

ABOVE THIS LINE FOR DIVISION USE ONLY

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



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 _____
- [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		Regulatory Compliance Professional	07/31/15
Print or Type Name	Signature	Title	Date
		Erin.Workman@dvn.com	
		E-mail Address	



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 552-7970 Phone
Erin.workman@dvn.com

July 31, 2015

RECEIVED OCD

2015 AUG -5 P 1: 25

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

Re: Lease Commingle
Beetle Juice 19 Fed 3H & 4H and Betelgeuse 19 Fed 7H & 8H
API: 30-015-39231, 30-015-39232, 30-015-42032, & 30-015-41900
Pool: Hackberry; Bone Spring, NW
Lease: NMNM 90534
County: Eddy Co., NM

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B and the BLM Approved 3160-5 Sundry Notice of Intent for a Lease Commingle for the aforementioned wells.

The working interest, royalty interest and overriding royalty interest owners are not identical; notification has been sent via certified mail (see attached).

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 552-7970.

Sincerely,


Erin Workman
Regulatory Compliance Professional

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Devon Energy Production Co., LP

OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Coriolis Test Method)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☐ Metering ☒ Other (Coriolis Test)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

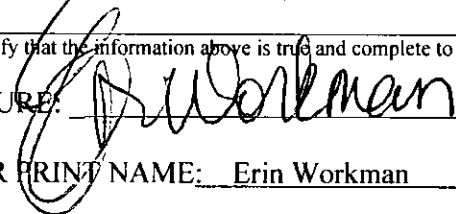
- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Regulatory Compliance Prof. DATE 07.31.15

TYPE OR PRINT NAME: Erin Workman TELEPHONE NUMBER: 405-552-7970

E-MAIL ADDRESS: Erin.workman@dvn.com

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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-39231	² Pool Code 97020	³ Pool Name Hackberry, Bone Spring, NW
⁴ Property Code 38505	⁵ Property Name BEETLE JUICE "19" FEDERAL	
⁷ OGRID No. 6137	⁶ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁸ Well Number 3H
		⁹ Elevation 3397.0

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	19 S	31 E		220	NORTH	1500	WEST	EDDY

¹¹ 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
N	19	19 S	31 E		330	SOUTH	2040	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>1500'</p> <p>SURFACE LOCATION</p> <p>220'</p> <p>NW CORNER SEC. 19 LAT. = 32.6531030°N LONG. = 103.9169475°W NMSP EAST (FT) N = 601564.85 E = 669485.12</p> <p>BEETLE JUICE "19" FEDERAL #3H ELEV. = 3397.0' LAT. = 32.6525150°N (NAD83) LONG. = 103.9120752°W NMSP EAST (FT) N = 601356.78 E = 670985.92</p> <p>NE CORNER SEC. 19 LAT. = 32.6531625°N LONG. = 103.9000245°W NMSP EAST (FT) N = 601607.32 E = 674694.79</p>		<p>17 OPERATOR CERTIFICATION 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 undivided 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> 07.31.15 Signature Date Printed Name Erin Workman</p>
<p>SW CORNER SEC. 19 LAT. = 32.6385944°N LONG. = 103.9169644°W NMSP EAST (FT) N = 596284.86 E = 669500.63</p> <p>BOTTOM OF HOLE LAT. = 32.6394731°N LONG. = 103.9103495°W NMSP EAST (FT) N = 596630.45 E = 671539.75</p> <p>SE CORNER SEC. 19 LAT. = 32.6386459°N LONG. = 103.8999714°W NMSP EAST (FT) N = 596324.81 E = 674732.70</p> <p>2040'</p> <p>BOTTOM OF HOLE</p> <p>330'</p>		<p>18 SURVEYOR CERTIFICATION 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>NOVEMBER 13, 2010 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor. Certification Number PLS 12797 SURVEY NO. 282-R1</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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 15-39232	² Pool Code	³ Pool Name HACKBERRY; BONE SPRING, NW
⁴ Property Code	⁵ Property Name BEETLE JUICE "19" FEDERAL	⁶ Well Number 4H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3398.0

10 Surface Location

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	19 S	31 E		220	NORTH	1450	WEST	EDDY

11 Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	19	19 S	31 E		380	SOUTH	387	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

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>NW CORNER SEC. 19 LAT. = 32.6531030°N LONG. = 103.9169475°W NMSP EAST (FT) N = 601564.85 E = 669485.12</p> <p>SURFACE LOCATION 220</p> <p>BEETLE JUICE "19" FEDERAL #4H ELEV. = 3398.0' LAT. = 32.6525146°N (NAD83) LONG. = 103.9122378°W NMSP EAST (FT) N = 601356.44 E = 670935.86</p> <p>SW CORNER SEC. 19 LAT. = 32.6385944°N LONG. = 103.9169614°W NMSP EAST (FT) N = 596284.86 E = 669530.63</p> <p>BOTTOM OF HOLE 887</p> <p>BOTTOM OF HOLE</p> <p>SE CORNER SEC. 19 LAT. = 32.6386459°N LONG. = 103.8995714°W NMSP EAST (FT) N = 596324.81 E = 674732.70</p>	<p>16 OPERATOR CERTIFICATION 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 released mineral interest in the land on which the proposed bottom hole location or is a right to drill this well on this location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order to reinforce entered by this division.</p> <p><i>[Signature]</i> 2/15/11 Signature Date Printed Name STEPHANIE A. YSASAGA</p> <p>17 SURVEYOR CERTIFICATION 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. JANUARY 10 2011 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor Certificate Number: FILIPINO F. JARABELLO, PLS 12797 SURVEY NO 263-82</p>
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PENETRATION POINT: 258' FNL & 145' FWL



PRODUCING AREA



PROJECT AREA

*Complete form
prior to
submission*

☐ AMENDED REPORT

USAINM-90534

BOTTOM OF HOLE

340'

265'

2350'

SURFACE LOCATION

SEC. 19

SEC. 20

COMPLETION INTERVAL

Project Area

Lease Line

Completion Interval

NEW MEXICO

MAY 13, 2013

12797

SURVEY NO. 1837

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (505) 393-6161 Fax: (505) 393-0720
 District II
 511 S. First St., Artesia, NM 88210
 Phone: (505) 748-1283 Fax: (505) 748-0720
 District III
 1000 Rio Pecos Road, Aztec, NM 87410
 Phone: (505) 334-6175 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 176-3460 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

API Number 30-05-41900		Well Code 91000		Pool Name HACKBERRY; BONE SPRING, NW	
Property Code 40306		Property Name BETELGEUSE 19 FEDERAL			Well Number 8H
OGRID No. 6137		Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			Elevation 3409.0

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	19 S	31 E		2300	SOUTH	265	WEST	EDDY

11 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
4	19	19 S	31 E		800	SOUTH	340	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
158.43			

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> Project Area Lease Line Completion Interval </p>	<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>Signature: <i>[Signature]</i> Date: 7/25/13</p> <p>Printed Name: _____</p> <p>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>MAY 18, 2013</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: 7488 (N.M.P.S. 12797)</p> <p>NEW MEXICO SURVEY NO. 1338</p>
	<p>FILED</p> <p>NEW MEXICO</p>



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

July 31, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Lease Commingle
Beetle Juice 19 Fed 3H & 4H and Betelgeuse 19 Fed 7H & 8H
API: 30-015-39231, 30-015-39232, 30-015-42032, & 30-015-41900
Pool: Hackberry; Bone Spring, NW
Lease: NMNM 90534
County: Eddy Co., NM

To whom it may concern:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Lease Commingle for the above mentioned wells.

A copy of our application submitted to the Division is attached, along with the BLM approval.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-7970 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

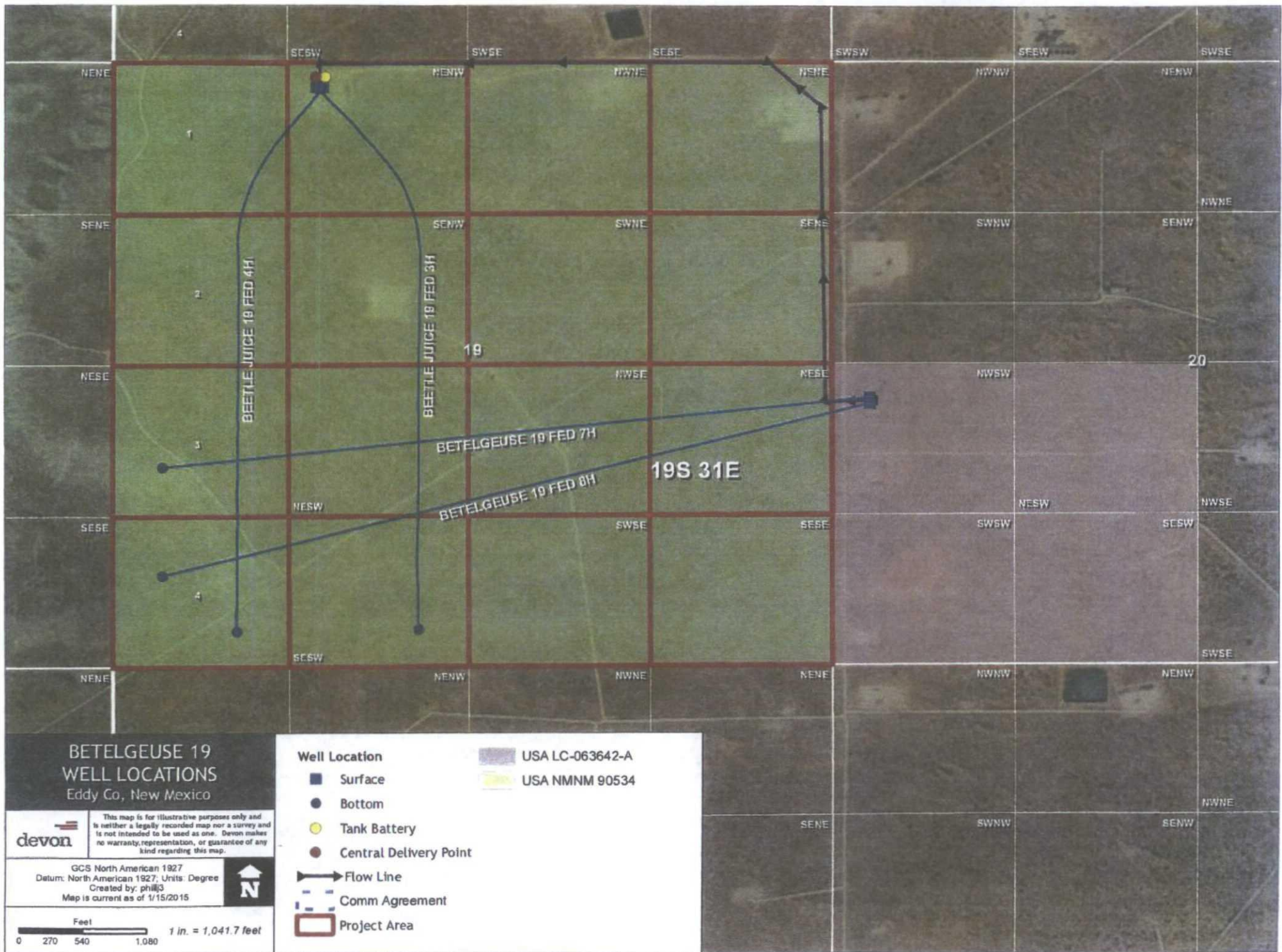
A handwritten signature in black ink that reads "Erin Workman". The signature is fluid and cursive, with the first name "Erin" and last name "Workman" clearly distinguishable.

Erin Workman
Regulatory Compliance Professional

Enclosure

E-CERTIFIED MAILING LISTCommingle Mailing Reference: **Beetle Juice 19**

<u>Repondent Name/Address:</u>	<u>E-Certified Mailing Number:</u>
Durango Production Corporation P.O. Box 4848 Wichita Falls, TX 76308	9171999991703450766426
Cannon Exploration Company 3608 South County Road #1184 Midland, TX 79706	9171999991703450766433
Cimarex Energy Company 600 N. Marienfeld St., Suite 600 Midland, TX 79701	9171999991703450766440
BLM NM State Office Oil & Gas Division 600 N. Greene Street Carlsbad, NM 88220	9171999991703450766457
Khody Land & Minerals Company 210 Park Avenue, Suite 900 Oklahoma City, OK 73102	9171999991703450766464
Todd M. Wilson 3608 South County Road #1184 Midland, TX 79706	9171999991703450766471
Roger & Holly Elliott Family Trust 3910 Tanforan Avenue Midland, TX 79707	9171999991703450766488



Beetle Juice 19 Fed 3H
 Section 19, T19S,R31E
 220 FNL & 1500 FWL
 API 30-015-39231
 Eddy, County NM

Production System: Closed

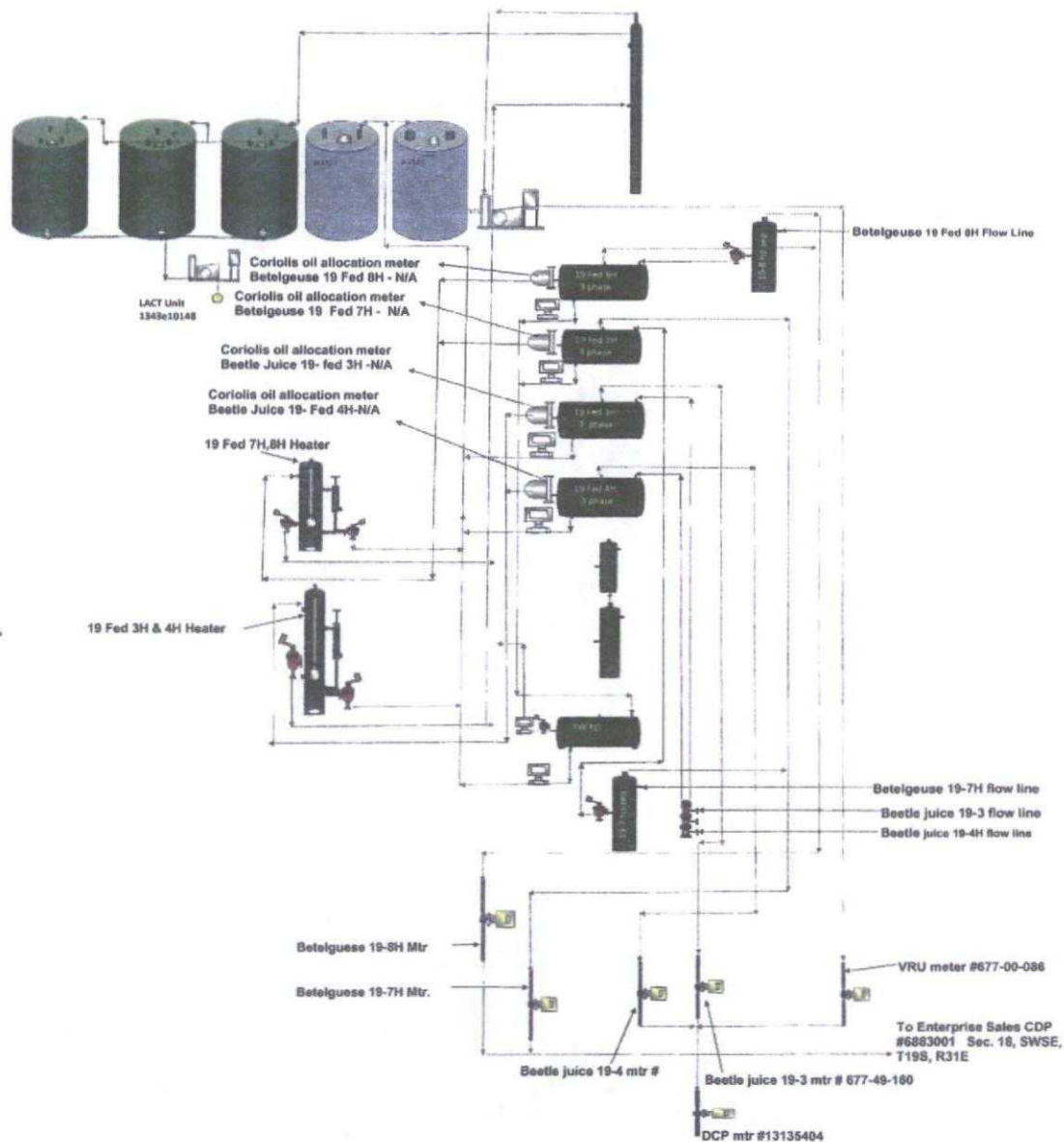
NORTH


Devon Energy Beetle Juice
 19 Fed #3 Section
 19, T19S, R31E
 220FNL&1500FWL Eddy
 County, N.M. Lat-32
 6525150' Lat-103 9120752'



Devon Energy
 Beetle Juice 19 Fed #4
 Section 19, T19S, R31E
 220FNL&1500FWL
 Eddy County, N.M.
 Lat-32 6525150'
 Lat-103 9120752'

Note:
 Note: Devon Energy Site Security Plan
 located in Artesia Main Office



FLOW LINE CHART

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. NMNM90534
2. Name of Operator DEVON ENERGY		6. If Indian, Allottee or Tribe Name
Contact: ERIN WORKMAN E-Mail: Erin.workman@dvn.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. BEETLE JUICE 19 FED 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T19S R31E 220FNL 1500FWL		9. API Well No. 30-015-39231
		10. Field and Pool, or Exploratory HACKBERRY BS, NW
		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
	<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 recompleat 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 recompleat 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, LP respectfully requests to and approval for a lease commingle of the following wells:

Beetle Juice 19 Fed 3H
Sec. 19, NENW, T19S, R31E
30-015-39231
Hackberry BS, NW
NMNM90534

Beetle Juice 19 Fed 4H

RECEIVED

JUL 30 2015

REGULATORY DEPT.
MID-CONTINENT DIVISION***ALL WELL ON THE SAME LEASE / NOT COMMINGLING FOR FEDERAL***

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #290464 verified by the BLM Well Information System For DEVON ENERGY, sent to the Carlsbad Committed to AFMSS for processing by DUNCAN WHITLOCK on 06/24/2015 ()	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 02/04/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J.D. Whitlock</i>	Title <i>LPE1</i>	Date <i>7/30/15</i>
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 <i>CFO</i>

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 ****

Additional data for EC transaction #290464 that would not fit on the form

32. Additional remarks, continued

Sec. 19, NENW, T19S, R31E
30-015-39232
Hackberry BS, NW
NMNM90534

Betelgeuse 19 Fed 7H
Sec. 20, NWSE, T19S, R31E
30-015-42032
Hackberry BS, NW
NMNM90534

Betelgeuse 19 Fed 8H
Sec. 20, NWSE, T19S, R31E
30-015-41900
Hackberry BS, NW
NMNM90534

The central tank battery is located on the shared pad of the Beetle Juice 19 Fed 3H & 4H in Sec. 19-T19S-R31E, Eddy County, New Mexico. The Beetle Juice 19 Fed 3H & 4H and the Betelgeuse 19 Fed 7H & 8H production will flow through their own three phase separators with Micro Motion Coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Beetle Juice 19 Fed 3H battery will have three oil tanks that all four wells will utilize and a common Duke Energy CDP #1315404 on location in Sec. 19, T19S, R31E. Oil, gas, and water volumes from these wells producing to this battery will be determined by utilizing a test separator/heater treater at the proposed facility. Oil sold through a common LACT meter using a Smith Meter 1343e10148.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Thank You!

APPLICATION FOR COMMINGLING FOR A LEASE COMMINGLE

Proposal for Beetle Juice 19 Fed 3H & 4H and Betelgeuse 19 Fed 7H & 8H

Devon Energy Production Company, LP is requesting approval for a Lease Commingle for the following wells:

Federal Lease NMNM NMNM90534 (12.5%)

Well Name	Location	API #	Pool 97020	BOPD	OG	MCFPD	BTU
Beetle Juice 19 Fed 3H	Sec. 19, NENW, T19S, R31E	30-015-39231	Hackberry BS, NW	20	40.7	39	1243.5
Beetle Juice 19 Fed 4H	Sec. 19, NENW, T19S, R31E	30-015-39232	Hackberry BS, NW	45	39.7	91	1264.1
Betelgeuse 19 Fed 7H	Sec. 20, NWSE, T19S, R31E	30-015-42032	Hackberry BS, NW	20	40.7	39	1243.5*
Betelgeuse 19 Fed 8H	Sec. 20, NWSE, T19S, R31E	30-015-41900	Hackberry BS, NW	45	39.7	91	1264.1*

*All of these numbers are proposed production numbers, will provide amendment upon receipt of this information.

Attached is a map that displays the federal leases and well locations in Sections 19 & 20, T19S, R31E

The BLM's interest in all five wells is 12.5%

Oil & Gas metering:

The central tank battery is located on the shared pad of the Beetle Juice 19 Fed 3H & 4H in Sec. 19-T19S-R31E, Eddy County, New Mexico. The Beetle Juice 19 Fed 3H & 4H and the Betelgeuse 19 Fed 7H & 8H production will flow through their own three phase separators with Micro Motion Coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Beetle Juice 19 Fed 3H battery will have three oil tanks that all four wells will utilize and a common Duke Energy CDP #1315404 on location in Sec. 19, T19S, R31E. Oil, gas, and water volumes from these wells producing to this battery will be determined by utilizing a test separator/heater treater at the proposed facility. Oil sold through a common LACT meter using a Smith Meter 1343e10148.

The Beetle Juice 19 Fed 3H well will flow into its own three phase test separator, where after separation gas is routed to the gas test meter # 677-49-160, then to the DCP CPD #13135404 on location on the Northwest side of the facility in Sec. 19-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 3H & 4H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Beetle Juice 19 Fed 4H well will flow into its own three phase test separator, where after separation gas is routed to the gas test meter (**number will be supplied upon receipt**), then to the DCP CPD #13135404 on location on the Northwest side of the facility in Sec. 19-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 3H & 4H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows to the 500 bbl. produced water tank, along with the water from the other wells.

The Betelgeuse 19 Fed 7H well will flow into its own two phase separator, then into its own three phase test separator, where after separation gas is routed to the gas test meter (**number will be supplied upon receipt**), then combines with the Betelgeuse 19 Fed 8H, and then to the Enterprise CDP #6883001 Sec. 18, SWSE-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 7H & 8H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows into the FWKO to the 500 bbl. produced water tank, along with the water from the other wells.

The Betelgeuse 19 Fed 8H well will flow into its own two phase separator, then into its own three phase test separator, where after separation gas is routed to the gas test meter (**number will be supplied upon receipt**), then combines with the Betelgeuse 19 Fed 8H, and then to the Enterprise CDP #6883001 Sec. 18, SWSE-T19S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (**number will be supplied upon receipt**), then flows into the 19 Fed 7H & 8H heater treater, then into an oil production where it is combined with the other wells oil, and then into one of the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows into the FWKO to the 500 bbl. produced water tank, along with the water from the other wells.

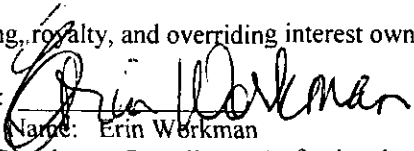
Oil production will be allocated on a daily basis based on the Coriolis Test meter located downstream of the three phase separator. The Coriolis meter will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production from these wells will be allocated on a daily basis using the gas allocation meter. The Beetle Juice 19 Fed 3H & 4H gas production from each of the test gas meters will commingle and flow through Duke Energy CDP #13135404. Gas production from the Betelgeuse 19 Fed 7H & 8H wells will be allocated on a daily basis using the gas allocation meters. The gas production from the test gas meter will commingle and flow through Enterprise CDP #6883001. The gas off the VRU allocation meter will flow to the Duke Energy CDP #13135404. 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 shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: 
Printed Name: Erin Workman
Title: Regulatory Compliance Professional
Date: 07.31.15