMA 0559 29

NMMA 0991 17

NMMA 0968 18

EDDY
COUNTY

NMMA 0130 3

9

17

16

Chimayo #1

Slider 8 Fed 2H

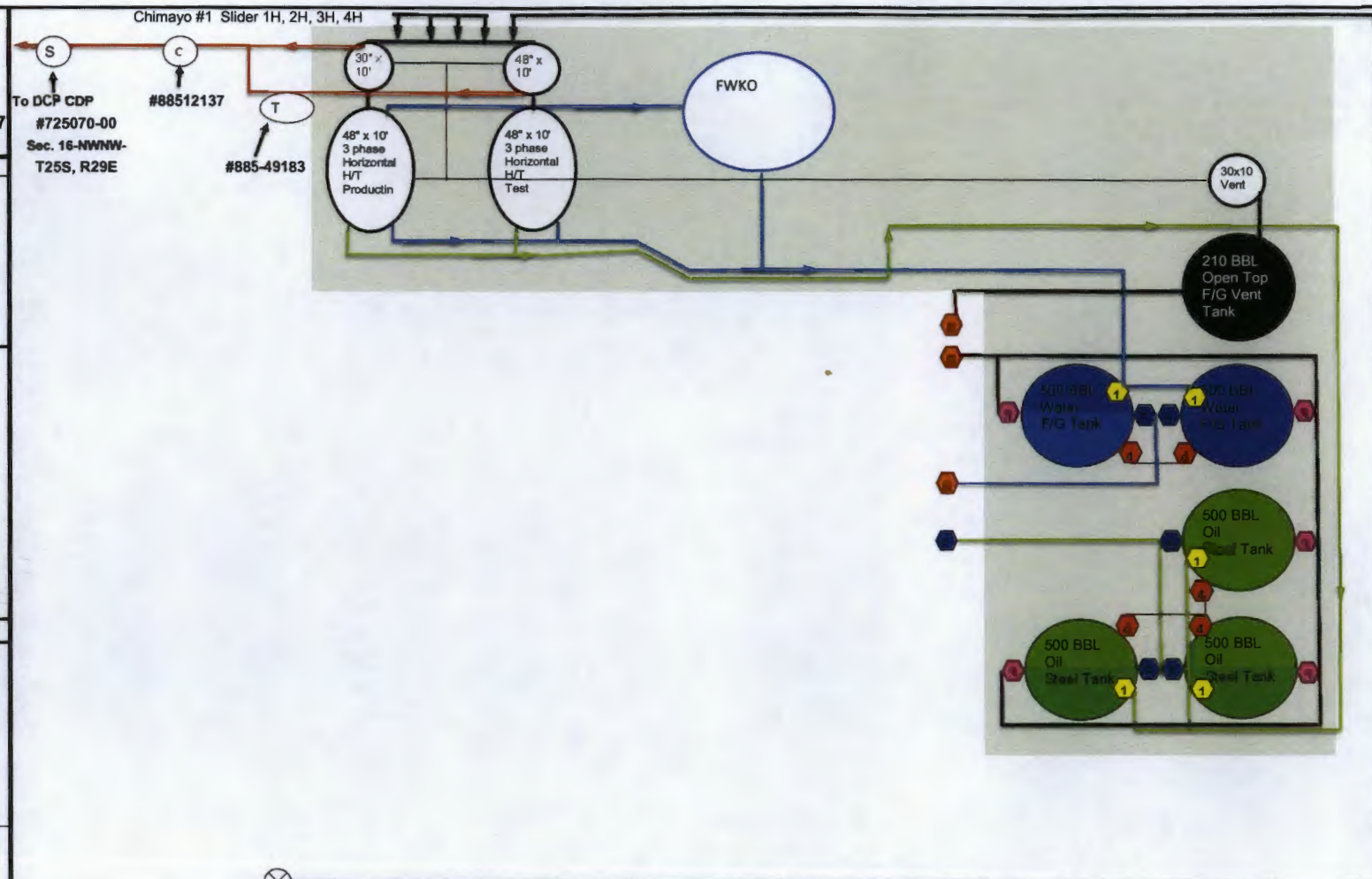
Slider 8 Fed 2H
Slider 8 Fed 3H

Slider 8 Fed 4H

THANK BATTERY

DCP CDP #725070-00

Devon Energy Site Security Plan located in the Artesia Main Office

**Slider 8 Fed #4**

North



Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

| Sample Information | |
|--------------------|---------------------|
| Company Name | DEVON ENERGY |
| Lease Name | CHIMAYO UNIT 1 |
| Location ID | |
| Sample Date | 4-4-13 |
| WATER | |
| Method Name | BTUH2S.met |
| Injection Date | 2013-04-04 18:16:51 |

Component Results

| Component Name | Norm% | Gross HV (Dry) (BTU / Ideal cu.ft.) | Gross HV (Sat.) (BTU / Ideal cu.ft.) | Relative Gas Density (Dry) | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|--|---|-------------------------------|-----------------------------------|
| H2S | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| NITROGEN | 2.3910 | 0.0 | 0.0 | 0.02313 | 0.264 |
| CARBON DIOXIDE | 10.8098 | 0.0 | 0.0 | 0.16425 | 1.851 |
| METHANE | 70.6794 | 715.5 | 703.1 | 0.39149 | 12.022 |
| ETHANE | 8.8765 | 157.5 | 154.7 | 0.09216 | 2.382 |
| PROPANE | 4.5759 | 115.4 | 113.4 | 0.06967 | 1.265 |
| I-BUTANE | 0.4793 | 15.6 | 15.4 | 0.00962 | 0.157 |
| N-BUTANE | 1.1961 | 39.1 | 38.4 | 0.02400 | 0.378 |
| I-PENTANE | 0.2979 | 11.9 | 11.7 | 0.00742 | 0.109 |
| N-PENTANE | 0.3260 | 13.1 | 12.9 | 0.00812 | 0.119 |
| C6+ | 0.3681 | 18.9 | 18.6 | 0.01184 | 0.160 |
| Water | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| Total: | 100.0000 | 1087.1 | 1068.1 | 0.80171 | 18.708 |

Results Summary

| Result | Dry | Sat. |
|--|----------|----------|
| Total Normalized Mole% | 100.0000 | 100.0000 |
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 68.6 | |
| Flowing Pressure (psia) | 142.4 | |
| Water Mole% | - | 1.7407 |
| Gross Heating Value (BTU / Ideal cu.ft.) | 1087.1 | 1068.1 |
| Gross Heating Value (BTU / Real cu.ft.) | 1091.0 | 1072.4 |
| Relative Density (G), Real | 0.8042 | 0.8014 |
| Compressibility (Z) Factor | 0.9964 | 0.9960 |
| Total GPM | 18.708 | 18.489 |
| Wobbe Index | 1216.5 | 1197.9 |

Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

| Sample Information | |
|--------------------|---------------------|
| Company Name | DEVON ENERGY |
| Lease Name | SLIDER 8 #2 |
| Location ID | |
| Sample Date | 4-4-13 |
| WATER | |
| Method Name | BTUH2S.met |
| Injection Date | 2013-04-04 18:09:15 |

Component Results

| Component Name | Norm% | Gross HV (Dry) (BTU / Ideal cu.ft.) | Gross HV (Sat.) (BTU / Ideal cu.ft.) | Relative Gas Density (Dry) | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|--|---|-------------------------------|-----------------------------------|
| H2S | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| NITROGEN | 1.9621 | 0.0 | 0.0 | 0.01898 | 0.217 |
| CARBON DIOXIDE | 10.0269 | 0.0 | 0.0 | 0.15236 | 1.717 |
| METHANE | 71.9565 | 728.4 | 715.8 | 0.39857 | 12.239 |
| ETHANE | 8.9511 | 158.8 | 156.0 | 0.09293 | 2.402 |
| PROPANE | 4.5269 | 114.2 | 112.2 | 0.06892 | 1.251 |
| I-BUTANE | 0.4763 | 15.5 | 15.3 | 0.00956 | 0.156 |
| N-BUTANE | 1.1636 | 38.0 | 37.4 | 0.02335 | 0.368 |
| I-PENTANE | 0.2815 | 11.3 | 11.1 | 0.00701 | 0.103 |
| N-PENTANE | 0.3040 | 12.2 | 12.0 | 0.00757 | 0.111 |
| C6+ | 0.3511 | 18.1 | 17.7 | 0.01130 | 0.153 |
| Water | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| Total: | 100.0000 | 1096.5 | 1077.4 | 0.79055 | 18.717 |

Results Summary

| Result | Dry | Sat. |
|--|----------|----------|
| Total Normalized Mole% | 100.0000 | 100.0000 |
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 63.0 | |
| Flowing Pressure (psia) | 147.0 | |
| Water Mole% | - | 1.7407 |
| Gross Heating Value (BTU / Ideal cu.ft.) | 1096.5 | 1077.4 |
| Gross Heating Value (BTU / Real cu.ft.) | 1100.4 | 1081.7 |
| Relative Density (G), Real | 0.7930 | 0.7904 |
| Compressibility (Z) Factor | 0.9965 | 0.9961 |
| Total GPM | 18.717 | 18.498 |
| Wobbe Index | 1235.7 | 1216.7 |

Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

| | Sample Information |
|----------------|---------------------|
| Company Name | DEVON ENERGY |
| Lease Name | SLIDER 8 #4 |
| Location ID | 88549138 |
| Sample Date | 4-4-13 |
| WATER | |
| Method Name | BTUH2S.met |
| Injection Date | 2013-04-04 18:00:26 |

Component Results

| Component Name | Norm% | Gross HV (Dry) (BTU / Ideal cu.ft.) | Gross HV (Sat.) (BTU / Ideal cu.ft.) | Relative Gas Density (Dry) | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|--|---|-------------------------------|-----------------------------------|
| H2S | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| NITROGEN | 2.3200 | 0.0 | 0.0 | 0.02244 | 0.256 |
| CARBON DIOXIDE | 10.9509 | 0.0 | 0.0 | 0.16640 | 1.875 |
| METHANE | 69.7891 | 706.5 | 694.2 | 0.38656 | 11.872 |
| ETHANE | 9.0142 | 159.9 | 157.1 | 0.09359 | 2.419 |
| PROPANE | 4.9243 | 124.2 | 122.0 | 0.07497 | 1.361 |
| I-BUTANE | 0.5404 | 17.6 | 17.3 | 0.01084 | 0.177 |
| N-BUTANE | 1.3920 | 45.5 | 44.7 | 0.02793 | 0.440 |
| I-PENTANE | 0.3456 | 13.9 | 13.6 | 0.00861 | 0.127 |
| N-PENTANE | 0.3596 | 14.4 | 14.2 | 0.00896 | 0.131 |
| C6+ | 0.3639 | 18.7 | 18.4 | 0.01171 | 0.158 |
| Water | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| Total: | 100.0000 | 1100.7 | 1081.6 | 0.81201 | 18.818 |

Results Summary

| Result | Dry | Sat. |
|--|----------|----------|
| Total Normalized Mole% | 100.0000 | 100.0000 |
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 60.7 | |
| Flowing Pressure (psia) | 142.0 | |
| Water Mole% | - | 1.7407 |
| Gross Heating Value (BTU / Ideal cu.ft.) | 1100.7 | 1081.6 |
| Gross Heating Value (BTU / Real cu.ft.) | 1104.8 | 1086.0 |
| Relative Density (G), Real | 0.8147 | 0.8117 |
| Compressibility (Z) Factor | 0.9963 | 0.9959 |
| Total GPM | 18.818 | 18.598 |
| Wobbe Index | 1224.0 | 1205.4 |

Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

| Sample Information | |
|--------------------|---------------------|
| Company Name | DEVON ENERGY |
| Lease Name | SLIDER 8 #3 |
| Location ID | 88549138 |
| Sample Date | 4-4-13 |
| WATER | |
| Method Name | BTUH2S.met |
| Injection Date | 2013-04-04 17:50:01 |

Component Results

| Component Name | Norm% | Gross HV (Dry) (BTU / Ideal cu.ft.) | Gross HV (Sat.) (BTU / Ideal cu.ft.) | Relative Gas Density (Dry) | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|--|---|-------------------------------|-----------------------------------|
| H2S | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| NITROGEN | 2.3183 | 0.0 | 0.0 | 0.02242 | 0.256 |
| CARBON DIOXIDE | 10.8175 | 0.0 | 0.0 | 0.16437 | 1.852 |
| METHANE | 70.3322 | 712.0 | 699.6 | 0.38957 | 11.964 |
| ETHANE | 8.8504 | 157.0 | 154.3 | 0.09188 | 2.375 |
| PROPANE | 4.7742 | 120.4 | 118.3 | 0.07269 | 1.320 |
| I-BUTANE | 0.5177 | 16.9 | 16.6 | 0.01039 | 0.170 |
| N-BUTANE | 1.3320 | 43.6 | 42.8 | 0.02673 | 0.421 |
| I-PENTANE | 0.3405 | 13.7 | 13.4 | 0.00848 | 0.125 |
| N-PENTANE | 0.3586 | 14.4 | 14.2 | 0.00893 | 0.130 |
| C6+ | 0.3586 | 18.4 | 18.1 | 0.01154 | 0.156 |
| Water | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| Total: | 100.0000 | 1096.3 | 1077.2 | 0.80701 | 18.770 |

Results Summary

| Result | Dry | Sat. |
|--|----------|----------|
| Total Normalized Mole% | 100.0000 | 100.0000 |
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 63.0 | |
| Flowing Pressure (psia) | 142.0 | |
| Water Mole% | - | 1.7407 |
| Gross Heating Value (BTU / Ideal cu.ft.) | 1096.3 | 1077.2 |
| Gross Heating Value (BTU / Real cu.ft.) | 1100.3 | 1081.6 |
| Relative Density (G), Real | 0.8096 | 0.8067 |
| Compressibility (Z) Factor | 0.9964 | 0.9960 |
| Total GPM | 18.770 | 18.550 |
| Wobbe Index | 1222.9 | 1204.2 |

Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

| Sample Information | |
|--------------------|---------------------|
| Company Name | DEVON ENERGY |
| Lease Name | SLIDER 8 #1 |
| Location ID | 88549138 |
| Sample Date | 4-4-13 |
| WATER | |
| Method Name | BTUH2S.met |
| Injection Date | 2013-04-04 17:42:26 |

Component Results

| Component Name | Norm% | Gross HV (Dry) (BTU / Ideal cu.ft.) | Gross HV (Sat.) (BTU / Ideal cu.ft.) | Relative Gas Density (Dry) | GPM (Dry) (Gal. / 1000 cu.ft.) |
|----------------|----------|--|---|-------------------------------|-----------------------------------|
| H2S | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| NITROGEN | 2.3123 | 0.0 | 0.0 | 0.02236 | 0.255 |
| CARBON DIOXIDE | 11.4659 | 0.0 | 0.0 | 0.17422 | 1.963 |
| METHANE | 70.1979 | 710.6 | 698.3 | 0.38883 | 11.940 |
| ETHANE | 8.9313 | 158.4 | 155.7 | 0.09272 | 2.397 |
| PROPANE | 4.5859 | 115.7 | 113.6 | 0.06982 | 1.268 |
| I-BUTANE | 0.4715 | 15.4 | 15.1 | 0.00946 | 0.155 |
| N-BUTANE | 1.1041 | 36.1 | 35.5 | 0.02216 | 0.349 |
| I-PENTANE | 0.2932 | 11.8 | 11.6 | 0.00730 | 0.108 |
| N-PENTANE | 0.2996 | 12.0 | 11.8 | 0.00746 | 0.109 |
| C6+ | 0.3383 | 17.4 | 17.1 | 0.01088 | 0.147 |
| Water | 0.0000 | 0.0 | 0.0 | 0.00000 | 0.000 |
| Total: | 100.0000 | 1077.4 | 1058.6 | 0.80523 | 18.691 |

Results Summary

| Result | Dry | Sat. |
|--|----------|----------|
| Total Normalized Mole% | 100.0000 | 100.0000 |
| Pressure Base (psia) | 14.730 | |
| Flowing Temperature (Deg. F) | 62.0 | |
| Flowing Pressure (psia) | 149.0 | |
| Water Mole% | - | 1.7407 |
| Gross Heating Value (BTU / Ideal cu.ft.) | 1077.4 | 1058.6 |
| Gross Heating Value (BTU / Real cu.ft.) | 1081.2 | 1062.8 |
| Relative Density (G), Real | 0.8078 | 0.8049 |
| Compressibility (Z) Factor | 0.9904 | 0.9900 |
| Total GPM | 18.691 | 18.473 |
| Wobbe Index | 1203.0 | 1184.7 |

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

Lab Team Leader - Sheila Hernandez
(432) 495-7240

ANALYTICAL REPORT

| | | | |
|--------------------|--------------------------|------------------|----------------------------|
| Company: | DEVON ENERGY CORPORATION | Report Date: | 04/22/13 |
| Region: | PERMIAN BASIN | Date Range: | 4/21/12 - 4/23/13 |
| Area: | ARTESIA, NM | Sales RDT: | 33521.1 |
| Lease/Platform: | CHIMAYO LEASE | Account Manager: | GENE ROGERS (575) 910-1022 |
| Entity (or well#): | 1 | Analysis Cost: | \$15.00 |
| Formation: | UNKNOWN | (Per Reading) | |

| Sample Point | Sample Date | Item | Reading | Units |
|--------------|----------------|-------------|------------|-------|
| OIL TANK | 02/26/13 | API GRAVITY | 45 @ 60° F | |

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

Lab Team Leader - Sheila Hernandez
(432) 495-7240

ANALYTICAL REPORT

| | | | |
|-----------------|--------------------------|---------------------------------|----------------------------|
| Company: | DEVON ENERGY CORPORATION | Report Date: | 04/22/13 |
| Region: | PERMIAN BASIN | Date Range: | 4/1/13 - 4/23/13 |
| Area: | ARTESIA, NM | Sales RDT: | 33521.1 |
| Lease/Platform: | SLIDER 8 LEASE | Account Manager: | GENE ROGERS (575) 910-1022 |
| | | Analysis Cost: (Per Reading) | \$15.00 |

| Location | Sample Point | Sample | | Reading | Units |
|----------|--------------|----------|-------------|---------|--------|
| | | Date | Item | | |
| 01H | WELLHEAD | 04/04/13 | API GRAVITY | 46 | @60° F |
| 02H | WELLHEAD | 04/04/13 | API GRAVITY | 46 | @60° F |
| 03H | WELLHEAD | 04/04/13 | API GRAVITY | 44 | @60° F |
| 4H | WELLHEAD | 04/04/13 | API GRAVITY | 47 | @60° F |

| OFF LEASE PRODUCTION | | | | | | |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 10/01/11 | 11/01/11 | 12/01/11 | 01/01/12 | 02/01/12 | 03/01/12 |
| Well Name | Sum Est Gas | Sum Est Gas | Sum Est Gas | Sum Est Gas | Sum Est Gas | Sum Est Gas |
| Slider 8 Federal 1H | 6,469.55 | 9,923.97 | 10,433.19 | 11,359.19 | 8,373.65 | 4,377.57 |
| Slider 8 Federal 2H | 5,184.85 | 6,733.44 | 4,352.48 | 4,230.66 | 4,321.07 | 2,235.33 |
| Slider 8 Federal 3H | 6,766.01 | 5,192.15 | 3,858.19 | 5,027.29 | 3,153.4 | 1,409.3 |
| Slider 8 Federal 4H | 7,811.61 | 4,196.43 | 1,421.7 | 1,117.11 | 1,045.86 | 2,103.21 |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM99147 |
| 2. Name of Operator DEVON ENERGY PRODUCTION CO. LP | | 6. If Indian, Allottee or Tribe Name |
| Contact: ERIN L WORKMAN E-Mail: ERIN.WORKMAN@DEVON.COM | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 333 WEST SHERIDAN AVENUE OKC, OK 73102 | 3b. Phone No. (include area code) Ph: 405-552-7970 | 8. Well Name and No. CHIMAYO 1 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T25S R29E 660FSL 1980FEL | | 9. API Well No. 30-015-29475 |
| | | 10. Field and Pool, or Exploratory CORRAL DRAW; WOLFCAMP, N |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Off-Lease Measurement |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | 1 SURFACE POOL COMINGLING |

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 recompleate 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 recompleation 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 respectfully requests to add the Chimayo #001 to the previously approved Off-Lease Measurement for the following wells: 1 SURFACE POOL COMINGLING

Slider 8 Federal 1H
8-NWSE-25S-R29E
30-015-38242
96217 Willow Lake; Bone Spring; SE
NMNM 99147

Slider 8 Federal 2H
8-NWSE-25S-R29E
30-015-38281

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | |
|--|------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #219540 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO., LP, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 09/11/2013 () | |
| Name (Printed/Typed) ERIN L WORKMAN | Title REGULATORY COMPLIANCE ASSOC. |
| Signature (Electronic Submission) | Date 09/10/2013 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------|--------------|
| Approved By <i>J. D. Whitlock</i> | Title EPS | Date 9-11-13 |
| 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 CFO |

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

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

Slider 8 Federal 1H, 2H, 3H, 4H, and Chimayo #1
Devon Energy Production Co.
September 11, 2013

**Condition of Approval
Pool Commingling and off lease sales**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
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 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.
5. 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.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.

The public's interest in this lease has been found to be 12.5%. Therefore, this surface pool commingle is being approved. This does not mean that the allocation of production to each well will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.