

ABOVE THIS LINE FOR DIVISION USE ONLY

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



194

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.

Print or Type Name	Signature	Title	Date

e-mail Address			

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 Company, L.P.
OPERATOR ADDRESS: 20 North Broadway, Oklahoma City, Oklahoma 73102-8260
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
				2107
				JUN 23
				AM 10 17

(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 (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 (Specify)

(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: [Signature] TITLE: Sr. Staff Engineering Technician DATE: January 18, 2006

TYPE OR PRINT NAME Norvella Adams TELEPHONE NO.: 405-552-8198

E-MAIL ADDRESS: norvella.adams@dvn.com

Red Bull 31 State 1
 Sec 31 T23S, R35E
 1300' SW 1/4, 2610' FWL
 Lea N.M.

API# 30-025-36798

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: Production Line

Valve #2: Test or Roll line

Valve #3: Equalizer Line

Valve #4: Circ./Drain Line

Valve #5: Sales Line

Valve #6: Test Load Line

Burned Lines:

Firewall:

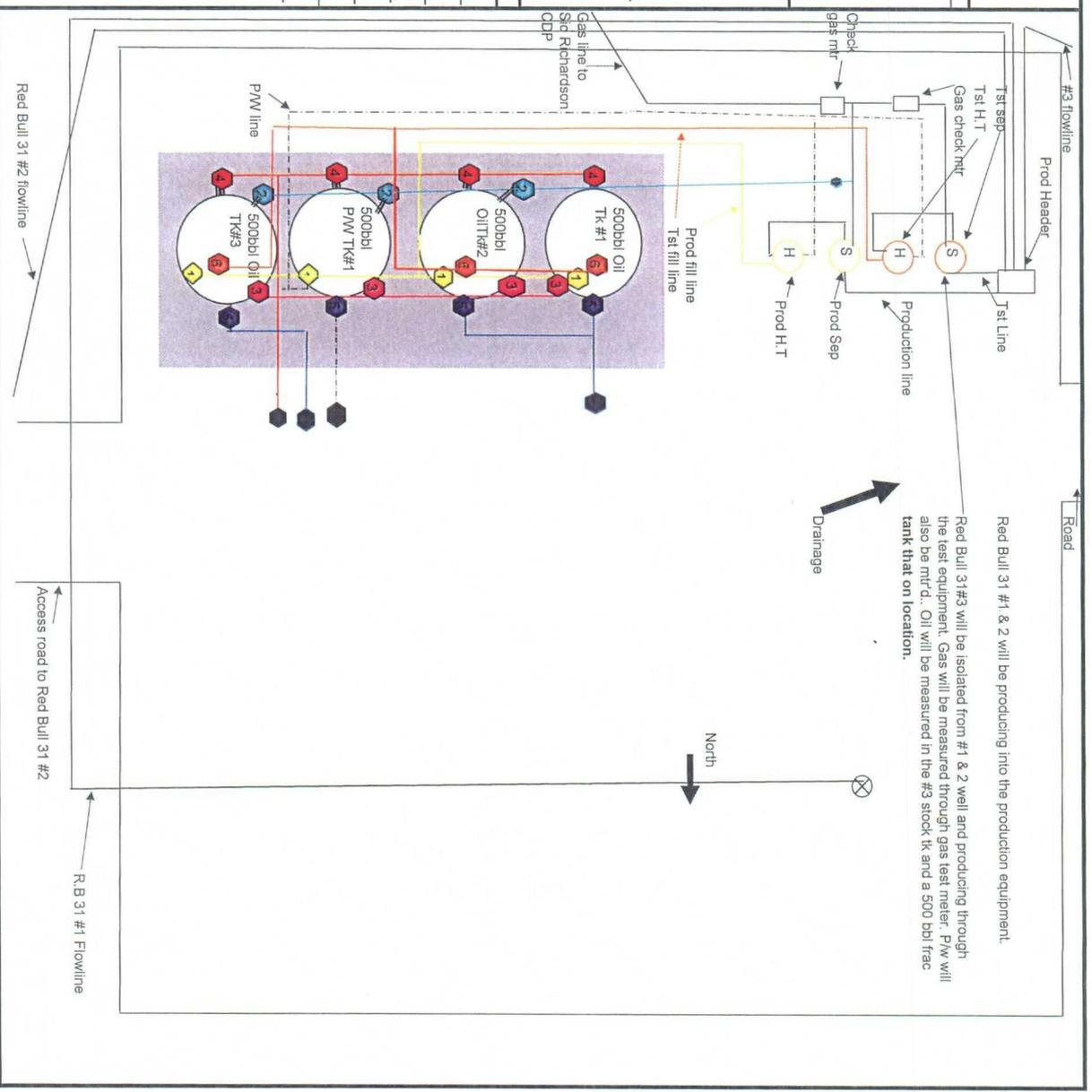
Wellhead:

Stak-pak:

Production line:

Water line:

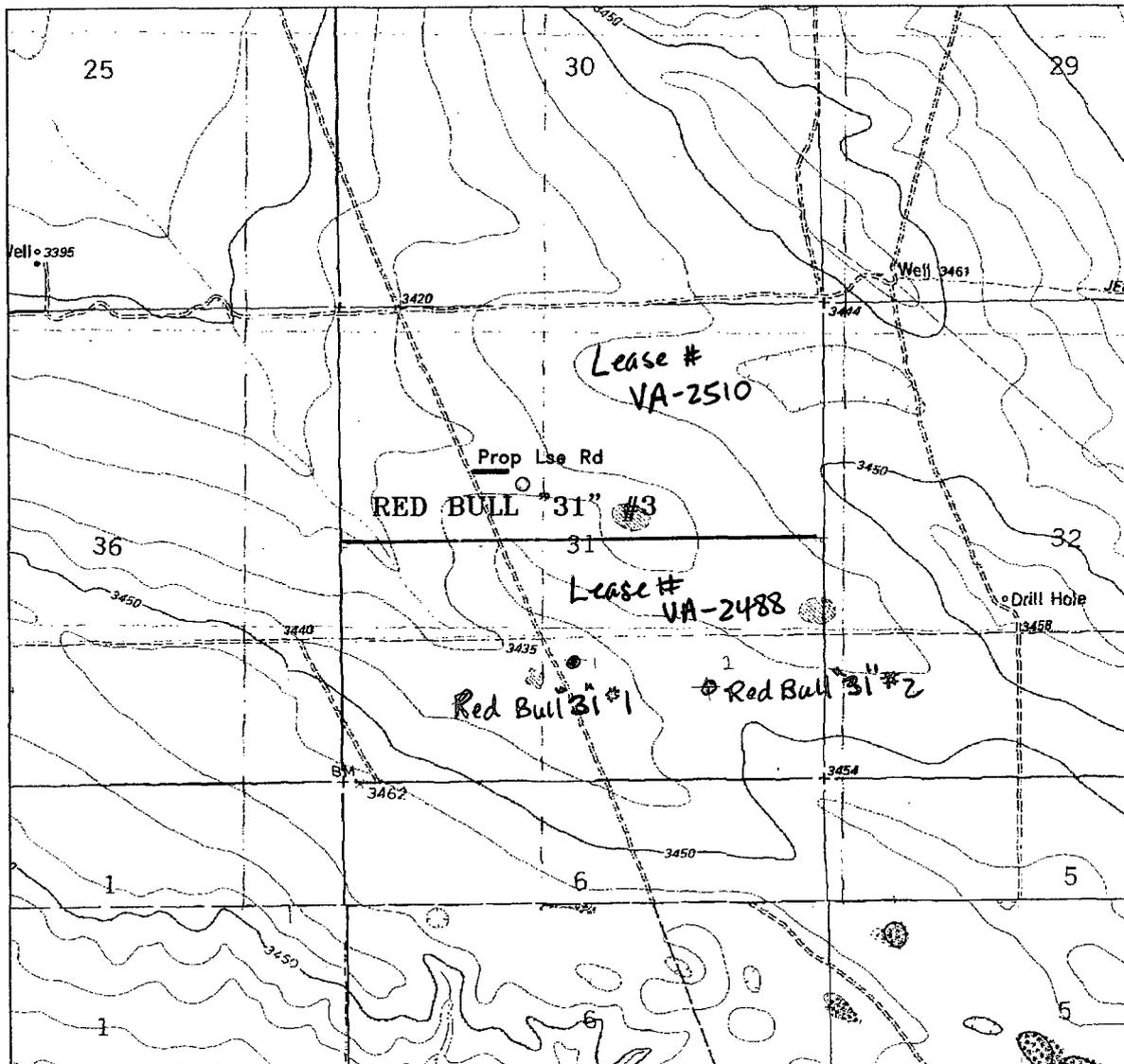
Gas Meter:



Red Bull 31 #1 & 2 will be producing into the production equipment.
 Red Bull 31#3 will be isolated from #1 & 2 well and producing through the test equipment. Gas will be measured through gas test meter. PW will also be m'd. Oil will be measured in the #3 stock tk and a 500 bbl frac tank that on location.

Red Bull 31 State 2
 Sec 31 T23S R35E
 983' FWL + 1298' FEL
 Lea N.M.
 API # 30-025-37069

Red Bull 31 State 3
 Sec 31 T23S R35E
 1980' FWL + 1980' FWL
 Lea N.M.
 API # 30-025-37620



RED BULL "31" #3
 Located at 1980' FNL AND 1980' FWL
 Section 31, Township 23 South, Range 35 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 6053AA - KJG CD#4

Survey Date: 12-12-2005

Scale: 1" = 2000'

Date: 12-13-2005

DEVON ENERGY
 PROD. CO., L.P.

**Red Bull 31 State 3 – Off-Lease Storage and Measurement
Devon Energy Production Company, L.P.**

Form C-107-B additional information (3)

Red Bull 31 State 1
Lease # VA-2488
API # 30-025-36798

Red Bull 31 State 2
Lease # VA-2488
API # 30-025-37069

Red Bull 31 State 3
Lease # VA-2510
API # 30-025-37620



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

January 18, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chesapeake Exploration Limited Partnership
PO Box 18496
Oklahoma City, OK 73154-0496

Re: Request for Off-Lease Storage and Measurement
Red Bull 31 State 3
Sections 31, Township 23 South, Range 35 East
Lea County, New Mexico

Gentlemen:

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 to permit off-lease storage and measurement of production from the Red Bull 31 State 3 well.

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

Any objections or requests that a hearing should be held regarding this application must be submitted to the NMOCD within 20 days from the date of this letter.

Should you have any questions, please contact the undersigned at 405-228-8753.

Yours truly,

Devon Energy Production Company, LP

Mark Oates
Sr. Staff Landman

Enclosure



Mark A. Oates
Sr. Staff Landman Tel. (405) 228-8753 Fax (405) 552-8113 E-Mail mark.oates@devn.com

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

January 19, 2007

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jeff Albers

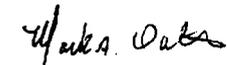
RE: Red Bull State #3
Section 31, T23S, R35E
Lea County, New Mexico

Dear Mr. Albers:

Please be advised that Devon Energy Production Company, L.P. is filing an application with the New Mexico Oil Conservation Division seeking approval to permit off-lease storage and measurement of production from the Red Bull 31 State #3 well. A copy of Devon's application is enclosed for your review and file.

Should you have questions, please feel free to contact me at (405) 228-8754.

Very truly yours,
DEVON ENERGY PRODUCTION COMPANY, L.P.


Mark A. Oates
Senior Staff Landman

Enclosure

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