

DATE IN <u>5/10/11</u>	SUSPENSE	ENGINEER <u>PTG-W</u>	LOGGED IN <u>5/10/11</u>	TYPE <u>PTG-W</u>	APP NO. <u>1113057168</u>
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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
6137

4 wells

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 _____

2011 MAY 10 A 10:55
 RECEIVED OOD

- [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.

<u>Melanie Crawford</u> Print or Type Name	<u>Melanie Crawford</u> Signature	<u>Regulatory Analyst</u> Title	<u>3-28-11</u> Date
		<u>Melanie.Crawford@dmv.com</u> e-mail Address	



Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dev.com

March 28, 2011

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

RECEIVED OCD
2011 MAY 10 A 10:55

Re: **Pool Surface Commingle**
Kachina 5 Federal 2, Kachina 5 Federal 3, Kachina 5 Federal 4, & Kachina 5 Federal 5
API # 30-025-31277, 30-025-31517, 30-025-31690, & 30-025-32038
Sec 5-T18S-R33E
Lease LC-062391
Corbin; Wolf Camp, South - Pool Code: 13320 — 80 acres
Corbin; Bone Springs - Pool Code: 13155 — 40 acres
Lea County, New Mexico

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B, OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Pool Surface Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both leases are not uniform; parties have been notified via certified mail.

BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.


Melanie Crawford
Regulatory Analyst

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: 20 North Broadway, Ste 1500
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
Corbin; Wolf Camp, South - 13320	36.88/1450				
Corbin; Wolf Camp, South - 13320	36.88/1638				
Corbin; Bone Springs - 13155	33.00/1407				
Corbin; Bone Springs - 13155	36.8/1411				

- (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: Melanie Crawford TITLE: Regulatory Analyst DATE: 3-28-11

TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405)-552-4524

E-MAIL ADDRESS: Melanie.Crawford@dvn.com

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
 May 27, 2004

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

WELL API NO. See Below
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC-062391
7. Lease Name or Unit Agreement Name See Below
8. Well Number See Below
9. OGRID Number 6137
10. Pool name or Wildcat See Below
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Devon Energy Production Company, LP

3. Address of Operator
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location (See Below)
 Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line
 Section _____ Township _____ Range _____ NMPM Lea County New Mexico

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Pool Surface Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 a Pool Surface Commingle for the following wells:

- I K G M
 Kachina 5 Federal 2 API: 30-025-31277 Pool: 13155 - Corbin; Bone Spring (recompletion from Wolf Camp to Bone Spring)
- Kachina 5 Federal 3 API: 30-025-31517 Pool: 13320 - Corbin; Wolf Camp, South N/2 SW/4
- Kachina 5 Federal 4 API: 30-025-31690 Pool: 13155 - Corbin; Bone Spring
- Kachina 5 Fedreal 5 API: 30-025-32038 Pool: 13320 - Corbin; Wolf Camp, South S/2 SW/4

A central tank battery is located at the Kachina 5 Fed 1 P&A well location in section 5, T18S, R33E. The Kachina 5 Federal 2, 3, 4, & 5 are the only wells producing to the facility. The gas production from all the wells will flow to the Frontier CDP Sales Meter 6075365 which is also located at the Kachina 5 Fed 1 P&A well (UNIT 0)

The working royalty and overriding interest for all wells is not uniformed; parties have been notified via certified mail (see attached).

ROW will or has already been obtained.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE 3-28-11

Type or print name Melanie Crawford E-mail address: Melanie.Crawford@dvn.com Telephone No. (405) 552-4524
 For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

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

Star

Certified Mail Number: 7008 1830 0003 1982 6255

Mary Evelyn Beck Roberts
1111 North Penn
Roswell, NM 88201

Certified Mail Number: 7008 1830 0003 1982 6262

James M Dowaliby Jr.
535 Townsend Avenue
New Haven, CT 06512

Certified Mail Number: 7008 1830 0003 1982 6279

Charles Brice Dowaliby
211 West Tilden
Roswell, NM 88203-5746

Certified Mail Number: 7008 1830 0003 1982 6361

David H Bell & Gay B Bell Trust U/A Dated 3/30/90
David H & Gay B Bell, Co-Trustees
9043 Mullen Road
Lenexa, KS 66215

Certified Mail Number: 7008 1830 0003 1982 6354

Robert H Bunting
515 North Bridge
Henrietta, TX 76365

Certified Mail Number: 7008 1830 0003 1982 6347

OXY USA WTP LP
Lock Box 841735
Dallas, TX 75284-1735

Certified Mail Number: 7008 1830 0003 1982 6316

Maggie Suetta Cockburn Estate, Hollace Lynne Hervey & First American
Bank Co Pers Reprs - First American Bank Trust Dept
PO Box AA
Artesia, NM 88210

Certified Mail Number: 7008 1830 0003 1982 6309

Frank Ross Bunting
5926 Bishops Mill
Corpus Christi, TX 78418

Certified Mail Number: 7008 1830 0003 1982 6323

Betty Lynn Hughes
3311 Edgemont Drive
Midland, TX 79707-4215

Certified Mail Number: 7008 1830 0003 1982 6330

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC062391
2. Name of Operator DEVON ENERGY		6. If Indian, Allottee or Tribe Name
Contact: MELANIE CRAWFORD E-Mail: melanie.crawford@dvn.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 20 NORTH BROADWAY CT 3:058 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-4524	8. Well Name and No. KACHINA 5 FEDERAL 3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T18S R33E		9. API Well No. 30-025-31517
		10. Field and Pool, or Exploratory CORBIN; BS & WOLFCAMP
		11. County or Parish, and State LEA COUNTY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 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 requirements, 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 a Pool Surface Commingle for the following wells:

Kachina 5 Federal 2	API: 30-025-31277	Pool: 13155 - Corbin; Bone Spring
(recompletion from Wolf Camp to Bone Spring)		
Kachina 5 Federal 3	API: 30-025-31517	Pool: 13320 - Corbin; Wolf Camp, South
Kachina 5 Federal 4	API: 30-025-31690	Pool: 13155 - Corbin; Bone Spring
Kachina 5 Federal 5	API: 30-025-32038	Pool: 13320 - Corbin; Wolf Camp, South

A central tank battery is located at the Kachina 5 Fed 1 P&A well location in section 5, T18S, R33E. The Kachina 5 Federal 2, 3, 4, & 5 are the only wells producing to the facility. The gas production from all the wells will flow to the Frontier CDP Sales Meter 6075365 which is also

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #105780 verified by the BLM Well Information System For DEVON ENERGY, sent to the Hobbs

Name (Printed/Typed) MELANIE CRAWFORD	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 04/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title LRET	Date 5/3/11
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 CFO	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #105780 that would not fit on the form

32. Additional remarks, continued

located at the Kachina 5 Fed 1 P&A well.

The working royalty and overriding interest for all wells is not uniformed; parties have been notified via certified mail (see attached).

ROW will or has already been obtained.

**APPLICATION FOR CENTRAL TANK BATTERY,
POOL SURFACE COMMINGLE**

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

Pool commingling proposal for Kachina leases:

Devon Energy Production Company, LP is requesting approval for Central Tank Battery, Pool Commingle from the following wells and pools:

Federal Lease NMLC-062391

Well Name	Location	API #	Pool - 13320	BOPD	Oil Gravity	MCFPD	BTU
Kachina 5 Fed 3	Sec 5-T18S-R33E	30-025-31517	Corbin; Wolf Camp, South	2	38.1	5.27	1450
Kachina 5 Fed 5	Sec 5-T18S-R33E	30-025-32038	Corbin; Wolf Camp, South	3	39.4	3.16	1638

Federal Lease NMLC-062391

Well Name	Location	API #	Pool - 13155	BOPD	Oil Gravity	MCFPD	BTU
Kachina 5 Fed 2	Sec 5-T18S-R33E	30-025-31277	Corbin; Bone Spring	120	33.0	79.03	1407
Kachina 5 Fed 4	Sec 5-T18S-R33E	30-025-31690	Corbin; Bone Spring	2	42.3	10.54	1411

A map is enclosed showing the Federal leases and well locations in Section 5-T18S-R33E. The working interest, royalty interest and overriding royalty interest owners are not identical; parties have been notified via certified mail (see attached).

Oil & Gas metering:

A central tank battery is located at the Kachina 5 Fed 1 P&A well location in section 5, T18S, R33E. The Kachina 5 Federal 2, 3, 4, & 5 are the only wells producing to the facility. The gas production from all the wells will flow to the Frontier CDP Sales Meter 6075365 which is also located at the Kachina 5 Fed 1 P&A well. Production from the Kachina 5 Federal 3, 4, & 5 wells will flow to a Production/Test header before flowing to the tank battery. Production from the Kachina 5 Federal 2 well will flow separately to the tank battery during testing.

Consequently the month's total oil, gas, and water are allocated back to the individual wells based on their test for the month of production reported.

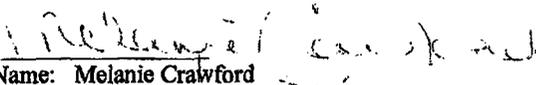
The BLM's interest in these wells, are the same and the BTU's are equivalent. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

Please see attached diagram for the "proposed" Kachina 5 Federal 1's production facility. The flow of produced fluids is shown in detail along with a description of each vessel. From the common production header, one well is on test and its production leaves the production header and enters the Test Separator.

The benefit of surface commingling is that all the wells are approximately ½ a mile from the production facility, one facility will handle the production for all the wells. Reduced liability with primary exposure to one facility and reduced lease road/location maintenance due to time/wear-n-tear needing spent at each well's location. This will also lessen the surface disturbance due to having all the production at one facility.

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. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Signed: 
Printed Name: Melanie Crawford
Title: Regulatory Analyst
Date: 4/20/11

Kachina 6 Federal Battery
 Sec-5, T18S, R33E
 330FSLA1980FEL
 Lea County, N.M
 Lease #LC062391

Production System: Open

1) Oil sales by tank gauge to tank truck.

2) Seal requirements:

A. Production Phase: On all Tanks.

(1) All valves & sealed closed.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed.

(2) Valve 3 sealed closed.

(3) Valve 4 sealed closed.

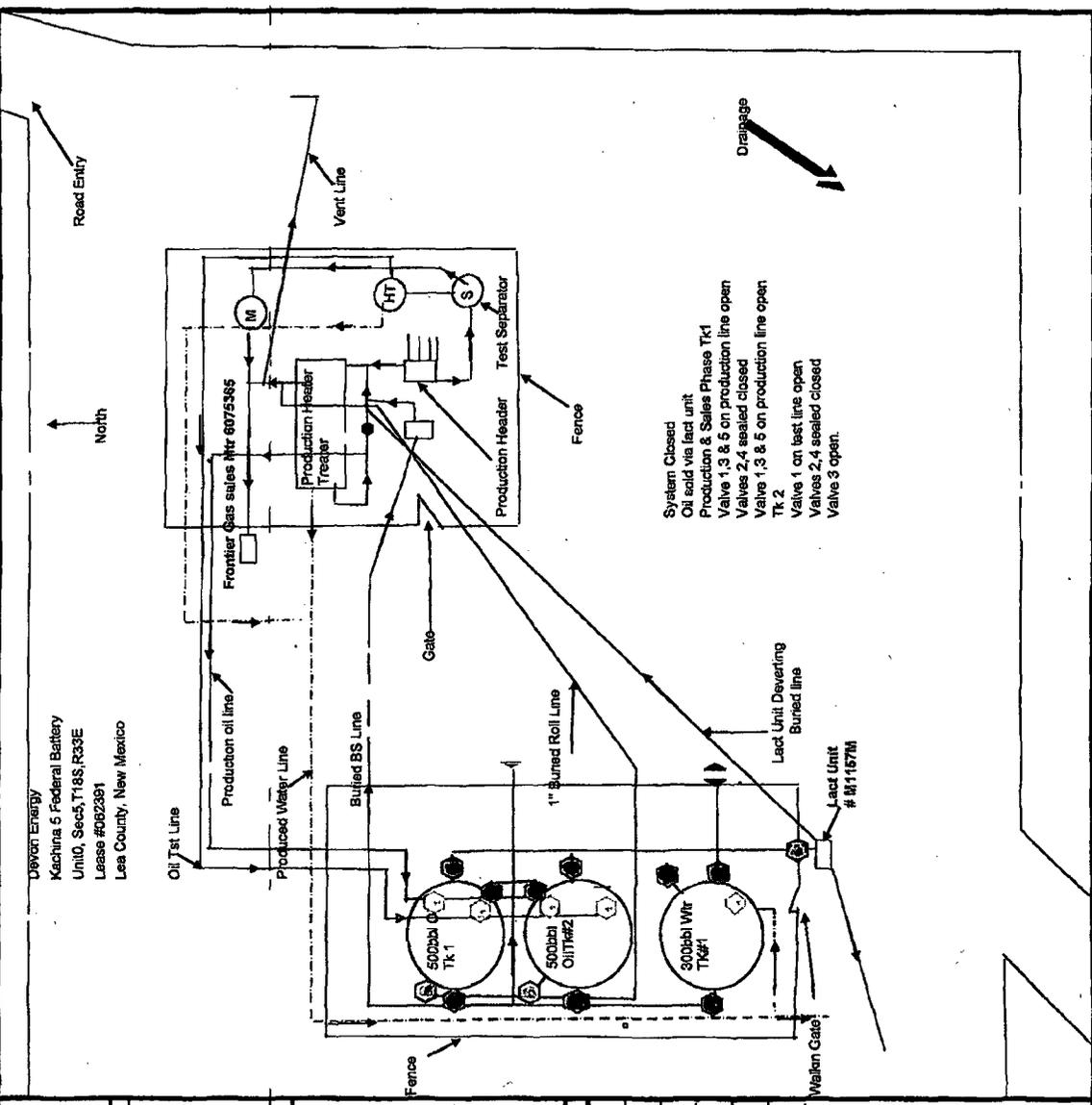
(4) Valve 5 sealed closed.

(5) Misc. Valves: Plugged or otherwise inaccessible.
 NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

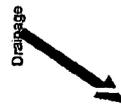
Legend for Site Diagram

- Valve #1: Production Line
- Valve #2: Test or Roll line
- Valve #3: Equalizer Line
- Valve #4: Circ./Drain Line
- Valve #5: Sides Line
- Valve #6: BSRW Lead Line

- Buried Lines:
- Firewall:
- Wellhead:
- Slack-pak:
- Production line:
- Water line:
- Gas Meter:



System Closed
 Oil sold via fact unit
 Production & Sales Phase TK1
 Valve 1,3 & 6 on production line open
 Valve 2,4 sealed closed
 Valve 1,3 & 5 on production line open
 TK 2
 Valve 1 on test line open
 Valve 2,4 sealed closed
 Valve 3 open.



UPCON Energy
 Kachina 6 Federal Battery
 Unit0, Sec5, T18S, R33E
 Lease #062391
 Lea County, New Mexico

Section 5, T18S, R33E
Lea County, New Mexico

E03988
OXY USA WTP LIMITED PARTNERSHIP
HBP

NMNM 0004242
DENIUS HOMER R
HBP

33
NMLC 0062391
OXY USA WTP LP
HBP

32

NMNM 089880
OXY USA WTP LP
HBP

KACHINA 5 FED #4

NMLC 0062391
OXY USA WTP LP
HBP

KACHINA 5 FED #3

KACHINA 5 FED #2
NMLC 0029489B
OXY USA WTP LP
HBP

18S 33E

KACHINA 5 FED #5

NMNM 087716
HANLEY PETROLEUM INC
HBP

8

NMNM 089893
DEVON ENERGY PROD CO LP
HBP

NMNM 084731
DEVON ENERGY PROD CO LP
HBP

9
NMNM 055149
OXY USA WTP LP
HBP

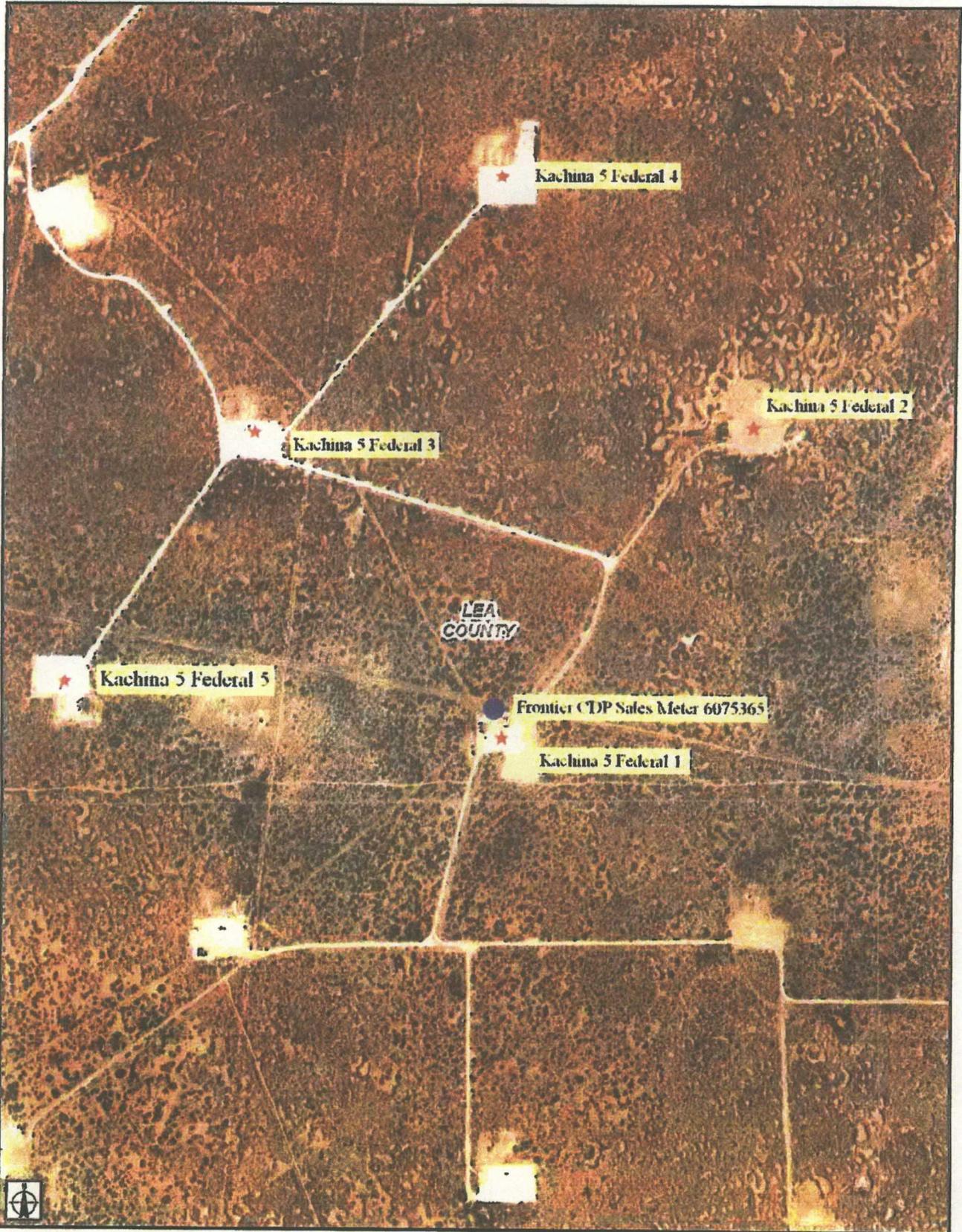
NMLC 0089420
CONOCOPHILLIPS
HBP
7

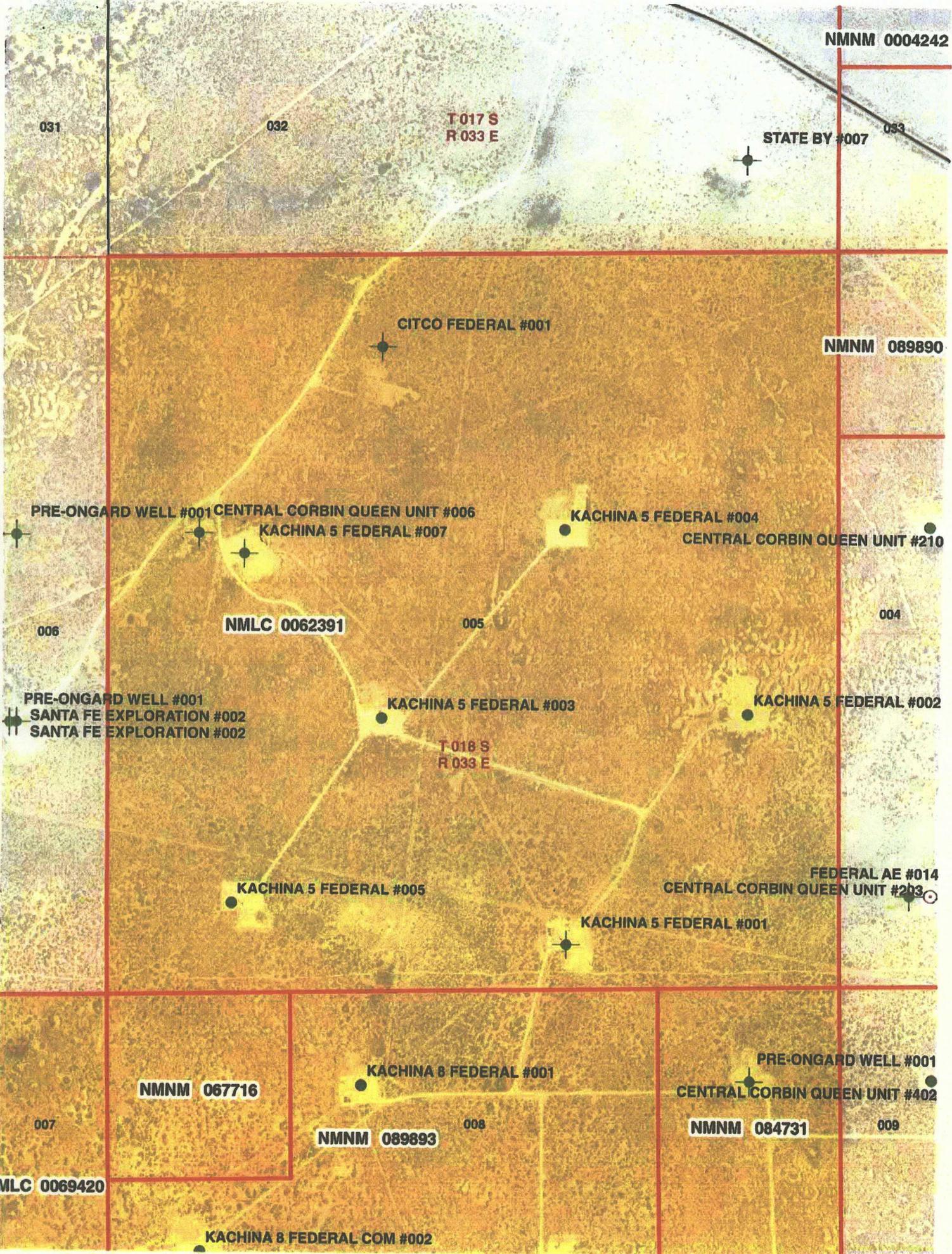
This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

Legend

-  Well Unit
-  Devon Leasehold

devon





NMNM 0004242

031

032

T 017 S
R 033 E

STATE BY #007

033

CITCO FEDERAL #001

NMNM 089890

PRE-ONGARD WELL #001
CENTRAL CORBIN QUEEN UNIT #006
KACHINA 5 FEDERAL #007

KACHINA 5 FEDERAL #004

CENTRAL CORBIN QUEEN UNIT #210

NMLC 0062391

005

004

006

PRE-ONGARD WELL #001
SANTA FE EXPLORATION #002
SANTA FE EXPLORATION #002

KACHINA 5 FEDERAL #003

KACHINA 5 FEDERAL #002

T 018 S
R 033 E

KACHINA 5 FEDERAL #005

FEDERAL AE #014
CENTRAL CORBIN QUEEN UNIT #203

KACHINA 5 FEDERAL #001

NMNM 067716

KACHINA 8 FEDERAL #001

PRE-ONGARD WELL #001
CENTRAL CORBIN QUEEN UNIT #402

007

NMNM 089893

008

NMNM 084731

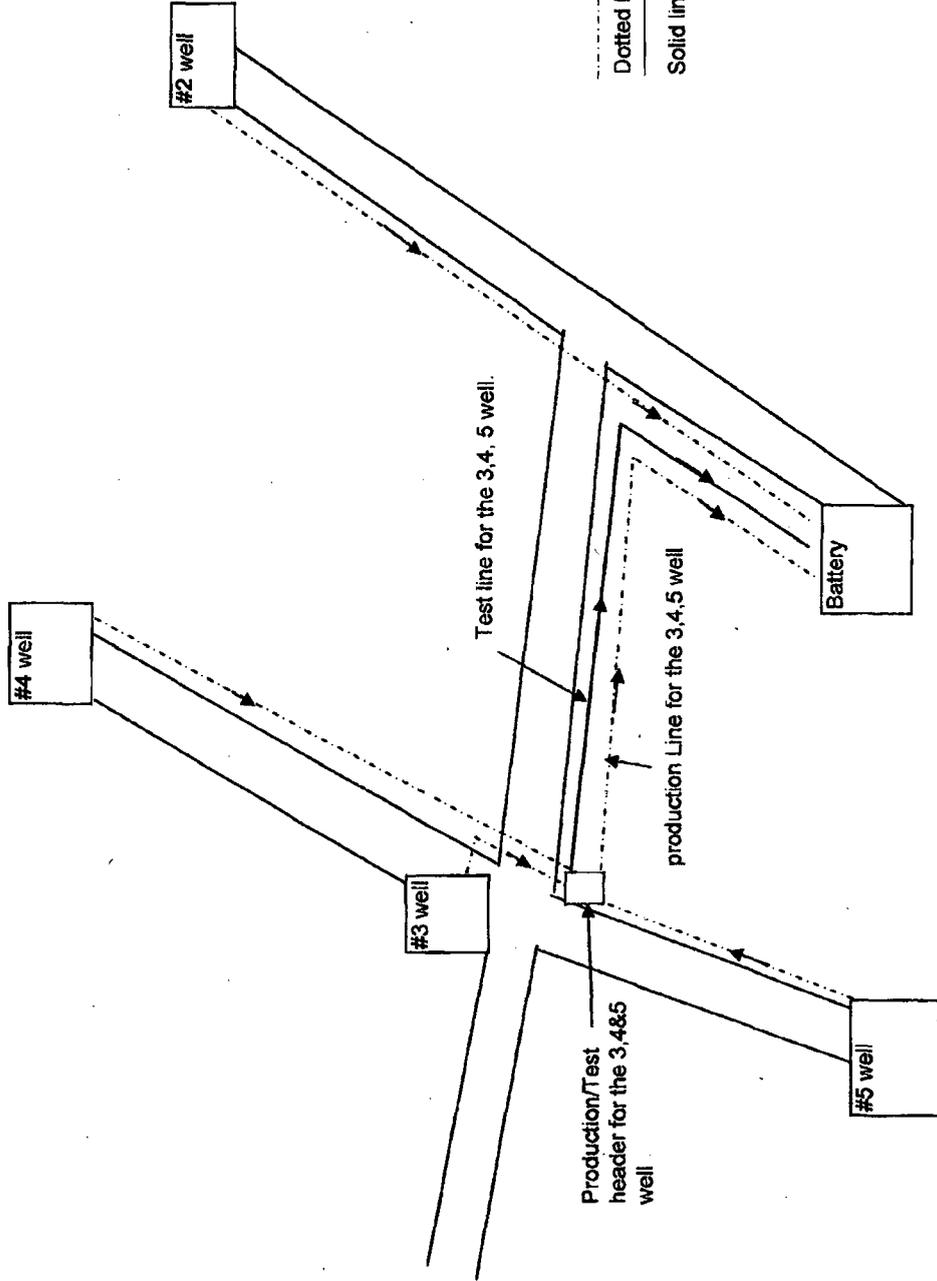
009

MLC 0069420

KACHINA 8 FEDERAL COM #002

North

Kachina 5 lease flowline layout.



OFF LEASE PRODUCTION - EDDY COUNTY

Well Name	10/01/10		11/01/10		12/01/10		01/01/11		02/01/11		03/01/11	
	Sum Est	Gas	Sum Est	Gas	Sum Est	Gas	Sum Est	Gas	Sum Est	Gas	Sum Est	Gas
Kachina 5 Federal 2	0.	0.	0.	0.	0.	0.	3,076.91	1,435.62	1,746.23			
Kachina 5 Federal 3	732.49		819.27		342.24	231.		167.31	162.09			
Kachina 5 Federal 4	0.		56.78		734.77	639.73		396.65	324.18			
Kachina 5 Federal 5	294.55		262.52		86.21	213.24		136.27	106.28			



Laboratory Services, Inc.
2609 W. Marland
Hobbs, New Mexico 88240
Telephone: (575) 397-3713

SULFUR IN CRUDE OIL

Devon Energy
Attention: Roger Hernandez
P.O. Box 250
Artesia, New Mexico 88211-0250

Mar 2, 2011

	Total Sulfur	API Gravity @ 60° F	Specific Gravity @ 60° F
Kachina Test Heater 5 #2	0.7739 wt.%	33.0	0.8601
Kachina Heater #3,#4,#5	0.3281 wt.%	36.8	0.8407

Thank You,
Vicki McDaniel

Varian Star Chromatography Workstation

Natural Gas
Analysis Report

Run File C:\STAR\DATA\DEVON03_3-21-2011_11:13:29.AM\RUN
 Method C:\star\F1ch8TUC6+.mth
 Operator PGM, Inc.
 Station KACHENA 5-2 / 67749015
 Effective Date 3/17/11
 Received Date 3/21/11
 Analysis Date 3/21/2011
 Company DEVON ENERGY
 Pooled Data PRESS 22 TEMP 81
 Composites/Spot Spot

Gas	Wt %	Area %	SPM
E2S	0.000	0.0000	0.0000
nitrogen	3.193	0.0000	0.0000
methane	61.068	0.0000	0.0000
propane	10.454	2.8726	0.0000
i-butane	1.373	0.4482	0.0000
carbon dioxide	0.812	0.0000	0.0000
n-butane	3.492	1.0980	0.0000
1-pentane	1.013	0.3695	0.0000
ethane	16.185	4.3175	0.0000
n-pentane	0.861	0.3113	0.0000
hexane+	1.549	0.0000	0.0000
Totals	100.0000	9.4170	0.0000

Relative Density from Composition 0.8588

Lab Density Test Values

BTUs @ 14.73 Saturated 1,383
 BTUs @ 14.73 Dry 1,407
 Compressibility 0.99514



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: IDENTIFICATION Kachina 5 #3
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 9/24/10 9:46 am
ANALYSIS DATE: 9/27/10
PRESSURE - PSIG
SAMPLE TEMP. °F
ATMOS. TEMP. °F 65

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

REMARKS:

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	2.449	
Carbon Dioxide	(CO2)	0.746	
Methane	(C1)	64.186	
Ethane	(C2)	15.294	4.080
Propane	(C3)	9.660	2.656
I-Butane	(IC4)	0.946	0.309
N-Butane	(NC4)	3.220	1.013
I-Pentane	(IC5)	0.898	0.328
N-Pentane	(NC5)	1.015	0.367
Hexane Plus	(C6+)	<u>1.586</u>	<u>0.688</u>
		100.000	9.441

BTU/CU.FT. - DRY 1450
AT 14.650 DRY 1445
AT 14.650 WET 1420
AT 14.73 DRY 1453
AT 14.73 WET 1428

MOLECULAR WT. 25.4371

SPECIFIC GRAVITY -
CALCULATED 0.875
MEASURED

Varian Star Chromatography Workstation

Natural Gas
Analysis Report

Run File: C:\STAR\DATA\DEVON02_3-21-2011_10:59:24.AM.RUN
 Method: C:\star\Rich\STLUCS+.meth
 Operator: FGM, Inc.
 Station: KACHENA 5-4 / 67748085
 Effective Date: 3/17/11
 Received Date: 3/21/11
 Analysis Date: 3/21/2011
 Company: DEVON ENERGY
 Pulled Date: PRESS 25 TEMP 84
 Composite/Spot: Spot

Component	Rel D.L.	SP21
H2S	0.000	0.0000
nitrogen	3.038	0.0000
methane	60.942	0.0000
propane	10.536	2.8953
i-butane	1.391	0.4541
carbon dioxide	0.849	0.0000
n-butane	3.539	1.1127
i-pentane	1.029	0.3754
ethane	16.195	4.3201
n-pentane	0.881	0.3184
hexane+	1.601	0.0000
Totals	100.0000	9.4760

Relative Density from Composition: 0.8607

Lab Density Test Value

BTUs @ 14.73 Saturated: 1.387

BTUs @ 14.73 Dry: 1.411

Compressibility: 0.99510



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: IDENTIFICATION Kachina 5 #5
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 9/24/10 8:20 am
ANALYSIS DATE: 9/27/10
PRESSURE - PSIG
SAMPLE TEMP. °F
ATMOS. TEMP °F 85

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

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	2.188	
Carbon Dioxide (CO2)	0.493	
Methane (C1)	54.669	
Ethane (C2)	17.109	4.565
Propane (C3)	13.732	3.775
i-Butane (iC4)	1.571	0.513
N-Butane (nC4)	5.251	1.652
i-Pentane (iC5)	1.338	0.488
N-Pentane (nC5)	1.638	0.592
Hexane Plus (C6+)	2.011	0.873
	100.000	12.468

BTU/CU.FT. - DRY 1638
AT 14.650 DRY 1633
AT 14.650 WET 1604
AT 14.73 DRY 1641
AT 14.73 WET 1613

MOLECULAR WT. 28.7713

SPECIFIC GRAVITY -
CALCULATED 0.989
MEASURED



May 3, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request Central Tank Battery, Pool Surface Commingle
Kachina 5 Federal 2, Kachina 5 Federal 3, Kachina 5 Federal 4,
Kachina 5 Federal 5
Sec 5, T18S, R33E
API: 30-025-31277, 30-025-31517, 30-025-31690, & 30-025-32038
Pool 13320 - Corbin; Wolf Camp, South
Pool 13155 - Corbin; Bone Springs
Lea County, New Mexico

To Whom It May Concern:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery and Pool Surface Commingle.

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 New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-4524 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

Melanie Crawford
Regulatory Analyst

Enclosure

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

Star

Mary Evelyn Beck Roberts
1111 North Penn
Roswell, NM 88201

James M Dowaliby Jr.
535 Townsend Avenue
New Haven, CT 06512

Charles Brice Dowaliby
211 West Tilden
Roswell, NM 88203-5746

David H Bell & Gay B Bell Trust U/A Dated 3/30/90
David H & Gay B Bell, Co-Trustees
9043 Mullen Road
Lenexa, KS 66215

Robert H Bunting
515 North Bridge
Henrietta, TX 76365

OXY USA WTP LP
Lock Box 841735
Dallas, TX 75284-1735

Maggie Suetta Cockburn Estate, Hollace Lynne Hervey & First American
Bank Co Pers Reprs - First American Bank Trust Dept
PO Box AA
Artesia, NM 88210

Frank Ross Bunting
5926 Bishops Mill
Corpus Christi, TX 78418

Betty Lynn Hughes
3311 Edgemont Drive
Midland, TX 79707-4215

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Kachina 5 Federal #2,3,4 & 5

Devon Energy Production Co., LP

May 3, 2011

**Condition of Approval
Commingle 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 MMS as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to MMS. 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. At a minimum, monthly well tests will be required to determine production volumes.