

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

- CTB 779  
- Devon Energy  
Production Company, LP  
6137

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

RECEIVED OGD  
2015 DEC -2 P 2:37

Pool  
- 5649 AMB Bone  
SPRING  
56400 way  
- 5649 AS 28  
Red Com 44  
30-015-41560  
- 5649 AS 28  
30-015-41795

- [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

Signature

Regulatory Compliance Prof.  
Title

11.30.15  
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

November 30, 2015

RECEIVED OCD

2015 DEC -2 P 2: 37

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

Re: Central Tank Battery  
Sargas 28 Fed Com 3H & 4H  
Sec 29, T18S, R31E  
Lease: NMLC 0029387, NMNM 055648, & NMLC 029390  
API: #30-015-41795 & #30-015-41560  
Pool: (56400) Shugart; Bone Spring, North  
County: Eddy, NM

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B Sundry Notice of Intent for a Central Tank Battery for the aforementioned wells.

A copy of our application and the approved BLM application is attached.

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 Commingling)

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 (Please Specify)  
(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 Method)

**(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: Erin Workman TITLE: Regulatory Compliance Prof. DATE: 11.30.15

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

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

# APPLICATION FOR A CENTRAL TANK BATTERY

## Proposal for the Sargas 28 Fed Com 3H & Sargas 28 Fed Com 4H:

Devon Energy Production Company, LP is requesting approval for a Central Tank Battery for the following wells:

Federal Lease: NMLC029387A (12.5%), NMNM 055648 (12.5%), & NMLC029390A (12.5%)					Oil		
Well Name	Location	API #	Pool 56400	BOPD	Gravities	MCFPD	BTU
Sargas 28 Fed Com 3H	NESW, Sec. 29, T18S, R31E	30-015-41795	Shugart, Bone Spring	53	35.9	81	1225.1
Sargas 28 Fed Com 4H	NESW, Sec. 29, T18S, R31E	30-015-41560	Shugart, Bone Spring	44	35.9	71	1258.7

Attached is a map displays the federal leases and well locations in Section 29, T18S, R31E.

A single Communization Agreement has been approved for these wells.

The BLM's interest in these wells are the same.

### Oil & Gas metering:

The central tank battery is located at the Sargas 28 Fed Com 3H & 4H Battery in Sec. 29, NESW, T18S, R31E, in Eddy County, New Mexico. The Sargas 28 Fed Com 3H production will flow through its own three phase separator with a coriolis meter for the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Sargas 28 Fed Com 4H production will flow through its own three phase separator with a 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 Sargas 28 Fed Com 3H & 4H Battery will have four oil tanks that both wells will utilize and they have a common Duke Energy Central Delivery Point #13135424 which is located on the south side of the facility. Oil, gas, and water volumes from both wells producing to this battery will be determined by using a metering separator at the proposed facility. Oil sold through a common LACT meter using a Smith Meter S/N 1335E1016.

The Sargas 28 Fed 3H flows to a three phase metering separator, where after separation gas is routed to the gas allocation meter #67749109, then to the DCP CDP #13135424 on the south side of the facility. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter #14399258 and water is metered using a turbine meter. The oil then flows to one of the two production heater/treaters, then into an oil production line where it is combined with the Sargas 28 Fed 4H and flows to one of the 500 bbl. oil tanks. The water from this well combines with the Sargas 28 Fed 4H and flows to the FWKO is then measured by a turbine meter, and flows into one of the heater/treaters, then to one of the 500 bbl. produced water tanks, along with the water from the other well.

The Sargas 28 Fed 4H flows to a three phase metering separator, where after separation gas is routed to the gas allocation meter #67749108, then to the DCP CDP #13135424 on the south side of the facility. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter #14381422 and water is metered using a turbine meter. The oil then flows to one of the two production heater/treaters, then into an oil production line where it is combined with the Sargas 28 Fed 3H and flows to one of the 500 bbl. oil tanks. The water from this well combines with the Sargas 28 fed 3H and flows to the FWKO is then measured by a turbine meter, and flows into one of the heater/treaters, then to one of the 500 bbl. produced water tanks, along with the water from the other well.

Oil production will be allocated on a daily basis based on the Micro Motion Coriolis Test Meters. These meters 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 for the Sargas 28 Fed 3H & 4H will be allocated on a daily basis using the gas allocation meters, for the 3H #67749109 and for the 4H gas meter #67749108. The gas production from the test gas meters will commingle and flow through Duke Energy CDP #13135424 on the south side of the facility. The gas off the VRU allocation meter #67700701 will flow to the Duke Energy CDP. 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:

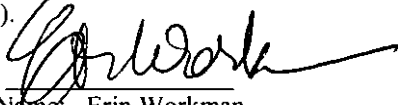
The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, communization agreement boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on 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 are not identical and have been notified of this proposal via certified mail (see attached).

Signed:

A handwritten signature in black ink, appearing to read 'Erin Workman', written over a horizontal line.

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 11.30.15

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-9720  
District II  
311 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Bravo 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

API Number <b>30-015-41795</b>	Pool Code <b>56400</b>	Pool Name <b>Shugart</b> Shugart West; Bonespring
Property Code <b>40036</b>	Property Name <b>SARGAS "28" FED COM</b>	Well Number <b>3H</b>
GRID No. <b>6137</b>	Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	Elevation <b>3611.8</b>

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>1</b>	<b>29</b>	<b>18 S</b>	<b>31 E</b>		<b>1475</b>	<b>SOUTH</b>	<b>342</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>1</b>	<b>28</b>	<b>18 S</b>	<b>31 E</b>		<b>1700</b>	<b>SOUTH</b>	<b>340</b>	<b>EAST</b>	<b>EDDY</b>

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>160</b>			

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.

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 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 interest.

Signature: *Judy A. Barnett* Date: **4-28-13**

Judy A. Barnett, Regulatory Specialist

Printed Name

Judith.Barnett@dmn.com

E-mail Address

SURVEYOR CERTIFICATION

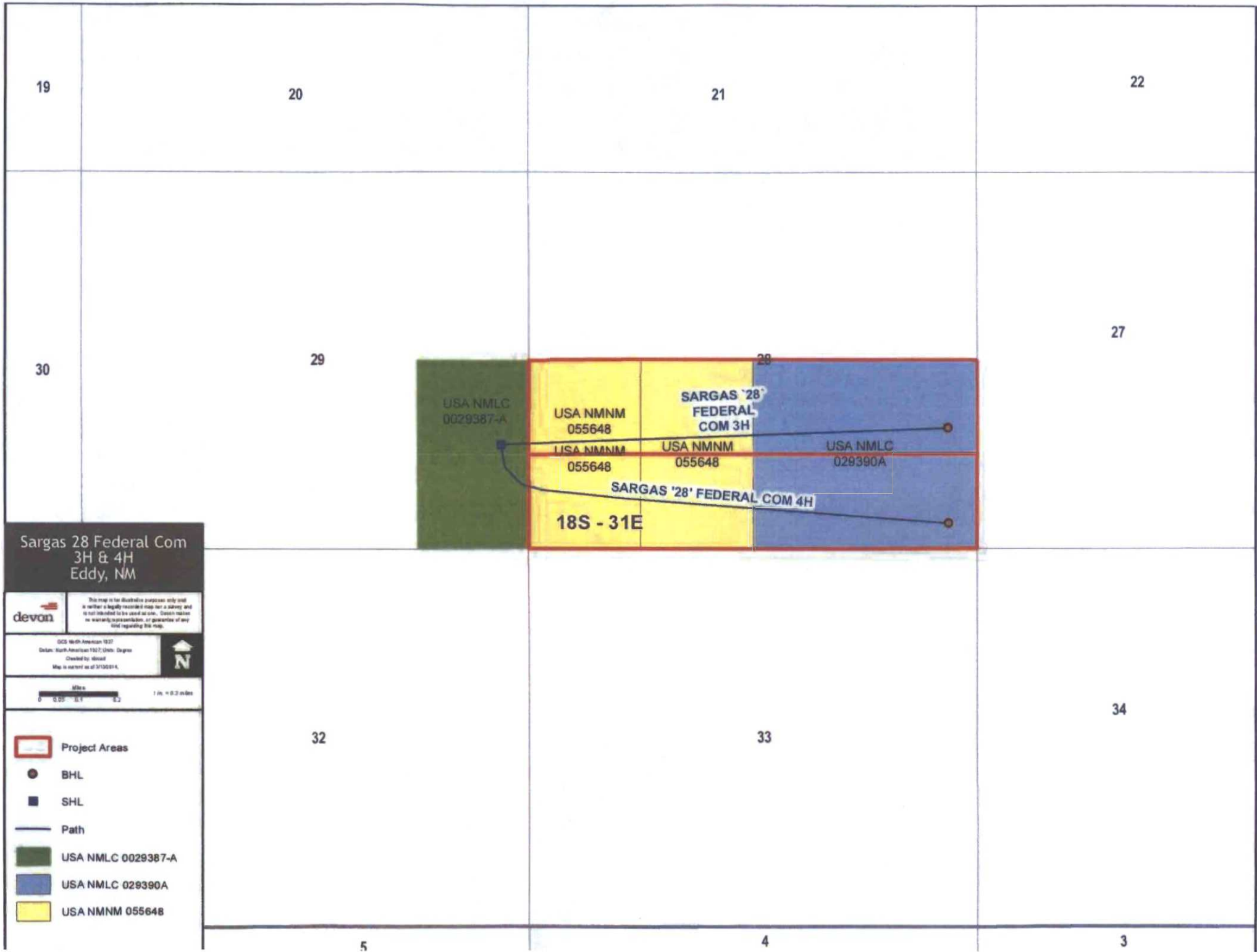
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 12, 2013

Date of Survey

Signature and Seal of Professional Surveyor: *Edmond F. Jaramilla*  
Certificate Number: **EDMOND F. JARAMILLA, PLS 12797**  
SURVEY NO. 1541A









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

November 30, 2015

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

**Re: Central Tank Battery**  
**Sargas 28 Fed Com 3H & 4H**  
**Sec 29, T18S, R31E**  
**Lease: NMLC 0029387, NMNM 055648, & NMLC 029390**  
**API: #30-015-41795 & #30-015-41560**  
**Pool: (56400) Shugart; Bone Spring, North**  
**Eddy County, NM**

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") and the Bureau of Land Management seeking approval for a Central Tank Battery for the above mentioned wells.

A copy of our application submitted to the Division and the approved BLM application is attached.

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, appearing to read "Erin Workman".

Erin Workman  
Regulatory Compliance Professional

Enclosure

**CERTIFIED MAILING LIST**Mailing Reference: **Sargas 28 Fed Com 3H & 4H**

<b><u>Repondent Name/Address:</u></b>	<b><u>Certified Mailing Number:</u></b>
18-31, Inc. P.O. Box 1120 Roswell, NM 88202-1120	91 7199 9991 7032 9571 7867
Alvin M. Iverson, Jr. Trust 5073 S. 76th East Avenue, Apt. D Tulsa, OK 74145-6232	91 7199 9991 7032 9571 7874
Baish Limited Partnership 4005 Kennett Pike Greenville, DE 19807	91 7199 9991 7032 9571 7881
Balwick Limited Partnership 3300 North A Street, Bldg 2, Suite 212 Midland, TX 79705	91 7199 9991 7032 9571 7898
Becky Welch Panek 7011 E. Brooks Drive Tucson, AZ 85730	91 7199 9991 7032 9571 7904
Betty Baish Strohmeyer Estate 5311 E. 5th Street Tucson, AZ 85711-2331	91 7199 9991 7032 9571 7911
Beverly A. Martella Iverson 17287 Skyline Blvd, Box 203 Woodside, CA 94062	91 7199 9991 7032 9571 7928
Billie Lewis 1933 N. Camino Real Casa Grande, AZ 85122	91 7199 9991 7032 9571 7935
Braille Inst of America Inc. P.O. Box 840738 Dallas, TX 75284-0738	91 7199 9991 7032 9571 7942
Bryan W. Welch 1764 S. Paige Creek Place Tucson, AZ 85748	91 7199 9991 7032 9571 7959
Canadian Kenwood Company 730 2nd Avenue S., Suite 1300 Minneapolis, MN 55402	91 7199 9991 7032 9571 7966
Charles Brice Dowaliby 211 W. Tilden Street Roswell, NM 88203-5746	91 7199 9991 7032 9571 7973
Claire Ann Iverson Revocable Living Trust P.O. Box 10508 Midland, TX 79702-7508	91 7199 9991 7032 9571 7980
Claire Iverson 2005 Kidwell Street Dallas, TX 75214	91 7199 9991 7032 9571 7997
Clide Oil Corporation P.O. Box 410 Allen, TX 75013	91 7199 9991 7032 9571 8000

**CERTIFIED MAILING LIST**Mailing Reference: **Sargas 28 Fed Com 3H & 4H**

<b><u>Repondent Name/Address:</u></b>	<b><u>Certified Mailing Number:</u></b>
Eileen Mary Kunkel 46183 State Hwy 74, Apt #19 Palm Desert, CA 92260	91 7199 9991 7032 9639 0519
Elyse S. Patterson Estate Trust P.O. Box 3480 Omaha, NE 68103-0480	91 7199 9991 7032 9639 0526
Fidelity Exploration & Prod Co. 1700 Lincoln Street #280 Denver, CO 80203-4535	91 7199 9991 7032 9675 7183
First Church of Christ 101 S. Lea Avenue Roswell, NM 88203-4573	91 7199 9991 7032 9675 7190
Garel Ray & Myrtle Myra Westall 1208 Karabella Way Roswell, NM 88201-3322	91 7199 9991 7032 9675 7206
Georgiana Westall Perry Box 1332 Artesia, NM 88211-1332	91 7199 9991 7032 9675 7213
Glen R. Westall 4208 Saint Andrews Drive Midland, TX 79707-4447	91 7199 9991 7032 9675 7220
Higgins Trust, Inc. P.O. Box 6905 Dallas, TX 75284-0738	91 7199 9991 7032 9675 7237
Iverson Family Oil & Gas LLC 3530 E. 31st Street, Suite B Tulsa, OK 74135-1519	91 7199 9991 7032 9675 7244
Iverson III, Inc. 3454 S. Zonis Avenue Tulsa, OK 74105	91 7199 9991 7032 9675 7251
James Gary Welch 15714 Winding Moss Drive Houston, TX 77068	91 7199 9991 7032 9675 7268
James M. Dowaliby, Jr. 535 Townsend Avenue New Haven, CT 06512	91 7199 9991 7032 9675 7275
Jeanette Y. Keohane P.O. Box 51722 Albuquerque, NM 87181	91 7199 9991 7032 9675 7282
Jewell D. Iverson Rev Trust 3530 E. 31st Street, Suite B Tulsa, OK 74135-1519	91 7199 9991 7032 9675 7299
John Michael Frost P.O. Box 1120 Roswell, NM 88202-1120	91 7199 9991 7032 9675 7305

**CERTIFIED MAILING LIST**Mailing Reference: **Sargas 28 Fed Com 3H & 4H**

<b><u>Repondent Name/Address:</u></b>	<b><u>Certified Mailing Number:</u></b>
John Widney Lodewick 3305 Wentwood Drive Dallas, TX 75225	91 7199 9991 7032 9675 7312
Katherine Mary Scott 809 Sheridan Street Altoona, PA 16602	91 7199 9991 7032 9675 7329
Kent Production, LLC P.O. Box 131524 Houston, TX 77219-1524	91 7199 9991 7032 9675 7336
Laura Patricia Lodewick 511 Newell Avenue Dallas, TX 75223	91 7199 9991 7032 9675 7343
Leslie Shimazaki 3592 Felton Street San Diego, CA 92104-4337	91 7199 9991 7032 9675 7350
M. F. Pearsall 11-2 Cranberry Knoll Dennis, MA 02638	91 7199 9991 7032 9675 7367
Margaret H. Naylor Revocable Trust 4131 Camino Coyote, Suite A Las Cruces, NM 88001	91 7199 9991 7032 9675 7374
Marian Welch Pendergrass 2705 Gaye Drive Roswell, NM 88201	91 7199 9991 7032 9675 7381
Marianne Keohane Frost P.O. Box 1120 Roswell, NM 88202-1120	91 7199 9991 7032 9675 7398
Mark James Frost P.O. Box 1120 Roswell, NM 88202-1120	91 7199 9991 7032 9675 7404
Mary Elizabeth Baish Westin 220 Fran Street Lilly, PA 15938	91 7199 9991 7032 9675 7411
Mary Ellen Johnston 2715 N. Kentucky Avenue, Apt #16 Roswell, NM 88201-5868	91 7199 9991 7032 9675 7428
Mary Evelyn Beck Roberts 1111 N. Pennsylvania Avenue Roswell, NM 88201	91 7199 9991 7032 9675 7435
Maurice M. Pippin P.O. Box 12972 Odessa, TX 79768-2972	91 7199 9991 7032 9675 7442
Michael Irvin Welch 13562 Bullion Court Corpus Christi, TX 78418	91 7199 9991 7032 9675 7459

**CERTIFIED MAILING LIST**Mailing Reference: **Sargas 28 Fed Com 3H & 4H**

<b><u>Repondent Name/Address:</u></b>	<b><u>Certified Mailing Number:</u></b>
Michael R. McGuire 8815 Mendocino Court NE Albuquerque, NM 87122	91 7199 9991 7032 9675 7466
Nearburg Exploration Co., LLC 3300 N. A street, Bldg. 2, Suite 120 Midland, TX 79705	91 7199 9991 7032 9675 7473
Nortex Corporation P.O. Box 27710 Houston, TX 77227-7710	91 7199 9991 7032 9675 7480
ONRR P.O. Box 25627 Denver, CO 80225-0627	91 7199 9991 7032 9675 7497
P A I Incorporated 4437 Northwest 32 Place Oklahoma City, OK 73112	91 7199 9991 7032 9675 7503
P I P 1990 Trust P.O. Box 10508 Midland, TX 79702-7508	91 7199 9991 7032 9681 7016
Peter Iverson 2002 Valencia Street Santa Ana, CA 92706-2937	91 7199 9991 7032 9681 7023
Phoebe Jane Welch IV P.O. Box 495 La Mesa, NM 88044-0495	91 7199 9991 7032 9681 7030
Phoebe Welch 20350 Marsh Creek Road Brentwood, CA 94513-4808	91 7199 9991 7032 9681 7047
Phoebe Welch P.O. Box 942878 Sacramento, CA 94278-3340	91 7199 9991 7032 9681 7054
Ralph Albert Shugart Trust 501 S. Cherry Street, Suite 570 Denver, CO 80246-1327	91 7199 9991 7032 9681 7061
Robert Welch Gillespie 186 Sierra View Road Pasadena, CA 91105	91 7199 9991 7032 9681 7078
Rojo, Inc. P.O. Box 1120 Roswell, NM 88201	91 7199 9991 7032 9681 7085
S. J. Iverson III P.O. Box 4095 Midland, TX 79704	91 7199 9991 7032 9681 7092
Sanders Thomas Welch 129 Wrangler Road Roswell, NM 88201	91 7199 9991 7032 9681 7108

**CERTIFIED MAILING LIST**Mailing Reference: **Sargas 28 Fed Com 3H & 4H**

<b><u>Repondent Name/Address:</u></b>	<b><u>Certified Mailing Number:</u></b>
Selma Andrews Trust P.O. Box 840738 Dallas, TX 75284-0738	91 7199 9991 7032 9681 7115
Siegfried James Iverson III P.O. Box 10508 Midland, TX 79702	91 7199 9991 7032 9681 7122
Stacy Welch Green P.O. Box 164 Sonoita, AZ 85637-0164	91 7199 9991 7032 9681 7139
Sue Saunders Graham Estate P.O. Box 1835 Roswell, NM 88202-1835	91 7199 9991 7032 9681 7146
Susan Jones 3212 Enfield Road Austin, TX 78703-3621	91 7199 9991 7032 9681 7153
Suzanne M. Harrington 261 River Birch Circle Mooresville, NC 28115	91 7199 9991 7032 9681 7160
The Toles Company, LLC P.O. Box 1300 Roswell, NM 88202	91 7199 9991 7032 9681 7177
Theresa Ann Frost 8672 NE 123rd Place Kirkland, WA 98034-6030	91 7199 9991 7032 9681 7184
TIG Properties, LP P.O. Box 10508 Midland, TX 79702	91 7199 9991 7032 9681 7191
Van P. Welch, Jr. 2601 Sunrise Road Walsenburg, CO 81089	91 7199 9991 7032 9681 7207
Van S. Welch, II 2207 Fairway Drive Duncan, OK 73533	91 7199 9991 7032 9681 7214
W W I 1990 Trust P.O. Box 10508 Midland, TX 79702-7508	91 7199 9991 7032 9681 7221
Wendell T. Welch P.O. Box 8428 Nikiski, AK 99635-8428	91 7199 9991 7032 9681 7238



## Summary Report



WC Name	Well API	Date	Cost Ctr.	Σ Oil Prod	Σ Gas Prod	Σ Wtr Prod
SARGAS 28 FED COM 4H	300154156000	05/31/2015	1092598301	651.00	810	1,234.00
SARGAS 28 FED COM 3H	300154179500		1090278201	2,340.00	3,013	3,988.00
		05/31/2015		2,991.00	3,823	5,222.00
SARGAS 28 FED COM 4H	300154156000	06/30/2015	1092598301	1,558.00	2,296	3,929.00
SARGAS 28 FED COM 3H	300154179500		1090278201	2,628.00	3,802	3,743.00
		06/30/2015		4,186.00	6,098	7,672.00
SARGAS 28 FED COM 4H	300154156000	07/31/2015	1092598301	1,348.00	2,130	2,981.00
SARGAS 28 FED COM 3H	300154179500		1090278201	1,500.00	2,616	2,578.00
		07/31/2015		2,848.00	4,746	5,559.00
SARGAS 28 FED COM 4H	300154156000	08/31/2015	1092598301	1,402.00	2,065	2,866.00
SARGAS 28 FED COM 3H	300154179500		1090278201	1,796.00	2,995	2,516.00
		08/31/2015		3,198.00	5,060	5,382.00
SARGAS 28 FED COM 4H	300154156000	09/30/2015	1092598301	1,614.00	3,087	3,658.00
SARGAS 28 FED COM 3H	300154179500		1090278201	1,596.00	2,219	2,072.00
		09/30/2015		3,210.00	5,306	5,730.00
SARGAS 28 FED COM 4H	300154156000	10/31/2015	1092598301	790.00	1,644	1,744.00
SARGAS 28 FED COM 3H	300154179500		1090278201	896.00	1,263	1,195.00
		10/31/2015		1,686.00	2,907	2,939.00
				18,119.00	27,940	32,504.00

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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. NMLC029390A
2. Name of Operator DEVON ENERGY PRODUCTION CO		6. If Indian, Allottee or Tribe Name
Contact: ERIN WORKMAN Email: ERIN.WORKMAN@DVN.COM		7. If Unit or CA/Agreement, Name and/or No. NMNM133355
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory SHUGART
		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	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 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 approval for a Central Tank Battery for the following wells

Sargas 28 Fed Com 3H  
NESE, Sec. 29, T18S, R31E  
30-015-41795  
56405 Shugart, Bone Spring, North  
Lease: NMLC 0029387, NMNM055468, NMLC02390

Sargas 28 Fed Com 4H

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

**Electronic Submission #249522 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad  
Committed to AFMSS for processing by CATHY QUEEN on 06/19/2014 (14CQ0501SE)**

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 06/13/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By DUNCAN WHITLOCK

Title EPS

Date 09/08/2014

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***



## Additional data for EC transaction #249522 that would not fit on the form

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM133355	NMLC029390A	SARGAS 28 FEDERAL COM 3H	30-015-41795-00-S1	Sec 29 T18S R31E NESE 1475FSL 342FEL 32.715037 N Lat, 103.884162 W Lon
NMNM133355	NMLC029390A	SARGAS 28 FED COM 4H	30-015-41560-00-S1	Sec 29 T18S R31E NESE 1425FSL 0342FEL 32.715104 N Lat, 103.884162 W Lon

### 32. Additional remarks, continued

NESE, Sec. 29, T18S, R31E  
30-015-41560  
56405 Shugart, Bone Spring, North  
Lease: NMLC 0029387, NMNM055468, NMLC02390

The central tank battery is located at the Sargas 28 Fed Com 3H & 4H Battery in Sec. 29, T18S, R31E in Eddy County, New Mexico. The Sargas 28 Fed Com 3H production will flow through its own three phase separator with a coriolis meter for the oil, flow meter to meter the water, and gas allocation to meter the gas. The Sargas 28 Fed Com 4H production will flow through its own three phase separator with a coriolis meter for the oil, flow meter to meter the water, and gas allocation to meter the gas. VRUY will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Sargas 28 Fed Com 3H & 4H Battery 4H Battery will have four oil tanks that both wells will utilize and they have a common Duke Energy Central Delivery Point #13135424 located on the east side of the facility. Oil, gas, and water volumes from both wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility.

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

See Attachment

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

**Sargas 28 Federal Com 3H, Lease: NMLC029390A pending CA  
Sargas 28 Federal Com 4H, Lease: NMLC029390A pending CA**

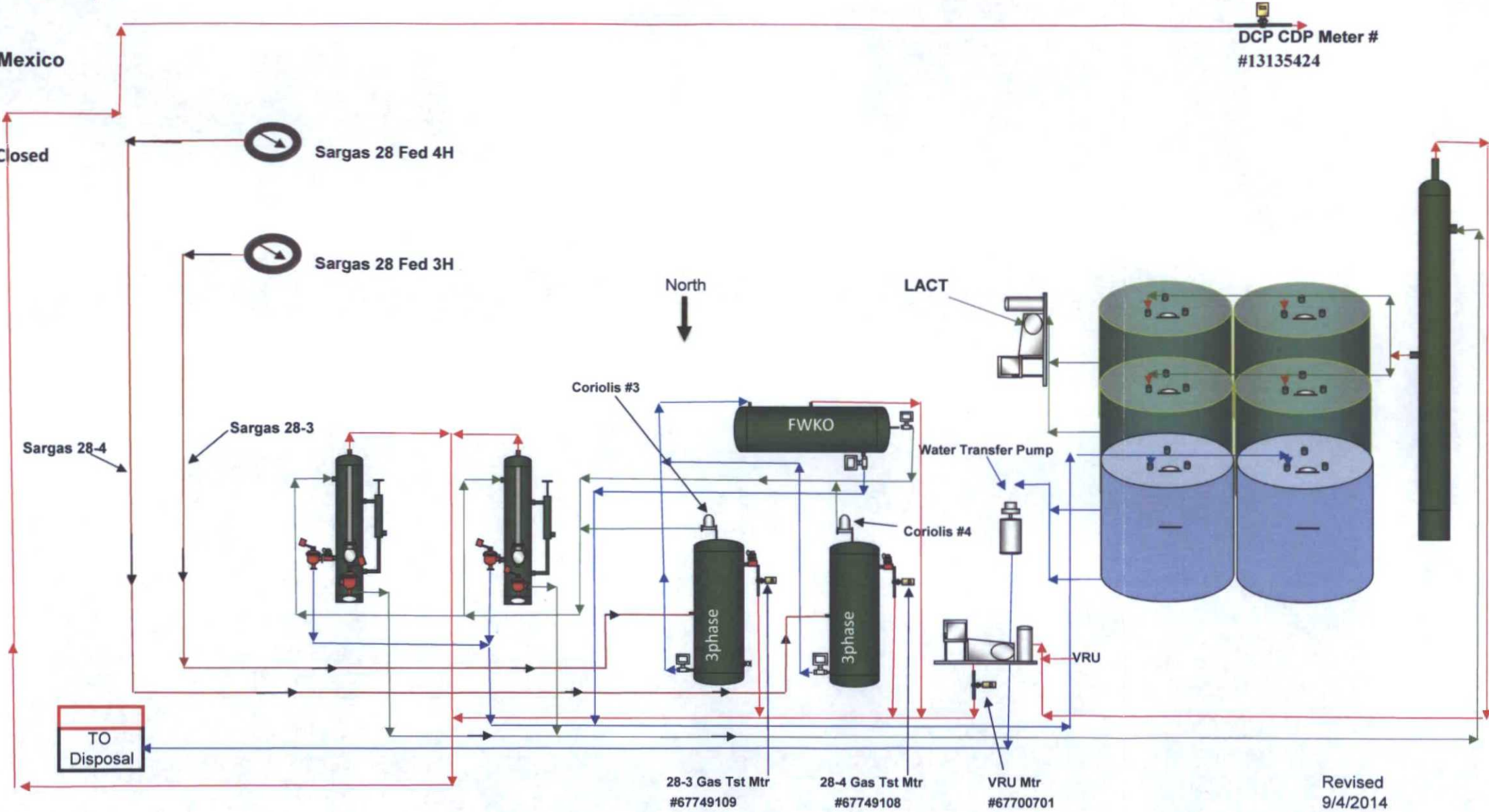
**Devon Energy Production Co.  
September 4, 2014  
Condition of Approval  
Commingling on and off lease**

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.
11. Gas Test meter numbers and oil Micro Motion Coriolis meter numbers to be provided upon installation of meters.
12. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
13. Supply production totals with oil gravity and gas BTU upon completion of wells.
14. Variance to Onshore Order #4 oil measurement to use Coriolis meters is approved with this approval.
15. This approval grants authorization for any off lease and/or off CA storage, measurement, and sales which may be appropriate.

The approval of this commingling is as per Category I of IM NMPO-2013-02. These wells produce from three different leases (NMLC029387A, NMNM055648, and NMLC029390A) which have the same royalty rate (12.5%). A Communitization Agreement is in process for these wells. By combining the production of these leases the royalty value will not be affected due to the production all being Bone Springs. The BTU value of the production is similar being Bone Springs gas. Therefore the commingling of these leases/CAs will have no royalty rate or royalty value issues do to everything being the similar. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.

Sargas 28 Fed 3H & 4H Battery  
Sec. 28-T18S-31E  
1475 FSL 342 FEL  
Eddy, County, New Mexico  
API: 30-015-41560

Production System: Closed



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

Revised  
9/4/2014