

DATE IN 1-12	SUSPENSE	ENGINEER RE.	LOGGED IN 1-12	TYPE CTB	APP NO. 1001255552
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Devon Energy

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-606

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.

Stephanie A. Ysasaga
Print or Type Name

Signature

Sr. Staff Engineering Technician
Title

01/08/2010
Date

Stephanie.Ysasaga@dmv.com
e-mail Address



RECEIVED

2010 JAN 12 AM 11 39

Devon Energy Production Company
Operations Engineering
20 North Broadway - CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7802
Fax (405)-552-8113
Stephanie.Ysasaga@dvm.com

January 8th, 2010

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

151499

**Re: Central Tank Battery, Surface Commingling, Off Lease Measurement & Storage
Sec 9-T21S-R26E Leases: K5261 & L7010
Wiser State 1, Wiser State 2 & Oxy State 1
API # 30-015-26462, 30-015-26461 & 30-015-26384
Catchlaw Draw; Delaware, East (10500)**

Dear Mr. Ezeanyim:

Please find attached Form C-103 Sundry Notice to Surface Commingle and Form C-107B for the subject leases.

Devon Energy respectfully requests permission to commingle the above leases for the purpose of producing from a common tank battery located on Lease No. L-7010 from the East Delaware Pool. The ownership in the leases is identical as to royalty ownership, overriding royalty ownership and working interest; all parties have been notified via certified mail.

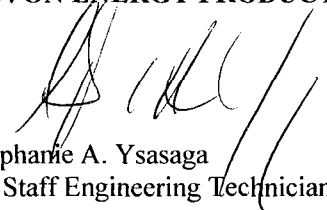
Attached are Exhibits "A", "B", "C" and "D" showing the leases, wells and the proposed tank battery layout. A test vessel will be used to test each well for a 48 hour period on a continuously rotating basis on Lease No.'s K5261 & L7010. Gas hydrocarbon production for the above mentioned wells has already been surface commingled under PLC-151A & OLS-181.

The proposed commingling of production will reduce operation expense among the referenced wells as well as reduce the surface footprint and overall emissions associated with producing these wells.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Stephanie A. Ysasaga
Sr. Staff Engineering Technician

Enclosures

Devon Energy Production Company, LP understands that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the NMOCD section in your office if we have not already done so.

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. See Attached
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Co., LP		6. State Oil & Gas Lease No.
3. Address of Operator 20 North Broadway, OKC OK 73102-8260		7. Lease Name or Unit Agreement Name See Attached
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section 9 Township 21S Range 26E NMPM Eddy County, NM		8. Well Number See Attached
11. Elevation (Show whether DR, RKB, RT, GR, etc.) n/a		9. OGRID Number 6137
		10. Pool name or Wildcat Catclaw Draw; Delaware, East

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: CENTRAL TANK BATTERY; SURFACE COMMINGLE,
OFF LEASE MEASUREMENT & SALES ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Company, L.P. respectfully requests approval for surface commingle for measurement of hydrocarbon production in the Catclaw Draw; Delaware, East pool (10500) on the following oil wells:

Wiser State 1 Sec 9-T21S-R26E API # 30-015-26462 Catclaw Draw; Delaware, East pool (10500)
Wiser State 2 Sec 9-T21S-R26E API # 30-015-26461 Catclaw Draw; Delaware, East pool (10500)
Oxy State 1 Sec 9-T21S-R26E API # 30-015-26384 Catclaw Draw; Delaware, East pool (10500)

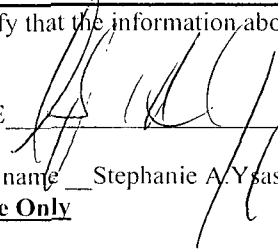
Surface commingle will be at the Oxy State 1. The ownership in the leases is identical as to royalty ownership, overriding royalty ownership and working interest; all parties have been notified via certified mail (see attached).

Gas previously commingled under PLC-151 and OSL-181.

Spud Date:

Rig Release Date:

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

SIGNATURE  TITLE Sr. Staff Engineering Technician DATE 01/08/2010

Type or print name Stephanie A. Ysasaga E-mail address: Stephanie.Ysasaga@dvn.com PHONE: 405-552-7802

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

EXHIBIT A

5

4

3

ST NM L-7010

USA NMNM-3606

CACTUS 9B FEDERAL #2

ST NM K-5261

STATE BQ COM #1

WISER STATE #3

WISER STATE #1

DEVON FEDERAL #3

USA NMNM-0400877

ST NM K-5261

10

ST NM L-7010

OXY STATE #1

21S 26E

DEVON FEDERAL #2

STATE L #1

STATE L #1

ST NM L-7010

ST NM K-5261

OXY STATE #2

WISER STATE #2

BQ 2 FEDERAL COM #1

ST NM K-4529-2

STATE BT COM #1

CACTUS STATE #5

CACTUS STATE #7

CACTUS STATE #1

Legend

• Producing Well

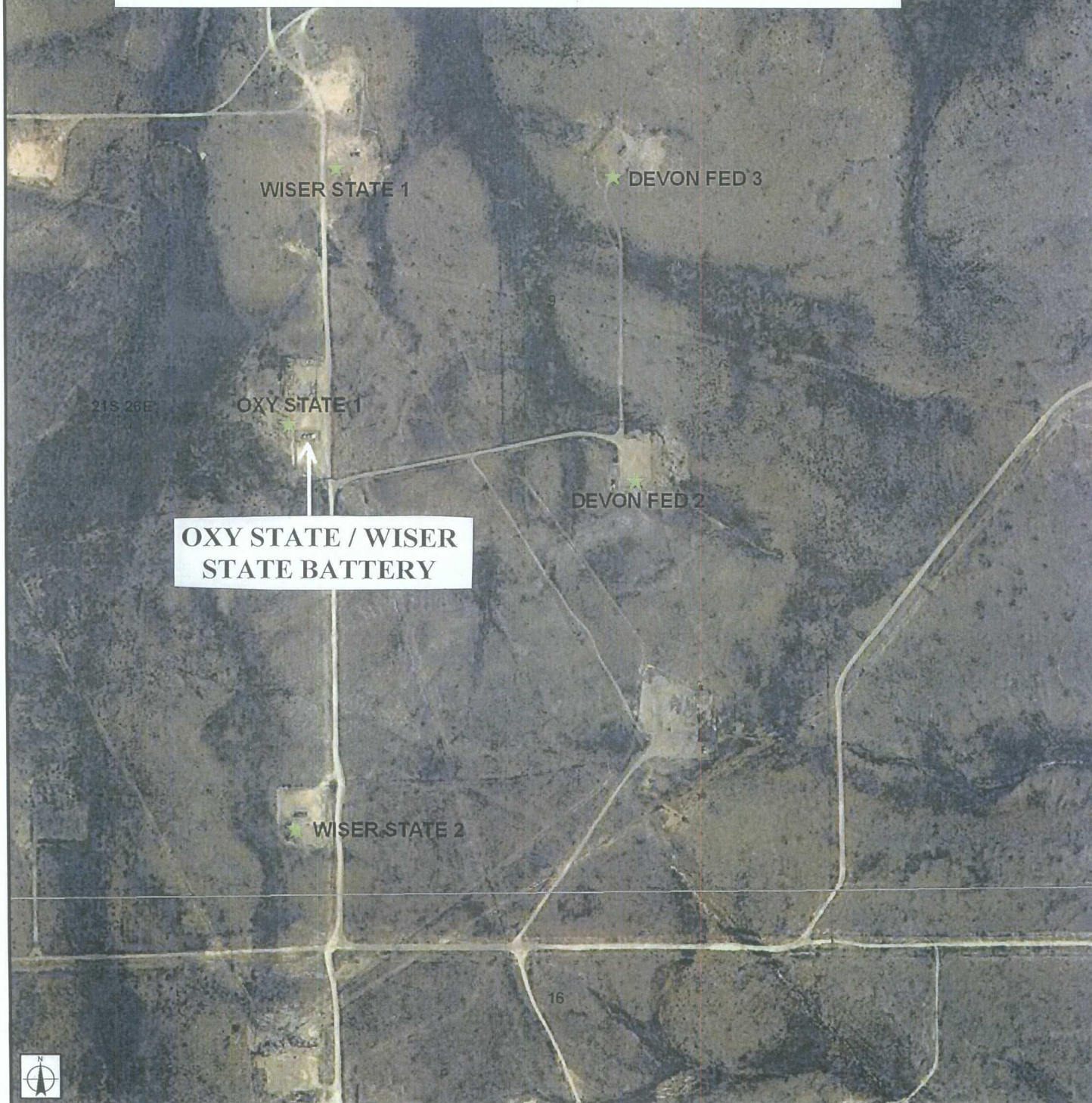


Devon Lease

OXY & WISER COMMINGLING
devon



**OXY STATE & WISER STATE SURFACE COMMINGLE,
OFF LEASE MEASUREMENT & STORAGE
CENTRAL TANK BATTERY
SEC 9-T21S-R26E
EDDY COUNTY, NM**





Ken Gray
Senior Advisor, Land

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 552-4633
Fax: (405) 552-8113

June 16, 2009

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

Re: Surface Commingling
Oxy State #1
Wiser State #1, #2
Section 9-T21S-R26E
Eddy County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. regarding the ownership of the referenced wells and the associated oil and gas leases and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to surface commingle the following wells/leases:

Oxy State #1, API# 30-015-26384, State of New Mexico Lease L-7010
Wiser State #1, API #30-015-26462, State of New Mexico Lease K-5261
Wiser State #2, API #30-015-26461, State of New Mexico Lease K-5261

If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Ken Gray". The signature is written in a cursive, flowing style.

Ken Gray
Senior Advisor, Land

Interest Owners Wiser 1 & 2 Oxy 1

EXHIBIT B

St Mary Land & Exploration Company
1776 Lincoln Street, Suite 700
Denver, CO 80203
7008-1140-0004-6107-8995

Stanley D. Venable
2610 Racquet Club Drive
Midland, TX 79705
7008-1140-0004-6107-9008

State of New Mexico
Commissioner of Public Lands
P.O. 1148
Santa Fe, NM 87504-1148
7008-1140-0004-6107-9015

Blackstone Minerals Co, L.P.
P.O. Box 201709
Houston, TX 77216-1709
7008-1140-0004-6107-9022

MAPOO-NET an Oklahoma General Partnership
c/o Minerals Acquisition Partners
P.O. Box 268946
Oklahoma City, OK 73126
7008-1140-0004-6107-9039

Tom E. Johnson Exploration, LLC
P.O. Box 1688
Midland, TX 79702-1688
7008-1140-0004-6107-9046

Oxy USA WTP, L.P.
P.O. Box 27570
Houston, TX 77227
7008-1140-0004-6107-9053

Mineral Management Service
Royalty Management Program
P.O. Box 5810
Denver, CO 80217-5810
7008-1140-0004-6107-9060

Remora Oil Company
P.O. Box 461008
Glendale, CO 80246-2531
7008-1140-0004-6107-9077

E & S, LLC
711 S. Country Club Lane
Payson, AZ 85541
7008-1140-0004-6107-9084

Paula S. Campbell
P.O. Box 1018
Roswell, NM 88202
7008-1140-0004-6107-9091

NM & T Resources, LLC
P.O. Box 10523
Midland, TX 79702
7008-1140-0004-6107-9114

Chemily Management Company
P.O. Box 1487
Cypress, TX 77410-1487
7008-1140-0004-6107-9107

Devon Energy Production Co.
Proposed
Oxy-Wiser Battery
Section 9 T21S R26 E
Eddy County, New Mexico

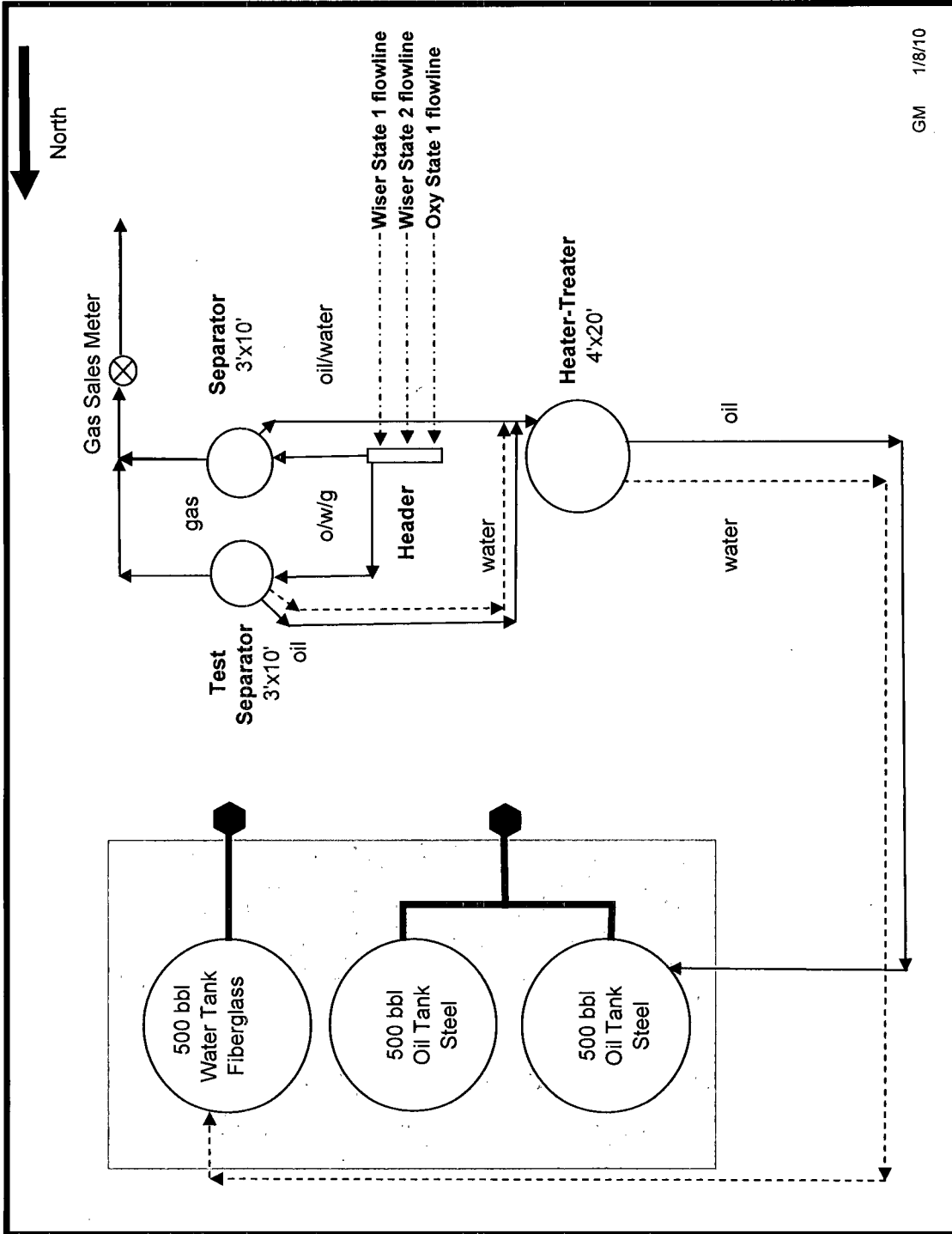


Exhibit "D"

Varian Star Chromatography Workstation

Natural Gas Analysis Report

SM

Run File	C:\STAR\PGM\DEVON10_12;24;57 PM_1-22-2009.RUN		
Method	C:\star\BTUC6+.mth		
Operator	PRECISION GAS MEA	Analysis Date	1/22/2009
Station	88533009	Company	DEVON ENERGY
Effective Date	1/20/09	Pulled Data	PRESS 48 TEMP 83
Received Date	OXYWISER BATTERY	Composite/Spot	SPOT

Component	Mole %	BTU	GPM
H2S	0.4000	2.55	0.0000
nitrogen	4.1361	0.00	0.0000
methane	66.6145	674.36	0.0000
propane	8.0014	201.79	2.2048
i-butane	1.2627	41.16	0.4131
n-butane	2.6885	87.91	0.8476
carbon dioxide	0.0135	0.00	0.0000
i-pentane	0.9075	36.39	0.3322
n-pentane	0.7773	31.23	0.2815
ethane	13.9130	246.78	3.7211
hexane+	1.2854	65.27	0.5523
Totals	100.0000	1,387.44	8.3526

Relative Density from Composition	0.8460
BTUs @ 14.65 Saturated	1,370
BTUs @ 14.65 Dry	1,394
Compressibility	0.99521

1/22/2009

CACTUS BATTERY OFF-LEASE PRODUCTION BY WELL

EDDY COUNTY

	01/01/09	02/01/09	03/01/09	04/01/09	05/01/09	06/01/09	07/01/09	08/01/09
Well Name	Sum Est Oil	Sum Est Oil	Sum Est Oil	Sum Est Oil	Sum Est Oil	Sum Est Oil	Sum Est Oil	Sum Est Oil
WISER STATE 1	155.44	153.71	120.48	128.19	124.30	122.53	144.00	112.96
WISER STATE 2	124.35	144.56	144.17	192.28	186.44	183.8	179.92	135.55
OXY STATE 1	129.88	146.64	144.16	161.49	155.37	146.24	141.77	107.73
DEVON FEDERAL 3	476.52	417.96	400.99	407.80	423.07	401.64	406.29	356.98

Duke shut-in from August 25 - 30th.

WISER STATE 1 AUGUST 2009 PRODUCTION

Completion Name	Date	Actual Oil Production	Actual Gas Production	Actual Water Production
WISER STATE 1	8/1/2009	5.224	13.78	10.769
WISER STATE 1	8/2/2009	6.008	13.28	9.231
WISER STATE 1	8/3/2009	5.746	13.31	7.692
WISER STATE 1	8/4/2009	5.224	13.57	10.769
WISER STATE 1	8/5/2009	5.224	13.04	10.769
WISER STATE 1	8/6/2009	5.224	13.46	11.538
WISER STATE 1	8/7/2009	3.134	5.56	7.692
WISER STATE 1	8/8/2009	3.134	9.42	8.462
WISER STATE 1	8/9/2009	3.134	8.74	8.337
WISER STATE 1	8/10/2009	1.436	29.1	3.201
WISER STATE 1	8/11/2009	3.654	23.74	10.769
WISER STATE 1	8/12/2009	6.266	14.66	7.692
WISER STATE 1	8/13/2009	6.268	13.77	7.692
WISER STATE 1	8/14/2009	5.224	13.53	8.462
WISER STATE 1	8/15/2009	6.268	13.75	21.538
WISER STATE 1	8/16/2009	5.224	13.51	11.538
WISER STATE 1	8/17/2009	5.224	12.51	8.846
WISER STATE 1	8/18/2009	5.224	13.12	8.462
WISER STATE 1	8/19/2009	5.224	12.93	8.077
WISER STATE 1	8/20/2009	3.134	9.25	8.337
WISER STATE 1	8/21/2009	3.134	12.06	7.432
WISER STATE 1	8/22/2009	3.134	13.15	5
WISER STATE 1	8/23/2009	2.612	11.87	3.846
WISER STATE 1	8/24/2009	3.657	12.85	13.462
WISER STATE 1	8/25/2009	0	6.18	0
WISER STATE 1	8/26/2009	0	0	0
WISER STATE 1	8/27/2009	0	0	0
WISER STATE 1	8/28/2009	0	0	0
WISER STATE 1	8/29/2009	0	0	0
WISER STATE 1	8/30/2009	0	0	0
WISER STATE 1	8/31/2009	5.222	22.61	12.692

WISER STATE 2 AUGUST 2009 PRODUCTION

Completion Name	Date	Actual Oil Production	Actual Gas Production	Actual Water Production
WISER STATE 2	8/1/2009	6.269	13.78	8.615
WISER STATE 2	8/2/2009	7.209	13.27	7.385
WISER STATE 2	8/3/2009	6.895	13.31	6.154
WISER STATE 2	8/4/2009	6.269	13.57	8.615
WISER STATE 2	8/5/2009	6.269	13.04	8.615
WISER STATE 2	8/6/2009	6.269	13.46	9.231
WISER STATE 2	8/7/2009	3.761	5.56	6.154
WISER STATE 2	8/8/2009	3.761	9.42	6.769
WISER STATE 2	8/9/2009	3.761	8.74	6.67
WISER STATE 2	8/10/2009	1.724	29.1	2.561
WISER STATE 2	8/11/2009	4.385	23.74	8.615
WISER STATE 2	8/12/2009	7.519	14.66	6.154
WISER STATE 2	8/13/2009	7.522	13.77	6.154
WISER STATE 2	8/14/2009	6.269	13.53	6.769
WISER STATE 2	8/15/2009	7.522	13.75	17.231
WISER STATE 2	8/16/2009	6.269	13.51	9.231
WISER STATE 2	8/17/2009	6.269	12.51	7.077
WISER STATE 2	8/18/2009	6.269	13.12	6.769
WISER STATE 2	8/19/2009	6.269	12.93	6.462
WISER STATE 2	8/20/2009	3.761	9.25	6.67
WISER STATE 2	8/21/2009	3.761	12.06	5.946
WISER STATE 2	8/22/2009	3.761	13.15	4
WISER STATE 2	8/23/2009	3.134	11.87	3.077
WISER STATE 2	8/24/2009	4.388	12.85	10.769
WISER STATE 2	8/25/2009	0	6.19	0
WISER STATE 2	8/26/2009	0	0	0
WISER STATE 2	8/27/2009	0	0	0
WISER STATE 2	8/28/2009	0	0	0
WISER STATE 2	8/29/2009	0	0	0
WISER STATE 2	8/30/2009	0	19.01	0
WISER STATE 2	8/31/2009	6.266	22.61	10.154

OXY STATE 1 AUGUST 2009 PRODUCTION

Completion Name	Date	Actual Oil Production	Actual Gas Production	Actual Water Production
OXY STATE 1	8/1/2009	5.223	13.78	8.616
OXY STATE 1	8/2/2009	6.007	13.28	7.384
OXY STATE 1	8/3/2009	5.746	13.31	6.154
OXY STATE 1	8/4/2009	5.223	13.57	8.616
OXY STATE 1	8/5/2009	5.223	13.04	8.616
OXY STATE 1	8/6/2009	5.223	13.46	9.231
OXY STATE 1	8/7/2009	3.135	5.56	6.154
OXY STATE 1	8/8/2009	3.135	9.42	6.769
OXY STATE 1	8/9/2009	3.134	8.74	6.67
OXY STATE 1	8/10/2009	1.436	29.1	2.561
OXY STATE 1	8/11/2009	3.655	23.74	8.616
OXY STATE 1	8/12/2009	6.265	14.66	6.154
OXY STATE 1	8/13/2009	6.269	13.77	6.154
OXY STATE 1	8/14/2009	5.223	13.53	6.769
OXY STATE 1	8/15/2009	6.269	13.75	17.231
OXY STATE 1	8/16/2009	5.223	13.51	9.231
OXY STATE 1	8/17/2009	5.223	12.51	7.077
OXY STATE 1	8/18/2009	5.223	13.12	6.769
OXY STATE 1	8/19/2009	5.223	12.93	6.461
OXY STATE 1	8/20/2009	3.135	9.25	6.67
OXY STATE 1	8/21/2009	3.134	12.06	5.945
OXY STATE 1	8/22/2009	3.135	13.15	4
OXY STATE 1	8/23/2009	2.612	11.87	3.077
OXY STATE 1	8/24/2009	3.656	12.85	10.769
OXY STATE 1	8/25/2009	0	6.19	0
OXY STATE 1	8/26/2009	0	0	0
OXY STATE 1	8/27/2009	0	0	0
OXY STATE 1	8/28/2009	0	0	0
OXY STATE 1	8/29/2009	0	0	0
OXY STATE 1	8/30/2009	0	0	0
OXY STATE 1	8/31/2009	5.222	22.61	10.154



Devon Energy Production Company
Operations Engineering
20 North Broadway – CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7802
Fax (405)-552-8113
Stephanie.Ysasaga@dev.com

January 8th, 2010

State of New Mexico Commission of Public Lands
Attn: Jami Bailey
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, New Mexico 87504-1148



**Re: Central Tank Battery, Surface Commingling, Off Lease Storage & Measurement
Sec 9-T21S-R26E Leases: K5261 & L7010
Wiser State 1, Wiser State 2 & Oxy State 1
API # 30-015-26462, 30-015-26461 & 30-015-26384
Catchlaw Draw; Delaware, East (10500)**

Dear Jami Bailey:

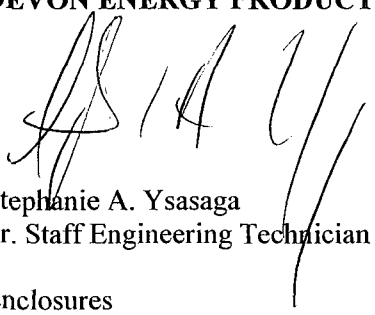
Please find a copy of the revised application to surface commingle the above leases. The BLM had requested the Federal well "Devon Fed 3" on Lease NM0400877 be taken to another battery, so revision of this application was necessary. This application includes only the state wells the Wiser State 1, Wiser State 2 and Oxy State 1 and revised application had been resubmitted to Richard Ezeanyim at the Santa Fe NMOCD office. Sorry for any inconvenience this may have caused. The \$30.00 filing fee is enclosed.

The proposed commingling of production will reduce operation expense among the referenced wells as well as reduce the surface footprint and overall emissions associated with producing these wells.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Stephanie A. Ysasaga
Sr. Staff Engineering Technician

Enclosures

cc: Oil Conservation Division – Santa Fe, NM



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

September 1, 2009

Devon Energy Corporation
20 North Broadway, CT 3 056
Oklahoma City, Oklahoma 73102-8260

Attention: Ms. Stephanie A. Ysasaga

Re: OLS Surface Commingling – Storage – Measurement Application
Leases K-5261, L-7010 & Fed Lease NM 0400877
Wiser St. #1, Wiser St. #2, Oxy St. #1 & Devon Federal #3
Catchlaw Draw; Delaware, East Pool
Sec. 9-21S-26E
Eddy County, New Mexico

Dear Ms. Ysasaga:

We are in receipt of your letter of August 19, 2009 requesting our approval for surface commingling, off-lease storage and measurement of hydrocarbon production from the above captioned wells at the Oxy State/Wiser State Battery.

It is our understanding that the common tank battery will be located in the NE/4SW/4 of Sec. 9-21S-26E on State Lease No. L-7010-3.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

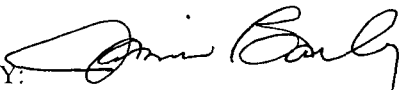
Please submit a \$30.00 filing fee.

Please contact Ms. Anna Villa at (505) 827-5789 regarding a possible right-of-way through the NE/4SW/4 of Section 9-21S-26E. In addition a business lease may also be required for the storage area. Please also contact Ms. Peggy Walton (505) 827-5863 of our Commercial Resources Division for a possible business lease.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Attention: Ed Martin
BLM Carlsbad: Attention: Mr. Wesley Ingram

Anna Villa, Peggy Walton -State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University