

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0136
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 238-3811

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 6-18S-27E

5. Lease Designation and Serial No.
**LC-069274; LC-026874-B;
 LC-060894; LC-026874-F;
 LC-049648-B**

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

8. Well Name and No.
See List Below

9. API Well No.

10. Field and Pool, or Exploratory Area
Red Lake (G-GB-SA)

11. County or Parish, State
Eddy County, 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Commingling at Surface</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Sheet.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Compton "6" Federal #2
 Evarts Federal #1
 Evarts "6" Federal #2
 Evarts "6" Federal #3
 Evarts "6" Federal #4
 Evarts 31 Federal #1
 Evarts 31 Federal #2
 Evarts 31 Federal #3
 Evarts 31 Federal #4
 Fred "6" Federal #1
 Fred "6" Federal #2

Fred "6" Federal #3
 Fred "6" Federal #4
 Fred "6" Federal #5
 Fred "6" Federal #6
 Fred "6" Federal #7
 Fred "6" Federal #8
 Julia "A" Federal #1
 Julia "A" Federal #3
 Julia "A" Federal #4
 Julia "A" Federal #5
 Julia "B" Federal #1

Julia "B" Federal #2
 Malco "B" Federal #3
 Malco "B" Federal #4
 Malco "B" Federal #5
 Malco "B" Federal #6
 Patton "6" Federal #3
 Patton "6" Federal #4
 Patton "6" Federal #5
 Patton "6" Federal #6
 Patton "6" Federal #7

OIL CONSERVATION DIVISION
 EXHIBIT 3
 11981

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

Signed *Tonja Rutelonis*

Tonja Rutelonis

Title Engineering Technician

Date 4/6/98

(This space for Federal or State office use)

Approved by (ORIG. SGD.) GARY GOURLEY

RETROLEUM ENGINEER

Date APR 10 1998

Conditions of approval, if any:

**APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL**

To: Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

Devon Energy Corporation is requesting approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following formations and wells on Federal Lease No. LC-069274.

Lease Name: Fred "6" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	E	6	18S	27E	Grayburg/San Andres
2	E	6	18S	27E	Grayburg/San Andres
3	L	6	18S	27E	Grayburg/San Andres
4	E	6	18S	27E	Grayburg/San Andres
5	D	6	18S	27E	Grayburg/San Andres
6	C	6	18S	27E	Grayburg/San Andres
7	C	6	18S	27E	Grayburg/San Andres
8	D	6	18S	27E	Grayburg/San Andres

Lease Name: Julia "A" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	L	6	18S	27E	Grayburg/San Andres
3	E	6	18S	27E	Grayburg/San Andres

With hydrocarbon production from the following wells on Federal Lease No. LC-026874-B

Lease Name: Malco "B" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
3	B	6	18S	27E	Grayburg/San Andres
4	B	6	18S	27E	Grayburg/San Andres
5	G	6	18S	27E	Grayburg/San Andres
6	G	6	18S	27E	Grayburg/San Andres

With hydrocarbon production from the following wells on Federal Lease No. LC-060894

Lease Name: Patton "6" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
3	N	6	18S	27E	Grayburg/San Andres
4	K	6	18S	27E	Grayburg/San Andres
5	K	6	18S	27E	Grayburg/San Andres
6	F	6	18S	27E	Grayburg/San Andres
7	F	6	18S	27E	Grayburg/San Andres

With hydrocarbon production from the following wells on Federal Lease No. LC-026874-F

Lease Name: Evarts "6" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	H	6	18S	27E	Grayburg/San Andres
2	H	6	18S	27E	Grayburg/San Andres
3	A	6	18S	27E	Grayburg/San Andres
4	A	6	18S	27E	Grayburg/San Andres

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With hydrocarbon production from the following wells on Federal Lease No. LC-049648-B

Lease Name: Compton Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	O	6	18S	27E	Grayburg/San Andres
2	O	6	18S	27E	Grayburg/San Andres

Lease Name: Julia "B" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	I	6	18S	27E	Grayburg/San Andres
2	I	6	18S	27E	Grayburg/San Andres

With hydrocarbon production from the following wells on Federal Lease No. LC-049648-A

Lease Name: Julia "A" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
4	L	5	18S	27E	Grayburg/San Andres
5	E	5	18S	27E	Grayburg/San Andres

Production from the wells involved is as follows:

<u>Well</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Compton "6" Federal #2	TO BE DRILLED, TEST TO FOLLOW		
Evarts 6 Federal #1	10	38 deg	TSTM
Evarts 6 Federal #2	TO BE DRILLED, TEST TO FOLLOW		
Evarts 6 Federal #3	TO BE DRILLED, TEST TO FOLLOW		
Evarts 6 Federal #4	TO BE DRILLED, TEST TO FOLLOW		
Fred "6" Federal #1	2	38 deg	TSTM
Fred "6" Federal #2	2	38 deg	TSTM
Fred "6" Federal #3	TO BE DRILLED, TEST TO FOLLOW		
Fred "6" Federal #4	TO BE DRILLED, TEST TO FOLLOW		
Fred "6" Federal #5	TO BE DRILLED, TEST TO FOLLOW		
Fred "6" Federal #6	TO BE DRILLED, TEST TO FOLLOW		
Fred "6" Federal #7	TO BE DRILLED, TEST TO FOLLOW		
Fred "6" Federal #8	TO BE DRILLED, TEST TO FOLLOW		
Malco "B" Federal #3	54	38 deg (test 2/23/98)	10
Malco "B" Federal #4	54	38 deg	50
Malco "B" Federal #5	88	38 deg	132
Malco "B" Federal #6	29	38 deg (test 2/3/98)	10
Patton "6" Federal #3	TO BE DRILLED, TEST TO FOLLOW		
Patton "6" Federal #4	TO BE DRILLED, TEST TO FOLLOW		
Patton "6" Federal #5	TO BE DRILLED, TEST TO FOLLOW		
Patton "6" Federal #6	TO BE DRILLED, TEST TO FOLLOW		
Patton "6" Federal #7	TO BE DRILLED, TEST TO FOLLOW		
Julia "A" Federal #1	1	38 deg	TSTM
Julia "A" Federal #3	1	38 deg	TSTM
Julia "B" Federal #1	2	38 deg	TSTM
Julia "B" Federal #2	TO BE DRILLED, TEST TO FOLLOW		

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Exhibit 1 is a schematic, which shows the equipment that will be utilized to determine well production from each lease. A map (Exhibit II) is enclosed that shows the lease numbers and location of all leases and wells that will contribute production to the proposed commingled facility.

The storage and measuring facility will be located in UL "G" in the SW/NE of Section 6, T18S, R27E on lease number LC-026874-B in Eddy County, NM. The BLM will be notified if there are and future changes in the facility location.

Process and Flow Description: Under the proposed flow system, gas will be flowed out the casing from each well and will be tested at the well using an orifice well tester. Oil and water will be pumped out the tubing and will go through a flowline to a header at the battery. Wells will be tested by switching into the test treater, which will separate the oil and water and allow the oil to be measured in a test tank and the water by means of a meter.

Production Allocation: Production allocation will be based on periodic well tests as described above. Allocation of total gas recorded by the Sales Gas Meter will be based on these periodic tests.

The overriding royalty owners, and the NMOCD have been notified of this proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for hydrocarbon development and operation on the above referenced Federal leases.

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 have submitted an application for the necessary right-of-way approvals to the BLM's Realty Section.

Signed: E. L. Buttross, Jr.
Name: E. L. Buttross, Jr.
Title: District Engineer
Date: April 6, 1998

Devon Energy Corporation
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Oklahoma City, OK 73102
(405) 235-3611

