

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon Energy Production
 Company LP
 Sirius 17 Federal Com #3H
 Sirius 17 Federal # 4H

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 _____

2012 AUG 16 P 12:45
 RECEIVED OOD

[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

Signature

Melanie Crawford

Regulatory Analyst
 Title

7-2-12
 Date

Melanie.Crawford@dvn.com
 E-mail Address

CTB-652



Devon Energy Production Company
333 W Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405)-552-5424
Melanie.Crawford@dvn.com

July 2, 2012

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

**Re: Lease Commingle, Off Lease Measurement, Sales, & Storage
Sirius 17 Federal Com 3H & Sirius 17 Federal Com 4H
Sec 17-T19S-R31E
CA USA NMNM 127858 & Pending CA
API # 30-015-38481 & 30-015-38478
Hackberry; Bone Spring, NW(O) Pool Code: 97020
Eddy County, New Mexico**

2012 AUG 16 PM 12:45
RECEIVED ODD

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle, Off Lease Measurement, Sales, & Storage for the aforementioned wells.

The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; no further notification is required.

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.

Melanie Crawford
Regulatory Analyst

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

OPERATOR'S COPY

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.

Lease Serial No.
NMNM06370

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Multiple--See Attached

9. API Well No.
Multiple--See Attached

10. Field and Pool, or Exploratory
HACKBERRY

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DEVON ENERGY PRODUCTION CO
Contact: MELANIE A CRAWFORD
EMail: melanie.crawford@dvn.com

3a. Address
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-552-4524

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

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	Surface Commingling
	<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 Co., LP respectfully requests for the approval of the Lease Commingle, Off Lease Measurement, Sales, & Storage for the Sirius 17 Federal Com 3H and Sirius 17 Federal Com 4H wells.

There will be a central tank battery located at the Sirius 17 Federal Com 3H location in Section 17 in T19S, R31E and within Com Agreement CA USA NMNM 127858 in Eddy County, New Mexico. There is also a DCP CDP located at the Sirius 17 Federal Com 3H location. The production from the Sirius 17 Federal Com 3H and the Sirius 17 Federal Com 4H will be commingled, measured and sold off-lease; Monthly wells test will be the method of allocation.

ROW has or will be obtained

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #142086 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/11/2012 (12BMW0217SE)

Name (Printed/Typed) MELANIE A CRAWFORD Title REGULATORY ANALYST

Signature (Electronic Submission) Date 07/03/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK *[Signature]* Title LEAD PETROLEUM ENGINEERING TECH Date 08/04/2012

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

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.

Additional data for EC transaction #142086 that would not fit on the form

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

NMNM127858
NMNM128482

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM127858	NMNM06370	SIRIUS 17 FEDERAL COM 3H	30-015-38481-00-S1	Sec 17 T19S R31E NWSW 1980FSL 340FWL
NMNM128482	NMNM06370	SIRIUS 17 FEDERAL COM 4H	30-015-38478-00-S1	Sec 17 T19S R31E SWSW 450FSL 340FWL

32. Additional remarks, continued

The working, royalty, & overriding interest owners are unformed; no additional notification is needed (see attached).

✓

**APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLING
& OFF-LEASE MEASUREMENT, SALES & STORAGE**

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

Lease commingling proposal for Sirius wells:

Devon Energy Production Company, LP is requesting for approval of a Central Tank Battery, Lease Commingle, & Off Lease Measurement, Sales & Storage for the following wells:

Federal Lease: CA USA NMNM 127858

Well Name	Location	API #	Pool 97020	BOPD	OG	MCFPD	BTU
Sirius 12 Federal Com 3H	Sec 17-T19S-R31E	30-015-38481	Hackberry; Bone Spring NW (O)	217	40	759.72	1423 1416.8

Federal Lease: CA USA NMNM Pending NM 128482

Well Name	Location	API #	Pool 97020	BOPD	OG	MCFPD	BTU
Sirius 12 Federal Com 4H	Sec 17-T19S-R31E	30-015-38478	Hackberry; Bone Spring NW (O)	499	40	462.28	1332 1326.7

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 17 of T19S R31E. The working, royalty, & overriding interest owners are uniformed; no additional notification is needed (see attached).

Oil & Gas metering:

There will be a central tank battery located at the Sirius 17 Federal Com 3H location in Section 17 in T19S, R31E and within Com Agreement CA USA NMNM 127858 in Eddy County, New Mexico. There is also a DCP CDP Gas Sales Meter 726968-00 located at the Sirius 17 Federal Com 3H location. The production from the Sirius 17 Federal Com 3H and the Sirius 17 Federal Com 4H will be commingled, measured and sold off-lease; Monthly wells test will be the method of allocation.

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 24 hours.

The BLM's interest in these wells, are the same and the BTU's are equivalent. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCDC and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

Please see attached diagram for the Sirius 17 Federal Com 3H central tank battery. The flow of produced fluids is shown in detail on Exhibit D along with a description of each vessel. The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells 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. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCDC section in your office, if we have not already done so.

Signed: 
 Printed Name: Melanie Crawford
 Title: Regulatory Analyst
 Date: 7-2-12



Devon Energy Production Company, L. P.
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Phone: 405-235-3611

April 17, 2012

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

Re: Devon 'Sirius 17 Federal Com 3H and Sirius 17 Federal Com 4H'
Section 17-19S-31E
Eddy County, New Mexico
Off Lease Gas Measurement & Sales and Surface Commingle

Gentlemen:

I have reviewed the well files of Devon Energy Production Company, L.P. regarding ownership of the above referenced wells and find the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to the pool/interval of the Hackberry; Bone Spring, Pool Code 97020.

If additional information is required, please contact the undersigned.

Sincerely,
Devon Energy Production Company, L.P.

Janelle Miller

Janelle Miller
Sr. Land Technician
405-228-8421

SECTION LAND PLAT

Eddy County

State of New Mexico

Section 17

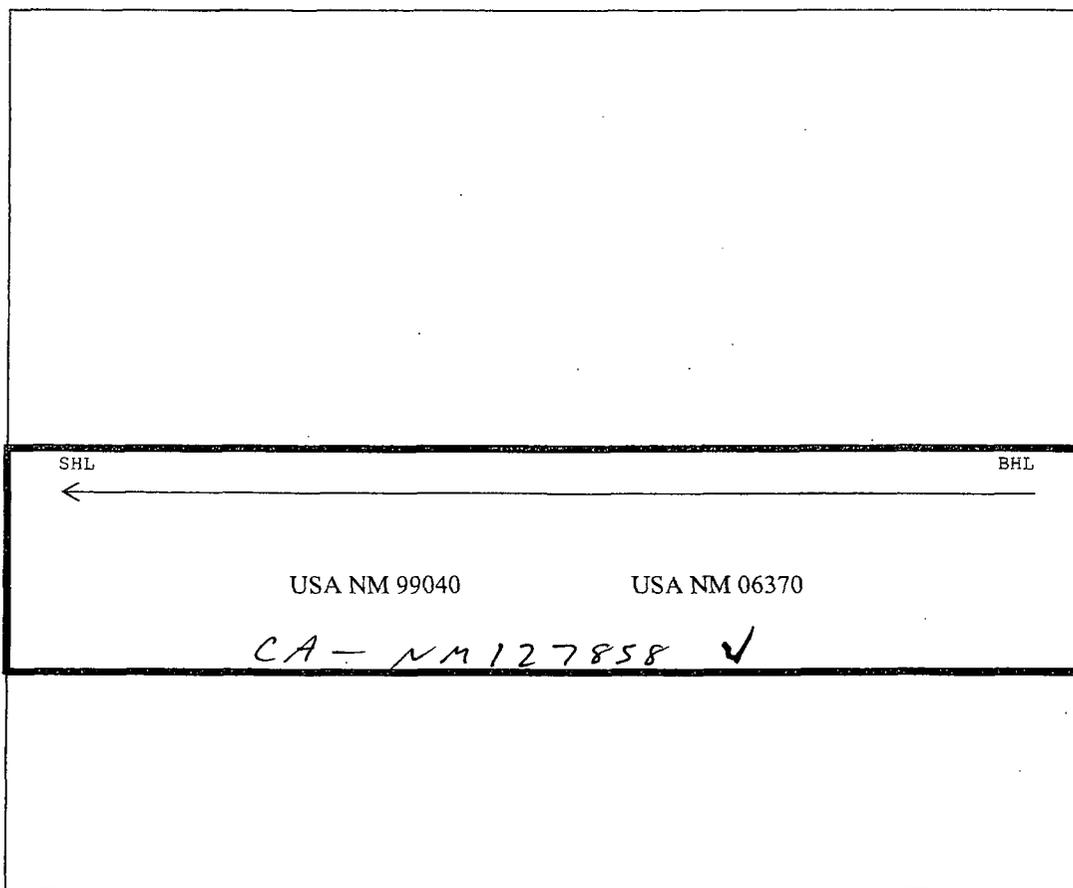
Township 19 S

Range 31 E

Sirius 17 Federal 3 H

SHL: 1980' FSL, 340' FWL

BHL: 1980' FSL, 340' FEL



SECTION LAND PLAT

Eddy County

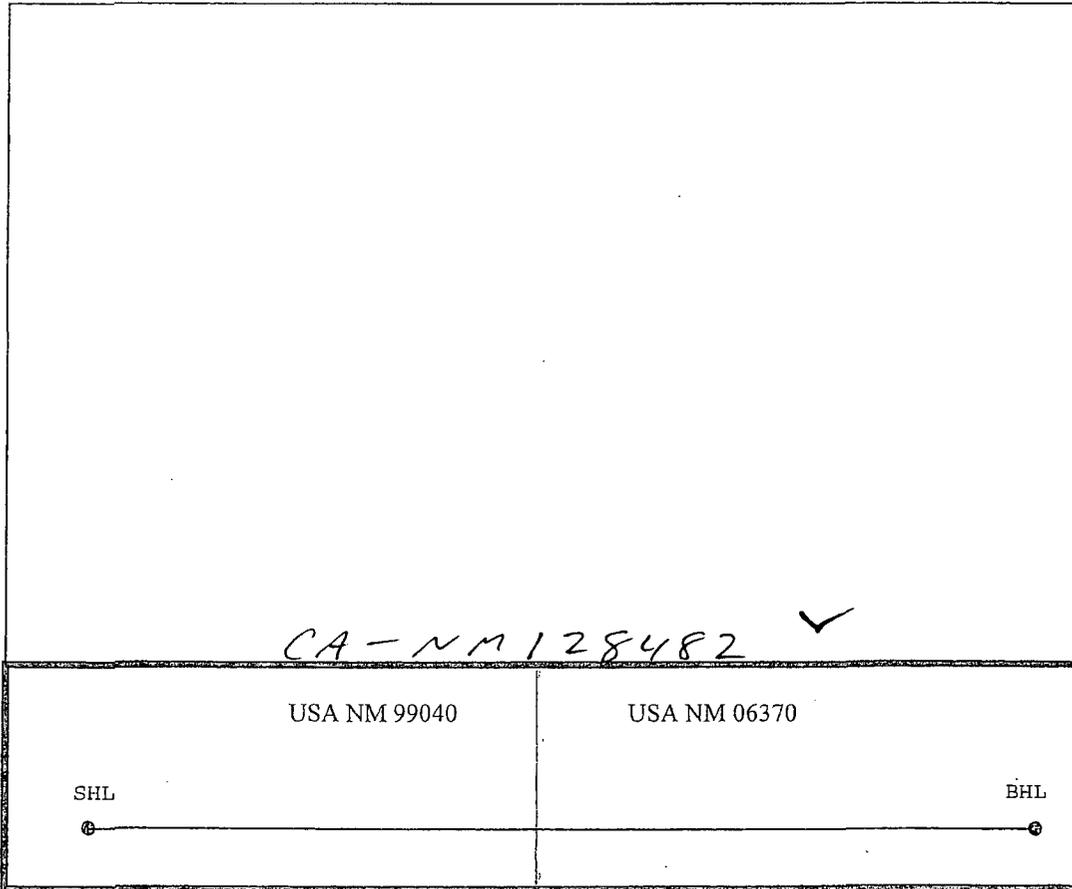
State of New Mexico

Section 17

Township 19 S

Range 31 E

Sirius 17 Federal 4 H
SHL: 450' FSL, 340' FWL
BHL: 450' FSL, 340' FEL



054113

008

NMNM 094614

NMNM 082902

009

NMLC 0069464A

018

NMNM 099040

017

Sirius 17 Fed Com 3H

BHL

016

NMNM 126966

Sirius 17 Fed Com 4H

NMNM 0006370

BHL

019

NMNM 090534

020

NMNM 0557729

NMNM 063362

NMNM 028328

021

NMNM 034657



007

008

009

018

017

016

019

020

021



Sirius 17 Federal Com #3H
 Section 17,T19S,R31E
 1980FNL&340FwL
 Eddy County, N.M
 API#

Production System: Open

- 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: <u>Production Line</u> |  |
| Valve #2: <u>Test or Roll line</u> |  |
| Valve #3: <u>Equilizer Line</u> |  |
| Valve #4: <u>Circ./Drain Line</u> |  |
| Valve #5: <u>Sles Line</u> |  |
| Valve #6: <u>BS&W Load Line</u> |  |

Buried Lines: 

Firewall: 

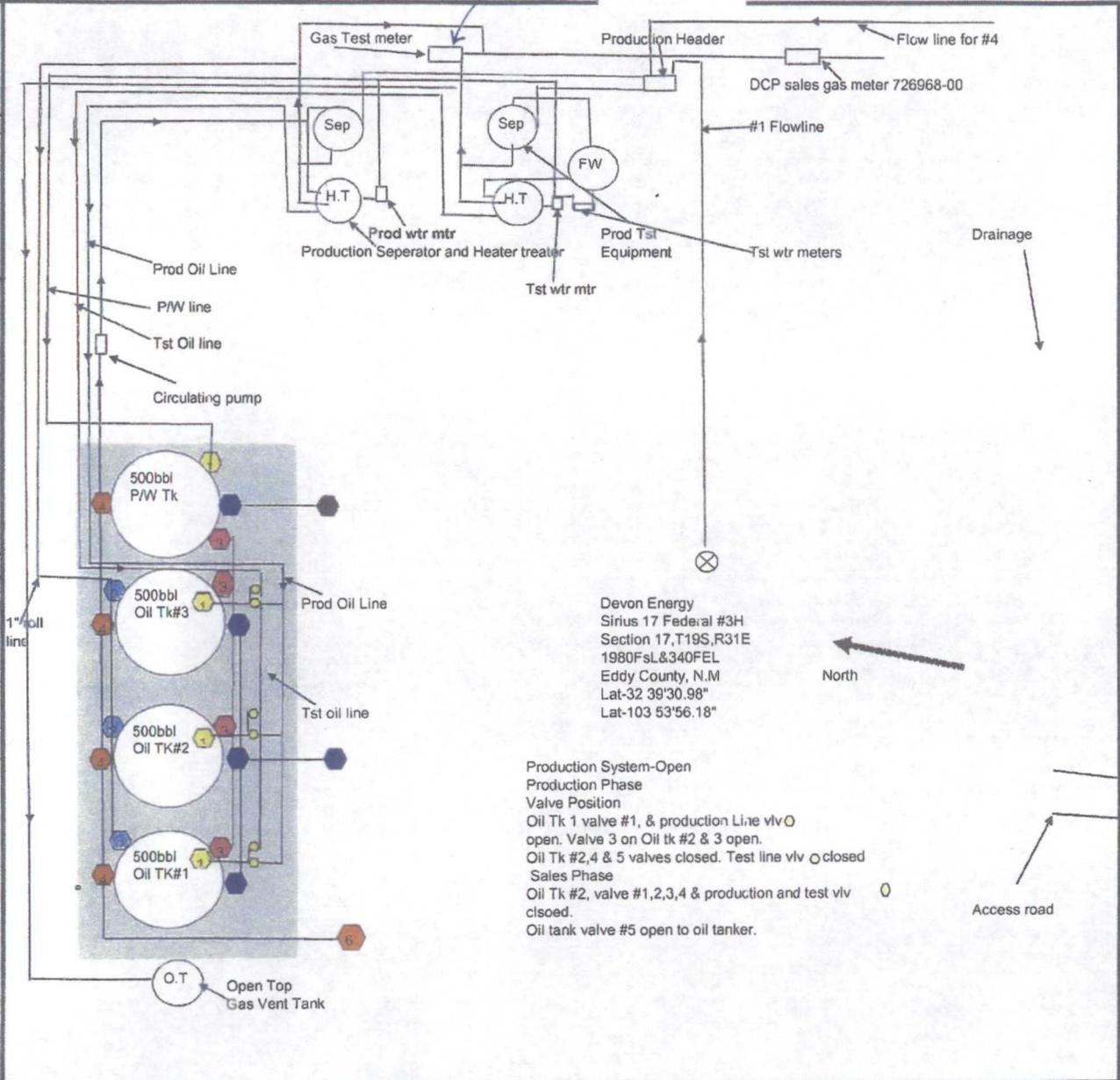
Wellhead: 

Stak-pak: 

Production line: 

Water line: 

Gas Meter   



Devon Energy
 Sirius 17 Federal #3H
 Section 17,T19S,R31E
 1980FsL&340FEL
 Eddy County, N.M
 Lat-32 39'30.98"
 Lat-103 53'56.18"

Production System-Open
 Production Phase
 Valve Position
 Oil Tk 1 valve #1, & production Line vlv O open. Valve 3 on Oil tk #2 & 3 open.
 Oil Tk #2,4 & 5 valves closed. Test line vlv O closed
 Sales Phase
 Oil Tk #2, valve #1,2,3,4 & production and test vlv O closed.
 Oil tank valve #5 open to oil tanker.

H

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY --- SIRIUS 17 FED #3
Lease Name	SIRIUS 17 FED 3
Location ID	726968-00
Sample Date	11/29/2011
Operator	JWD
Method Name	BTUC6+.met
Injection Date	2011-12-02 09:25:59
Report Date	2011-12-02 09:31:00

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.)
NITROGEN	2.3190	0.0	0.0	0.02243	0.256
METHANE	65.9383	667.5	655.9	0.36523	11.231
CARBON DIOXIDE	0.1888	0.0	0.0	0.00287	0.032
ETHANE	16.5308	293.2	288.1	0.17162	4.442
PROPANE	9.2191	232.5	228.5	0.14036	2.552
I-BUTANE	1.0201	33.2	32.7	0.02047	0.335
N-BUTANE	2.3939	78.3	76.9	0.04804	0.758
I-PENTANE	0.4886	19.6	19.3	0.01217	0.180
N-PENTANE	0.4756	19.1	18.8	0.01185	0.173
C6+	1.4258	73.3	72.0	0.04588	0.622
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1416.8	1392.1	0.84092	20.581

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	76.5	
Flowing Pressure (psia)	52.4	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1416.8	1392.1
Gross Heating Value (BTU / Real cu.ft.)	1423.8	1399.6
Relative Density (G), Real	0.8447	0.8413
Compressibility (Z) Factor	0.9951	0.9946
Total GPM	20.581	20.332
Wobbe Index	1549.1	1526.0

Downloaded
12-7-11
JW

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	SIRUIS 17 FED 4 H
Location ID	67749143
Sample Date	6/11/2012
Method Name	BTUC6+.met
Injection Date	2012-06-16 08:11:07
Report Date	2012-06-16 08:15:35

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.)
NITROGEN	2.8315	0.0	0.0	0.02739	0.313
CARBON DIOXIDE	0.1562	0.0	0.0	0.00237	0.027
METHANE	71.4819	723.6	711.0	0.39594	12.166
ETHANE	13.4376	238.4	234.2	0.13951	3.608
PROPANE	7.2082	181.8	178.6	0.10974	1.994
I-BUTANE	0.8759	28.5	28.1	0.01758	0.288
N-BUTANE	2.1813	71.3	70.1	0.04377	0.690
I-PENTANE	0.4848	19.4	19.1	0.01208	0.178
N-PENTANE	0.4828	19.4	19.1	0.01203	0.176
C6+	0.8598	44.2	43.4	0.02766	0.375
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1326.7	1303.6	0.78807	19.814

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	99.0	
Flowing Pressure (psia)	66.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1326.7	1303.6
Gross Heating Value (BTU / Real cu.ft.)	1332.3	1309.7
Relative Density (G), Real	0.7911	0.7885
Compressibility (Z) Factor	0.9958	0.9954
Total GPM	19.814	19.577
Wobbe Index	1497.9	1474.9

OFF LEASE PRODUCTION

	12/01/11	01/01/12	02/01/12	03/01/12	04/01/12	05/01/12
Well Name	Sum Est Gas					
Sirius 17 Federal Com 3H	19,865.74	26,278.	22,596.41	20,571.44	19,687.52	4,557.86
Sirius 17 Federal Com 4H	0.	0.	0.	23,867.61	19,379.69	12,758.23

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

**Sirius 17 Federal Com #3H & 4H
Devon Energy Production Co., LP
August 4, 2012**

**Condition of Approval
Commingle on and off lease**

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 all these leases/CAs has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease/CAs will be 100% accurate each month. By approving this request it will only guarantees that the public's interest will not be compromised.