



RECEIVED

2007 SEP 10 AM 10 42

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

September 6, 2007

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

**RE: Revised Application to  
Surface Commingling - PG 4 Federal 1**  
Unit Letter C SEC 9 T23S R31E  
API No. 30-015-26509  
**North Pure Gold 4 Federal 2**  
Unit Letter D SEC 9 T23S R31E  
API No. 30-015-34756  
Eddy County, New Mexico

Dear Mr. Jones:

Please find attached the BLM Form C-3160-5 Sundry Notice of Intent to Surface Commingle and the OCD form C-107B for the proposed zones. The working interest, royalty interest and overriding royalty interest owners in both formations are not uniform and all have been notified via certified mail. The receipts will be sent when received.

An NSL letter is included. Should you require any additional information, please do not hesitate to contact me at 405.228.8699.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Judy A. Barnett  
Regulatory Analyst  
[Judith.Barnett@devon.com](mailto:Judith.Barnett@devon.com)

cc: Oil Conservation Division -Artesia  
Bureau of Land Management - Carlsbad

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.**

Judith A. Barnett		Regulatory Analyst	09/06/07
Print or Type Name	Signature	Title	Date
		Judith.Barnett@dvn.com	
		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 N. 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
Los Medanos; Delaware 40297	43.3 oil, 0.759 gas, 1258 BTU/cf	42.5 oil, 0.76 gas, 1255 BTU/cf		
Wildcat; Bone Springs 96503	39.6 oil, 0.773 gas, 1241 BTU/cf	42.5 oil, 0.76 gas, 1255 BTU/cf		

- (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 (Monthly well test/allocation procedure)  
 (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.

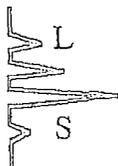
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Judy A. Barnett TITLE: Regulatory Analyst

DATE: 09/07/07

TYPE OR PRINT NAME Judy A. Barnett TELEPHONE

NO.: 405.228.8699 E-MAIL ADDRESS:



Laboratory Services, Inc.

2609 West Marland  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

M

FOR: Devon Energy  
P. O. Box 250  
Artesia, New Mexico 88211-0250

SAMPLE: IDENTIFICATION PG 4 #1 Upper Zone  
COMPANY: Devon Energy  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED 8/2/07 7:00  
ANALYSIS DATE: 8/3/07  
PRESSURE - PSIG 1200  
SAMPLE TEMP. °F  
ATMOS. TEMP. °F 65

GAS (XX) LIQUID ( )  
SAMPLED BY:  
ANALYSIS BY: Vicki McDaniel

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	1.547	
Carbon Dioxide (CO2)	3.335	
Methane (C1)	73.946	
Ethane (C2)	11.238	2.998
Propane (C3)	6.172	1.697
I-Butane (IC4)	0.683	0.223
N-Butane (NC4)	1.608	0.506
I-Pentane (IC5)	0.273	0.100
N-Pentane (NC5)	0.346	0.125
Hexane Plus (C6+)	0.852	0.370
	100.000	6.019
BTU/CU.FT. - DRY	1241	MOLECULAR WT. 22.4293
AT 14.650 DRY	1237	
AT 14.650 WET	1216	
AT 14.73 DRY	1244	
AT 14.73 WET	1222	
SPECIFIC GRAVITY - CALCULATED	0.773	
MEASURED		



# ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
DEVON ENERGY  
ATTN: JIM CROMER/JERRY MATHEWS  
20 N. BROADWAY  
OKLAHOMA CITY, OK 73102  
FAX TO:

Receiving Date: 08/01/07  
Reporting Date: 08/02/07  
Project Number: NOT GIVEN  
Project Name: PURE GOLD 4 #1  
Project Location: NOT GIVEN

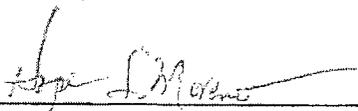
Sampling Date: NOT GIVEN  
Sample Type: CRUDE OIL  
Sample Condition: INTACT  
Sample Received By: AB

Laboratory No.	Sample ID	API grav. @ 60°F	Weight % Sulfur
H13019-1	PURE GOLD 4 #1	39.6	0.0586

METHODS: ASTM

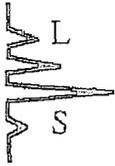
D287

D4294

  
\_\_\_\_\_  
Chemist

08-02-07  
\_\_\_\_\_  
Date

**PLEASE NOTE: Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for the services rendered. Cardinal shall not be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client or its successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons.



Laboratory Services, Inc.

2609 West Marland  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Devon Energy  
P. O. Box 250  
Artesia, New Mexico 88211-0250

SAMPLE: Sta. #131-55-021  
IDENTIFICATION North Pure Gold 4 #2  
COMPANY: Devon Energy  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED 11/29/06 8:30 am  
ANALYSIS DATE: 11/29/06  
PRESSURE - PSIG 34.5  
SAMPLE TEMP. °F 51.9  
ATMOS. TEMP. °F 60

GAS (XX) LIQUID ( )  
SAMPLED BY: Lemmons  
ANALYSIS BY: Vickie Sullivan

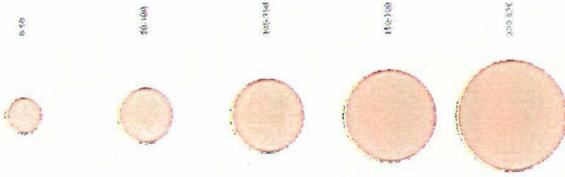
REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	2.263	
Carbon Dioxide (CO2)	0.020	
Methane (C1)	64.726	
Ethane (C2)	15.800	4.215
Propane (C3)	10.819	2.974
I-Butane (IC4)	1.213	0.396
N-Butane (NC4)	2.994	0.942
I-Pentane (IC5)	0.621	0.227
N-Pentane (NC5)	0.591	0.214
Hexane Plus (C6+)	0.953	0.414
	100.000	9.382
BTU/CU.FT. - DRY	1437	
AT 14.650 DRY	1432	
AT 14.650 WET	1407	
AT 14.73 DRY	1440	
AT 14.73 WET	1415	
SPECIFIC GRAVITY -		
CALCULATED	0.853	
MEASURED		

MOLECULAR WT. 24.7478

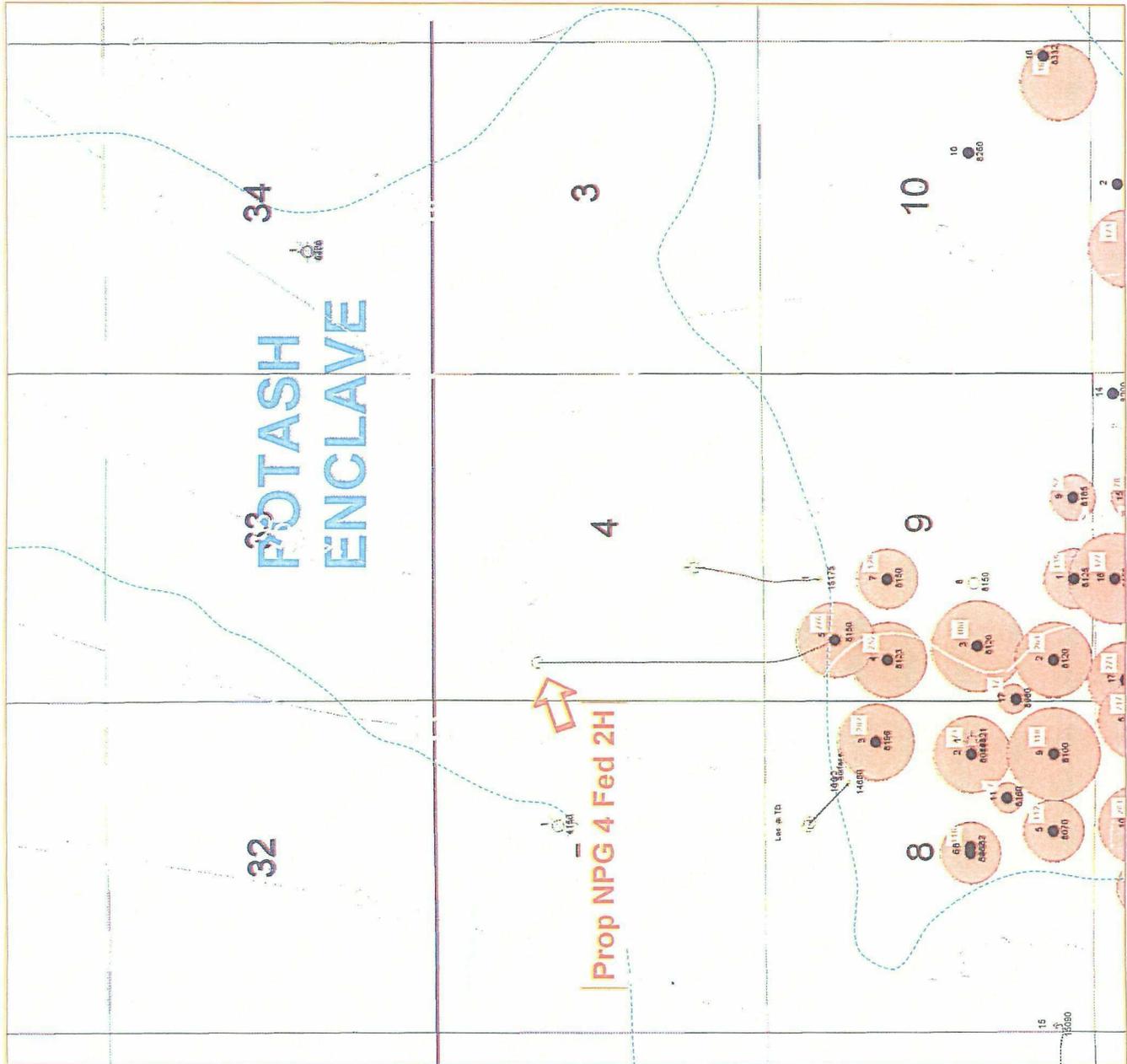
Delaware EURs <del>DEO</del> EUR study  
 prepared by DEO & EUC, 2006

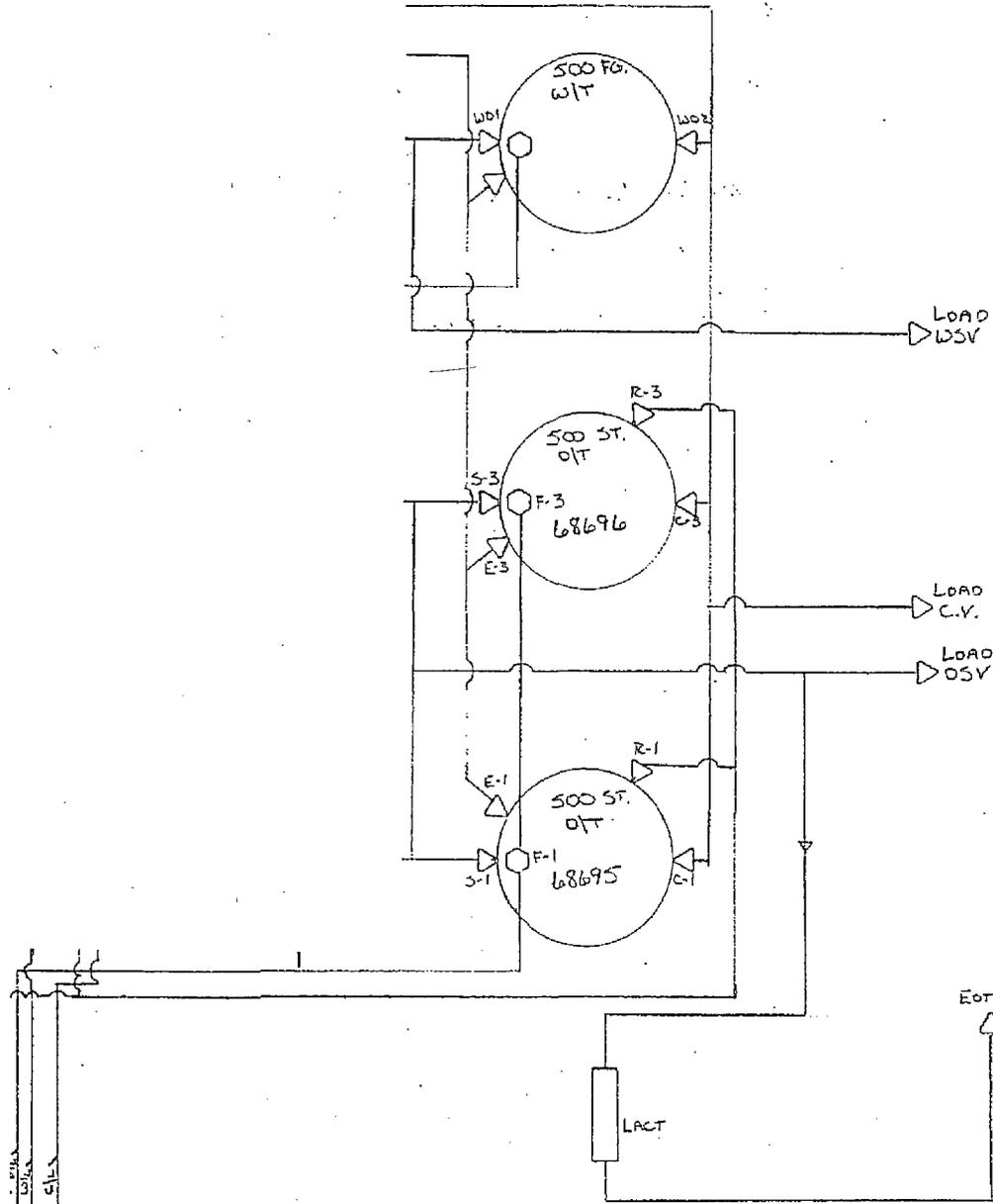


*devon*

Top Lower Brushy Canyon D Sand

Author:	Date:
	22 March, 2006
Scale:	<scale>



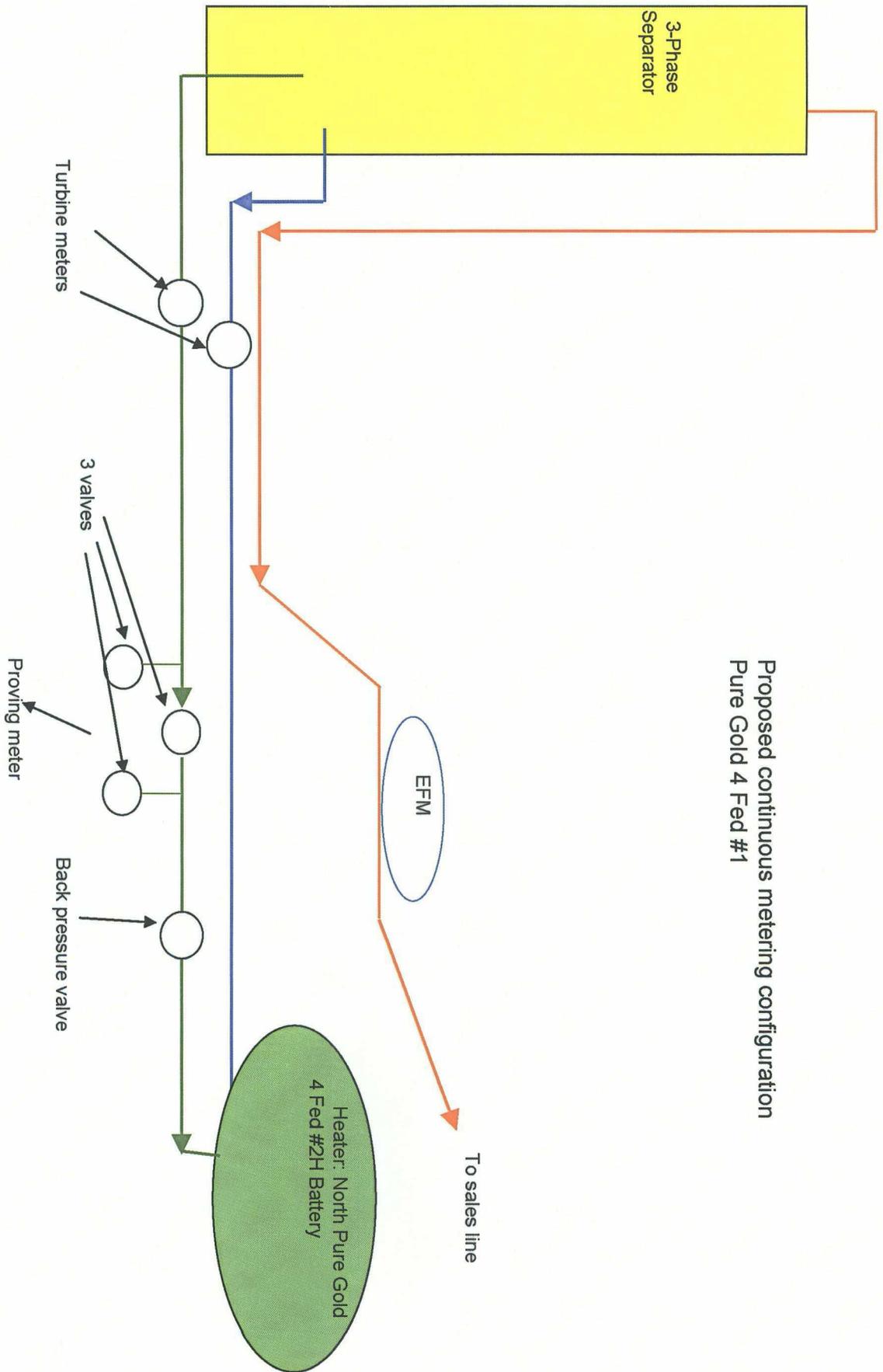


N. PURE GOLD

A. FED # 2

SEC 9 TWP 23S R31E  
 1140 FNL & 840 FWL  
 Eddy County, N.M.  
 #

This Lease is Subject to the Site Security Plan for Southeastern New Mexico operations. The Plan is Located at: Santa Fe Energy Resources, Inc. 3122 National Parks Hwy Anahad N.M. 80500



Proposed continuous metering configuration  
 Pure Gold 4 Fed #1

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**SUNDRY NOTICES AND REPORTS ON WELLS**

FORM APPROVED  
OMB NO. 1004-0135  
EXPIRES: NOVEMBER 30, 2000

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APL) for such proposals

SUBMIT IN TRIPLICATE

1a. Type of Well  Oil Well  Gas Well  Other \_\_\_\_\_

2. Name of Operator  
**DEVON ENERGY PRODUCTION COMPANY, LP**

3. Address and Telephone No.  
**20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-552-7802**

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
**SEC 9 T23S R31E**

5. Lease Serial No.  
**NMNM-81953**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Well Name and No.  
**See Attached**

9. API Well No.  
**See Attached**

10. Field and Pool, or Exploratory

12. County or Parish 13. State  
**Eddy NM**

CHECK APPROPRIATE BOX(S) 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 Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepen directionally or recomplete horizontally, give subsurface location 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

**Devon Energy Production Company, L.P.** respectfully requests approval for surface commingle for measurement of hydrocarbon production the following wells: *was in WEST SAND DUNES; ATOKA GAS, ATTEMPT THEN*

**P. G. 4 Federal 1 Unit C Sec 9 T23S R31E 900 FNL & 1980 FWL: API# 30-015-26509 Pool: Wildcat; Bone Springs 96503**

**North Pure Gold 4 Federal 2 Unit D Sec 9 T23S R31E 1140 FNL & 840 FWL: API# 30-015-34756 Pool: Los Medanos; Delaware 40297**

Surface commingle will be at the North Pure Gold Federal 2

NSL included. Interest owners have been notified via certified mail.

Revised NOI dated 8/1/07. See attached list

*will be either Los Medanos; BS or BS*

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

Signed *Judy Barnett* Name Judy A. Barnett Title Regulatory Analyst Date 9/6/2007

(This space for Federal or State Office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction.

\*See Instruction on Reverse Side

## APPLICATION FOR SURFACE COMMINGLING:

Bureau of Land Management  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Devon Energy Production Company, LP requests approval for surface commingling and measurement of hydrocarbon production from the following wells on Federal Lease No. NM81953.

<u>Lease Name &amp; No:</u>	<u>UL</u>	<u>SEC</u>	<u>TNS</u>	<u>RNG</u>	<u>Formation</u>
P G 4 Federal 1	C	9	23S	31E	Sand Dunes; Bone Spring
North Pure Gold 4 Fed 2	D	9	23S	31E	Los Medanos; Delaware

Exhibit I is a schematic, which shows the equipment that will be utilized to determine well production from each well that will contribute production to the proposed commingled facility.

### **Surface Commingling Proposal for P G 4 Federal 1 and North Pure Gold 4 Federal 2H:**

Devon proposes to surface commingle two producing wells; the P G 4 Federal #1 and North Pure Gold 4 Federal #2H, into a common surface facility called the North Pure Gold 4 Federal #2H production facility. This commingling will eliminate the need for two production facilities and will in effect lessen the disturbance and impact on the environment. The BLM will be notified if there is any future change in the facility location.

### **Gas metering:**

A separate three-phase separator will be installed at the battery to process production from the P G Federal #1 well (diagram attached). Gas from this separator will be measured by an electronic flow meter (EFM) on its way to the sales line, at which point combined gas sales from both wells will be measured. This EFM will be used to allocate gas production between the two wells, and will be calibrated on a regular basis.

### **Oil metering:**

Oil production from the three-phase separator processing production from the P G 4 Fed #1 will be measured by a turbine meter in the flow line before it is combined at the existing heater treater with production from the North Pure Gold 4 Federal #2H. Total oil production from both wells will be measured by standard gauging procedures at the battery. Allocated oil production from the P G 4 Fed #1 will be based upon the turbine meter readings at the three-phase separator, while oil production from the North Pure Gold 4 Fed #2H will be based upon total battery production less the appropriate measured volume for the P G 4 Fed #1. Provision will be made in the oil flow line at the three-phase separator to check and calibrate the turbine meter with a "proving" meter. A meter check and calibration will be performed on a regular basis..

Please see attached diagrams for the "current" facilities set up and proposed additional equipment to separately meter production from the P G 4 Federal #1.

The overriding royalty owners, working interest owners and NMOCD have been notified of this proposal. The overriding royalty owners and working interest owners have been notified by certified mail. See attached receipt list.

The proposed commingling of production is to reduce operating expense between the two referenced wells. This will result in increasing the economic life of the wells.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. We intend to follow the existing ROW for the gas line.

Signed:   
Name: Judith A. Barnett  
Title: Regulatory Analyst  
Date: September 6, 2007



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
Joanna Prukop  
Cabinet Secretary

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division

June 15, 2007

Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

Attention: Mr. Ken Gray

Re: P G "4" Federal Well No. 1  
API No. 30-015-26509  
Surface Location: 900' FNL & 1980' FWL, Unit C, Section 9  
Bottomhole Location (Top of Bone Springs): 235' FNL & 2108' FWL, Unit C, Section 9  
Bottomhole Location (3<sup>rd</sup> Bone Springs Interval): 805' FSL & 2184' FWL, Unit N, Section 4  
All in Township 23 South, R-31 East, NMPM,  
Eddy County, New Mexico



*Administrative Order NSL-5646*

Dear Mr. Gray:

Reference is made to the following:

- (a) Devon Energy Production Company, L.P.'s ("Devon" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0714234700*) for the P G "4" Federal Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 21, 2007; and
- (b) the Division's records pertinent to Devon's request.

Devon requests approval of an unorthodox oil well location for its existing P G "4" Federal Well No. 1 which is located at a surface location 900 feet from the North line and 1980 feet from the West line (Unit C) of Section 9, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, and which penetrates the top of the Bone Springs formation at an unorthodox location 235 feet from the North line and 2108 feet from the West line (Unit C) of Section 9, and which penetrates the 3<sup>rd</sup> Bone Springs interval at a standard location 805 feet from the South line and 2184 feet from the West line (Unit N) of Section 4, Township 23 South, Range 31 East, NMPM. The well is to be completed in the Wildcat-Bone Springs Pool (Oil - N/A) and is to be dedicated to a standard 40-acre spacing and proration unit comprising the SE/4 SW/4 of Section 4.

The Wildcat-Bone Springs Pool is currently governed by Division Rule 19.15.3.104.B.

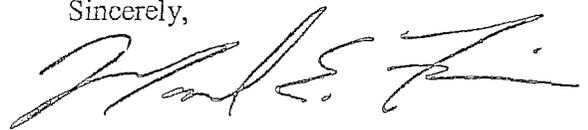
It is our understanding that the well was originally directionally drilled as an Atoka test, and that the well is now uneconomic to produce in that formation. Devon now proposes to re-complete the well in the 3<sup>rd</sup> Bone Springs interval at an approximate measured depth of 11,563'-11,566', 11,570'-11,574', 11,584'-11,592', 11,602'-11,605' and 11,608'-11,612'. According to the directional survey for this well, the 3<sup>rd</sup> Bone Spring interval will be penetrated at a standard oil well location 805 feet from the South line and 2184 feet from the West line (Unit N) of Section 4. However, the directional survey further shows that the top of the Bone Springs formation will be penetrated by the well at an unorthodox location 235 feet from the North line and 2108 feet from the West line (Unit C) of Section 9.

In the event that the well is completed in a Bone Springs interval above a measured depth of 11,563', the applicant shall consult with the Division to determine the proper acreage to be dedicated to the well.

The applicant provided notice of this application to Yates Petroleum Corporation and Camterra Resources, the only affected parties. No party objected to this application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Wildcat-Bone Springs Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.  
Division Director

MEF/drc

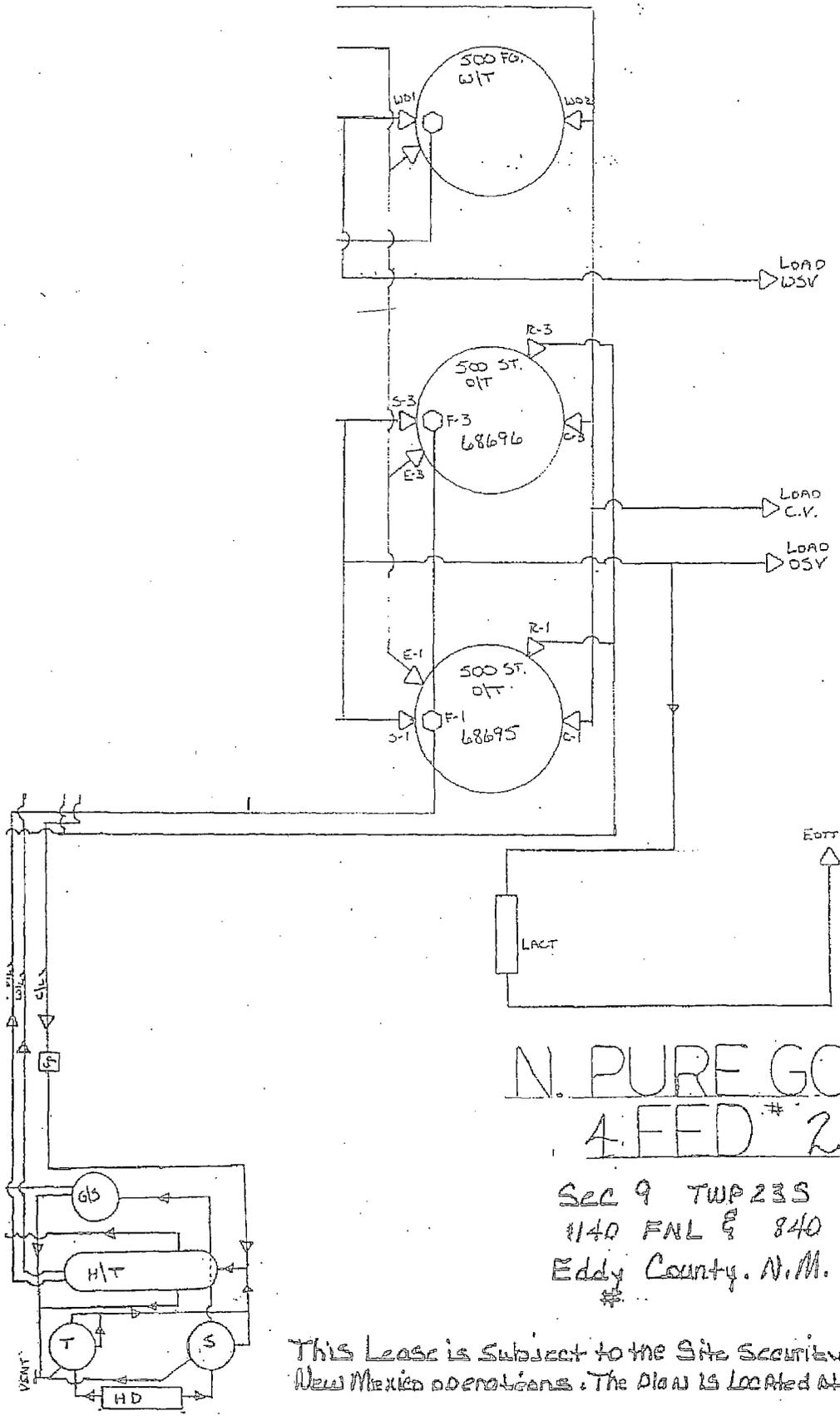
cc: New Mexico Oil Conservation Division - Artesia

## List of Interest Owners

Yates Petroleum Corporation  
105 South 4th Street  
Artesia, NM 88210

Camterra Resources PTNRS LTD  
ATT: Accounting Dept  
2615 E. End Blvd. S.  
Marshall, TX 75671

Minerals Management Service  
Royalty Management Program  
P. O. Box 5810  
Denver, CO 80217-5810

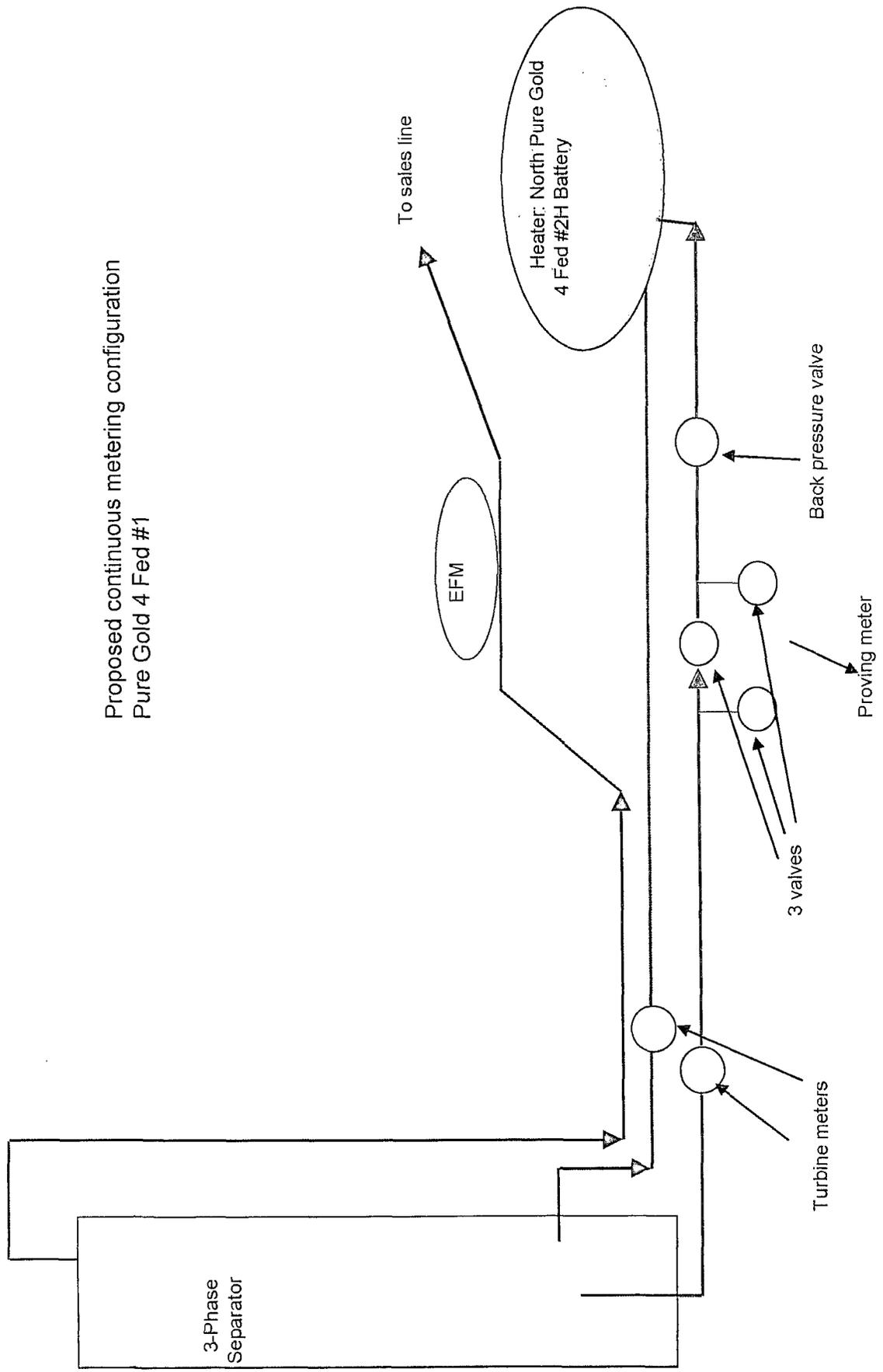


N. PURE GOLD  
A. FED # 2

SEC 9 TWP 23S R31E  
 1140 FNL & 840 FWL  
 Eddy County, N.M.

This Lease is Subject to the Site Security Plan for Southeastern New Mexico operations. The Plan is Located at: Santa Fe Energy Resources, Inc. 3122 National Parks Hwy Anahad N.M. 80992

Proposed continuous metering configuration  
Pure Gold 4 Fed #1



devon

RECEIVED

2007 SEP 20 AM 10:09

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

September 20, 2007

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

**RE: Surface Commingling - PG 4 Federal 1**

Unit Letter C SEC 9 T23S R31E

API No. 30-015-26509

**North Pure Gold 4 Federal 2**

Unit Letter D SEC 9 T23S R31E

API No. 30-015-34756

Eddy County, New Mexico

Dear Mr. Jones:

As per my letter to you dated September 6, 2007, I have attached the receipts for the working interest, royalty interest and overriding royalty interest owners for the above. Please let me know if any further information is needed. Thanks for your help in this matter.

Sincerely,

**DEVON ENERGY PRODUCTION COMPANY, L.P.**



Judy A. Barnett  
Regulatory Analyst  
[Judith.Barnett@dvn.com](mailto:Judith.Barnett@dvn.com)

cc: Oil Conservation Division -Artesia  
Bureau of Land Management – Carlsbad

Attachments

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

YATES PETROLEUM CORP.  
 105 SOUTH 4TH STREET  
 ARTESIA, NM 88210

2. Article Number  
 (Transfer from service label) 7007 0710 0000 3996 1060

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *Henry D. ...*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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1. Article Addressed to:

Minerals Management Service  
 Royalty Management Program  
 Denver, CO 80217-5810

2. Article Number  
 (Transfer from service label) 7007 0710 0000 3996 1077

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

Agent for:  
 MINERAL MANAGEMENT SYSTEMS

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Camterra Resources PTNRS LTD  
 Attn: Accounting Dept  
 2615 E. End Blvd. S  
 Marshall, TX 75671

2. Article Number  
 (Transfer from service label) 7007 0710 0000 3996 1091

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *Leroy Fisher*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

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105 SOUTH 4TH STREET  
ARTESIA, NM 88210

2. Article Number

(Transfer from service label)

7007 0710 0000 3996 1060

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-154

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4. Restricted Delivery? (Extra Fee)

 Yes

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

1a. Type of Well  Oil Well  Gas Well  Other \_\_\_\_\_

2. Name of Operator  
**DEVON ENERGY PRODUCTION COMPANY, LP**

3. Address and Telephone No.  
**20 North Broadway, Oklahoma City, OK 73102**      **405-228-8699**

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
**900' FNL & 1980' FWL**  
**SEC 9 T23S R31E**

5. Lease Serial No.  
**NM-81953**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Well Name and No.  
**North Pure Gold 4 Federal 1**

9. API Well No.  
**30-015-26509**

10. Field and Pool, or Exploratory  
**Sand Dunes; Bone Spring**

12. County or Parish 13. State  
**Eddy NM**

CHECK APPROPRIATE BOX(S) 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 checked="" type="checkbox"/> Recomplete	<input 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 Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

**Devon Energy Production L.P. respectfully requests to recomplete to the Bone Spring.**

1. MIUL 12,000' of 2 7/8" work string.
2. MIRU WSU. Conduct safety meeting w/crew, including a summary discussion of this entire procedure. NU 5000 psi BOPE and test to full working pressure psi per company guidelines.
3. Ensure well is dead, then TOH with 2-3/8" tubing.
4. MIRU WLSU. NU lubricator/wireline BOPE rated to 5000 psi and test to full working pressure. Run gauge ring and junk basket for 7"/29 ppf casing to 13500'. Note: tight spots noted in well files at 12,337' and 13,350'.
5. RIH with 4" CIBP and set above old packer @ 13,500' +/- . Correlate Schlumberger GR/CNL/LDT dated 2/1/1991 (strip attached). POH with setting tool.
6. Dump bail 35' of cement on top of CIBP.
7. Test casing/ liner to 3000 psi.
8. RIH with 4" casing gun to perforate the 3rd Bone Spring basal sand as follows: 2 SPF, 120o phase. Correlate log strip (attached).  
11563-66': 6 shots; 11570-74': 8 shots; 11584-92': 16 shots; 11602-05': 6 shots; 11608-12': 8 shots.  
POH and rig down WLSU.
9. RIH with treating packer on work string and set @ 6000'+/- (below TOC of 7" csg). Load and test tubing-casing annulus to 1000 psi.

(Attachments: Continued on Page 2)

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

Signed *Judy A. Barnett* Name **Judy A. Barnett** Title **Regulatory Analyst** Date **05/17/07**

(This space for Federal or State Office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date **MAY 22 2007**  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction.

10. Acidize new perms with 2500 gals 7.5% acid per service company recommendation to follow. Drop 75 ball sealers evenly with the acid. Pump acid at maximum rate possible with pumps on location. If ballout occurs, surge balls off and continue with acid.
11. Unset treating packer. Run through perms to knock balls off, then reset packer above perms and swab load. Continue to swab test until a good estimate of oil cut is obtained. Possible frac, depending on results.
12. PUH & set treating packer at 6000'. RU treaters to FRAC per proposal (to follow). Hold 2000 psi on tubing-casing annulus during frac.
13. Flow well back immediately at ½ to 1 BPM until well dies.
14. MIRU WLSU. NU WL BOPE and test per company guidelines.
15. RIH w/ 4" csg gun. Perf 3rd BS Carbonate at the following intervals, 2 SPF 120 degree phased: 10513-24': 2 SPF 22 shots; 10536-38': 2 SPF 4 shots; 10553-56': 2 SPF 6 shots; 10576-88': 2 SPF 24 shots.. RD WLSU.
16. RIH with RBP and treating packer on tubing. Set RBP above L. BS perms, approx. 11,500' and test to 2000 psi.
17. PUH and set treating packer at approximately 10,000'.
18. RU treaters and acidize 10,513 -10,588' with 3000 gal 15% NEFeHCl, dropping 75 ball sealers evenly with the acid. Pump acid at maximum rate possible with pumps on location (6 - 8 BPM+). If ballout occurs, surge balls off and continue with acid.
19. Unset treating packer and run through perms to knock balls off, then reset packer swab load.
20. After swab test, retrieve bridge plug and POH.
21. RIH w/MA, perf sub, SN, 10 jts 2-7/8" 6.5# N-80 tubing, 7" TA, & 2-7/8" tubing to PBTD and circulate well clean.
22. PUH to 11,520' (EOT). ND BOP, set TA, & NU pumping WH assembly
23. RIH pump & rods w/ molded rod guides per recommendation (to follow). Set PU. Hang well on pump.
24. Report daily production test until further notice.

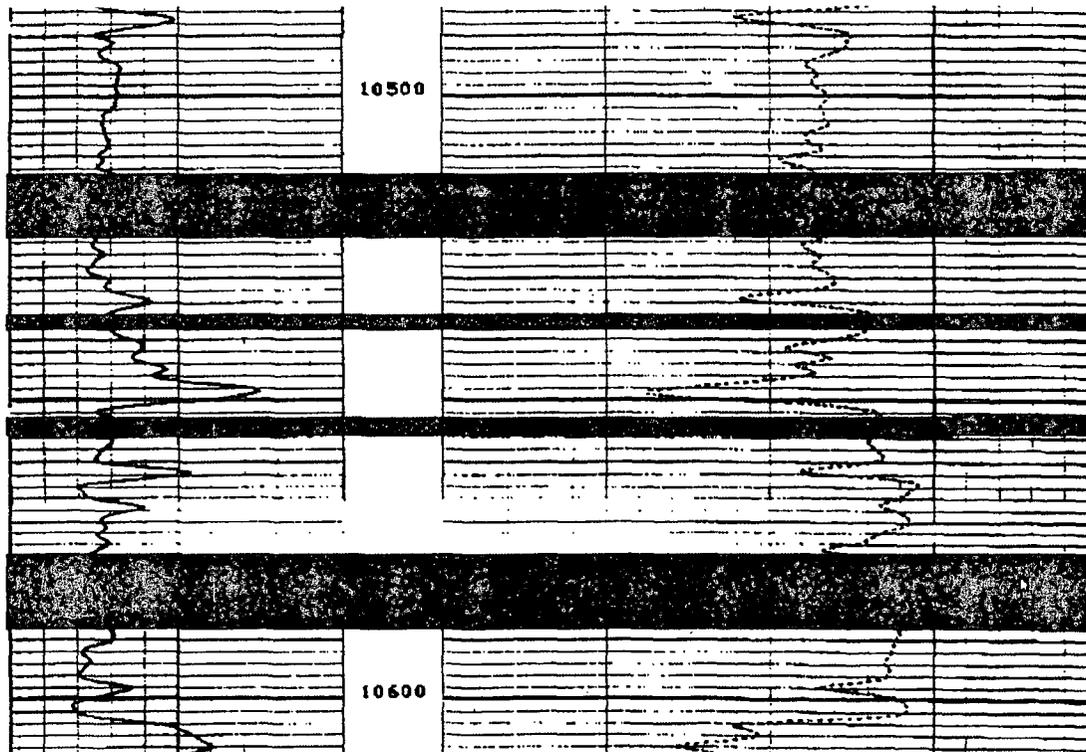
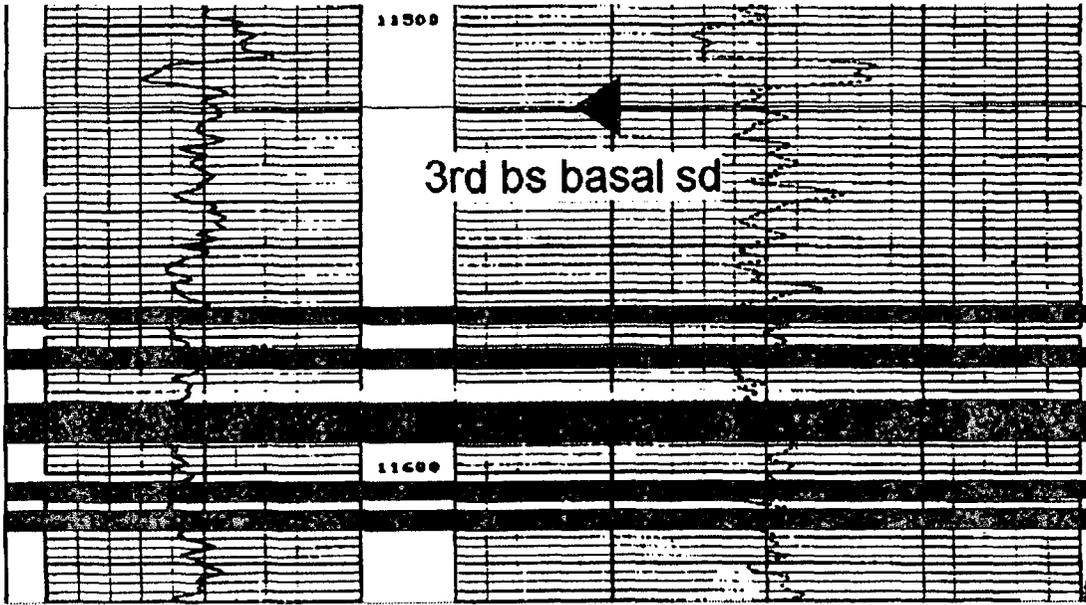
NORTH PURE GOLD 4 FEDERAL 1

API# 30-015-26509

Recomplete to the Bone Spring

May 17, 2007

Page 2



NORTH PURE GOLD 4 FEDERAL 1

API# 30-015-26509

Recomplete to the Bone Spring May 17, 2007 Page 3

DEVON ENERGY CORP. **PURE GOLD 4 FED #1** (GAS)  
 SAND DUNES WEST Field, EDDY Co., NM **Area: INGLE WELLS/SAN**  
 900' FNL, 1980' FWL, Sec 9, 23S 31E. **Elev: 3372.0' (26.0' AGL)**

Last updated by:  
 SI List 05/07/2007

Surface Casing Record  
 13.375" / 48.00# / H-40 / STC @ 628'

Intermediate Casing Record  
 9.625" / 36.00# / K-55 / STC @ 4122'

Production Casing Record  
 7.00" / 29.00# / / @ 12075'  
 26.00# / S95 @ 0'  
 29.00# / P110 @ 0'

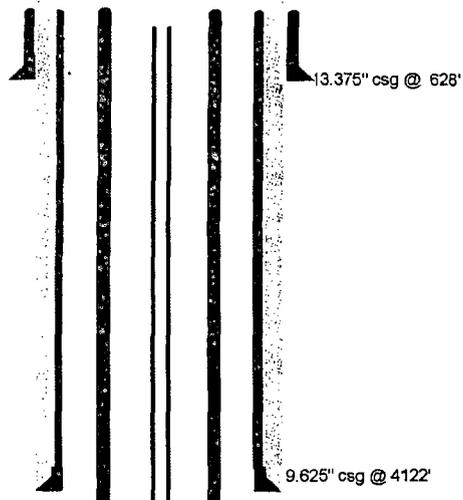
Production Liner Record  
 4.50" / 13.50# / S-95 / BRD @ 11715'-15174'

Tubing Record  
 2.375" / 4.70# / P110 / EUE @ 13531'

**Well History (spudded 10/29/1990):**

1/91 - DC. Test and abandon two Morrow zones.

6/29/92: Complete ATOKA 13718'- 14738'. ACID 13718'- 13748' w/ 3000 GAL (IP 0 BO, 2426 MCF, 1 BW).



TOC = 5720' (TS)

Bone Spring behind pipe.

7.000" csg @12075'  
 w/2145 sx

2.375" tbg @13531' (OE: 1.781" SN)

TUBING DETAIL						
Descrip.	Jts	O.D.	Wt/	Gr /	Conn	Depth Int'vl
TUBING	0	2.375	0.0	/	/	0- 0

13718-13748'  
 (ATOKA)

Field @12558' / D&D ASSEM  
 Junk in hole (old pkr, plunger)

**Plugs:**

CIBP @14050'  
 CIBP @14500'  
 FLTC @15084'

**Perf Detail**

Interval	spf	Date
13718-13748'	0	/ /
14655-14738'	0	/ /

PF: 14192-14199' (MRRW)

PF: 14655 -14738' (MORROW)

TD = 15178'

4.500" Inr: 11715'  
**API# 30-015-26509**  
 Current status: INAC  
 TVD =14865' (Throw = 1560').

Comments: