

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.*5. Lease Serial No.
NMLC063622

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
BELLATRIX 28 FEDERAL 1H

2. Name of Operator

DEVON ENERGY PRODUCTION CO, LP

Contact: ERIN L WORKMAN

Email: ERIN.WORKMAN@DVN.COM

9. API Well No.
30-015-40331

3a. Address

333 WESST SHERIDAN AVENUE
OKC, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-7970

10. Field and Pool, or Exploratory
HACKBERRY; BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 29 T19S R31E 920FNL 790FEL

11. County or Parish, and State

EDDY COUNTY, NM

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

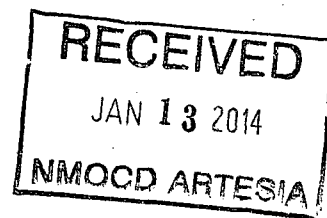
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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"/> Off Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<i>Surface Commingle</i>

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 recompleat 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 recompleat 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, LP respectfully requests a Central Tank Battery & Commingle for the following wells:

Bellatrix 28 Federal 1H
NENE, Sec. 29, T19S, R31E ✓
30-015-40331 ✓
Hackberry, Bone Spring
NMLC063622 ✓

Bellatrix 28 Fed Com 2H
NENE, Sec. 29, T19S, R31E ✓
30-015-40332 ✓

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**Accepted for record
NMOCD 15
1-13-2014

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

Electronic Submission #220438 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO, LP, sent to the Carlsbad
Committed to AFMSS for processing by JOHNNY DICKERSON on 09/19/2013 ()

Name (Printed/Typed) ERIN L WORKMAN

Title REGULATORY COMPLIANCE ASSOC.

Signature (Electronic Submission)

Date 09/18/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

J. D. V. Kithley

Title EPS

Date 1/8/14

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 #220438 that would not fit on the form

32. Additional remarks, continued

Hackberry, Bone Spring
NMLC063622 & NM92767, CA NM130540

SHL

BHL

Bellatrix 28 Fed Com 3H
SENE, Sec. 29, T19S, R31E
30-015-40333 ✓

Hackberry, Bone Spring
NMLC063622 & NMNM101113

SHL

BHL

Bellatrix 28 Fed Com 4H
SENE, Sec. 29, T19S, R31E
30-015-40334 ✓

Hackberry, Bone Spring
NMLC063622 & NMNM101113

SHL

BHL

There is a Central Tank Battery located on the shared pad for the Bellatrix 28 Federal 1H & Bellatrix 28 Fed Com 2H in NENE, Sec. 29-T19S-R31E. The production from the Bellatrix 28 Fed 1 & Bellatrix 28 Fed Com 3H & 4H will come to a common production header with isolation lines to route each wells production. From this point one well will be on test and its production routed through the test equipment. Well tests for each well will be conducted at least once per month, for a minimum of 24 hrs. The gas is routed to the gas test meter (number will be supplied upon receipt), then to the DCP **COP** #1315412 located on location in NENE, Sec. 29-T21S-R31E. The Bellatrix 28 Fed 2H production will flow through a three phase separator with coriolis meter #S/N 25203438 to meter the oil, flow meter to meter the water, and gas allocation meter #677-49-203 to meter the gas.

Row has been obtained on 06/13/2012

The working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Thank you!

APPLICATION FOR COMMINGLING AT A CENTRAL TANK BATTERY

Proposal for Bellatrix 28 Fed 1H, Bellatrix 28 Fed Com 2H, 3H, & 4H:

Devon Energy Production Company, LP is requesting approval for the Central Tank Battery & Commingling

Federal Lease NMLC063622 (12.5% Royalty Rate)

Well Name	Location	API #	Pool 96665	BOPD	Oil Gravities	MCFPD	BTU
Bellatrix 28 Federal 1H	NENE, Sec 29, T19S, R31E	30-015-40331	Hackberry; Bone Spring	122	38	179	1310.8

Federal Lease NMLC063622 (12.5% Royalty Rate) & NM92767 (16 2/3% Royalty Rate) & CA NM130540

Well Name	Location	API #	Pool 96665	BOPD	Oil Gravities	MCFPD	BTU
Bellatrix 28 Fed.Com 2H	NENE, Sec 29, T19S, R31E	30-015-40332	Hackberry; Bone Spring	188	36	223	1268.5

Federal Lease NMLC063622 & NMNM101113 (12.5% Royalty Rate) - CA being summited by land!

Well Name	Location	API #	Pool 96665	BOPD	Oil Gravities	MCFPD	BTU
Bellatrix 28 Fed Com 3H	SENE, Sec 29, T19S, R31E	30-015-40333	Hackberry; Bone Spring	122 517	38 38.9	179 247	1310.8* 1324.0
Bellatrix 28 Fed Com 4H	SENE, Sec 29, T19S, R31E	30-015-40334	Hackberry; Bone Spring	122 313.9	38 38.9	179 408	1310.8* 1324.0

9/2013
OGOR Report

*These are proposed totals for these wells; once these wells are drilled the production information will be amended.

Attached is a map displays the federal leases and well locations in Section 29-T19S-R31E. A CA is being summited to include the Bellatrix 28 Federal 3H & 4H.

The BLM's interest in all four wells is different. Lease NMLC063622 is flat royalty rate of 12.5%, CA NM1305400 involves 40 Acres of Lease NM92767 at a rate of 16 2/3% and 120 Acres of Lease NMLC063622 at a rate of 12.5 royalty rates. NM101113 is also a 12.5%.

Oil & Gas metering:

The central tank battery is located on the shared pad for the Bellatrix 28 Federal 1H and the Bellatrix 28 Fed. Com 2H located in NENE, Sec. 29-T19S-R31E. The production from the Bellatrix 28 Fed 1 & Bellatrix 28 Fed Com 3H & 4H will come to a common production header with isolation lines to route each wells production. From this point one well will be on test and its production routed through the test equipment. The Bellatrix 28 Fed 2H production will flow through a three phase separator with coriolis to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas.

The Bellatrix 28 Federal Battery will have three oil tanks that all four wells will utilize and they have a common Duke Energy Central Delivery Point #1315412 which is located on the southwest corner of the facility at the Bellatrix Central Tank Battery. Oil, gas, and water volumes from the Bellatrix 28 Fed. 1H, 3H, & 4H producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Well tests for each well will be conducted at least once per month, for a minimum of 24 hours. Oil, gas, and water volumes for the Bellatrix 28 Fed. 2H will have its own test separator/heater treater.

The well which is on test production from the Bellatrix 28 Fed 1H, Fed Com 3H or 4H, flows to the two phase test separator, where after separation gas is routed to the gas test meter (number will be supplied upon receipt), then to the DCP CPD #1315412 located on location in NENE, Sec. 29-T21S-R21E. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter (number will be supplied upon receipt) and water is metered using a turbine meter. The oil then flows into an oil production line where it is combined with the other wells oil and flows to one of the 500 bbl. The water from the well on test flows to the 500 bbl. produced water tank, along with the water from the well that was not on test.

The Bellatrix 28 Fed Com 2H flows to a three phase test separator, where after separation gas is routed to the gas test meter #677-49-203, then to the DCP CDP #1315412 located on location in NENE, Sec. 29-T21S-R31E. Produced water and oil are separated, the oil is then metered with a Micro Coriolis meter S/N 25203438 and water is metered using a turbine meter. The oil then flows into an oil production line where it is combined with the other wells oil and flows to one of the 500 bbl. The water from this well flows to the 500 bbl. Produced water tank, along with the water from the other wells.

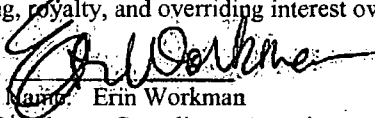
Oil production will be allocated on a daily basis based on the Coriolis Test meter located downstream of the test heater treater. The Coriolis meter will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production for the Bellatrix 28 Fed 1 & Bellatrix Fed Com 3H & 4H will be allocated on a daily basis based on the subtraction method. The DCP CDP #13135412 minus the two gas allocation meters (#677-49-203 and the other number will provide number upon receipt). Gas production from the 2H will be allocated on a daily basis using the gas allocation meter #677-49-203. The gas production from the production equipment, VRU allocation meter #677-00-056, and the test gas meter will commingle and flow through Duke Energy CDP #13135412 sales on the southeast side of the facility. 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:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, communization agreement boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

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. ROW NM-128357 was granted on 06/13/2012.

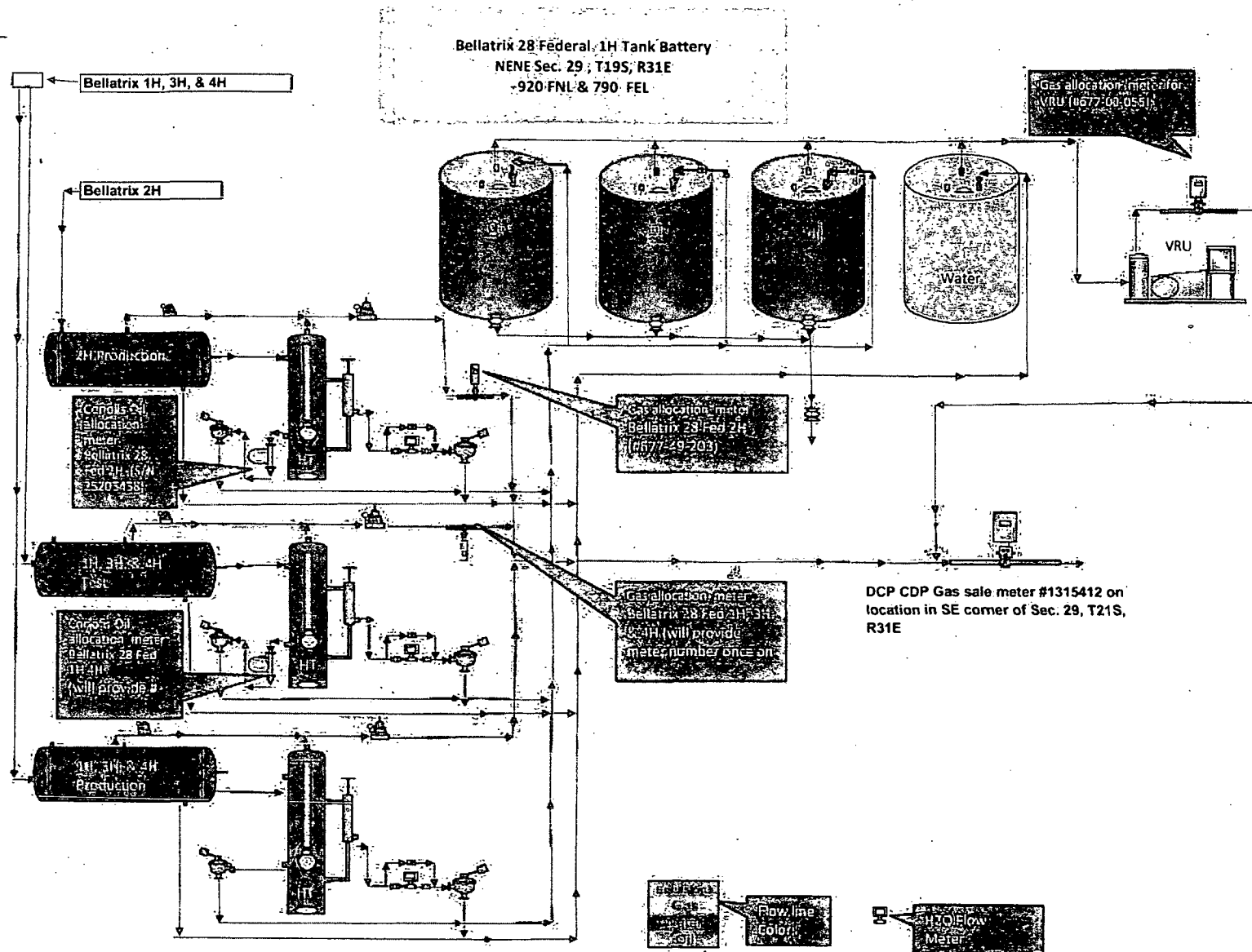
Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: 
Printed Name: Erin Workman
Title: Regulatory Compliance Associate
Date: 09/18/13

Production System: Open

Valves will be closed 30 minutes prior to sales.

Note:
Devon Energy Site Security Plan
located in the Artesia Main Office



**BELLATRIX 28 FEDERAL
EDDY COUNTY, NEW MEXICO**

Legend

- PROJECT AREAS
- USA NMLC 063622
- USA NMNM 101113
- USA NMNM 92767
- Other Devon Leases

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.

devon 1:15,000 Made by: Daniel Slovacek Made for: Erik Westman Date: 6-12-13 County: Eddy, NM

Scale 0 1000 2000 Feet

DATA SOURCES: Esri/ArcMap, USGS, Water, BLM/DNR, Calver, FIRE/TMAP

Other Devon Leases

32

33

devor

Made by: Daniel Giovanni
Made for: Erin Wickman
Date: 8-12-13
County: Esch, NM

DATA SOURCE: BUREAU OF ECONOMIC ANALYSIS, U.S. DEPARTMENT OF COMMERCE, NATIONAL DEFENSE-INDUSTRY COMPLEX, 1960-1970.

LEONARD J. JOHNS, WALLACE H. HODSON, CHARLES S. EPPERT

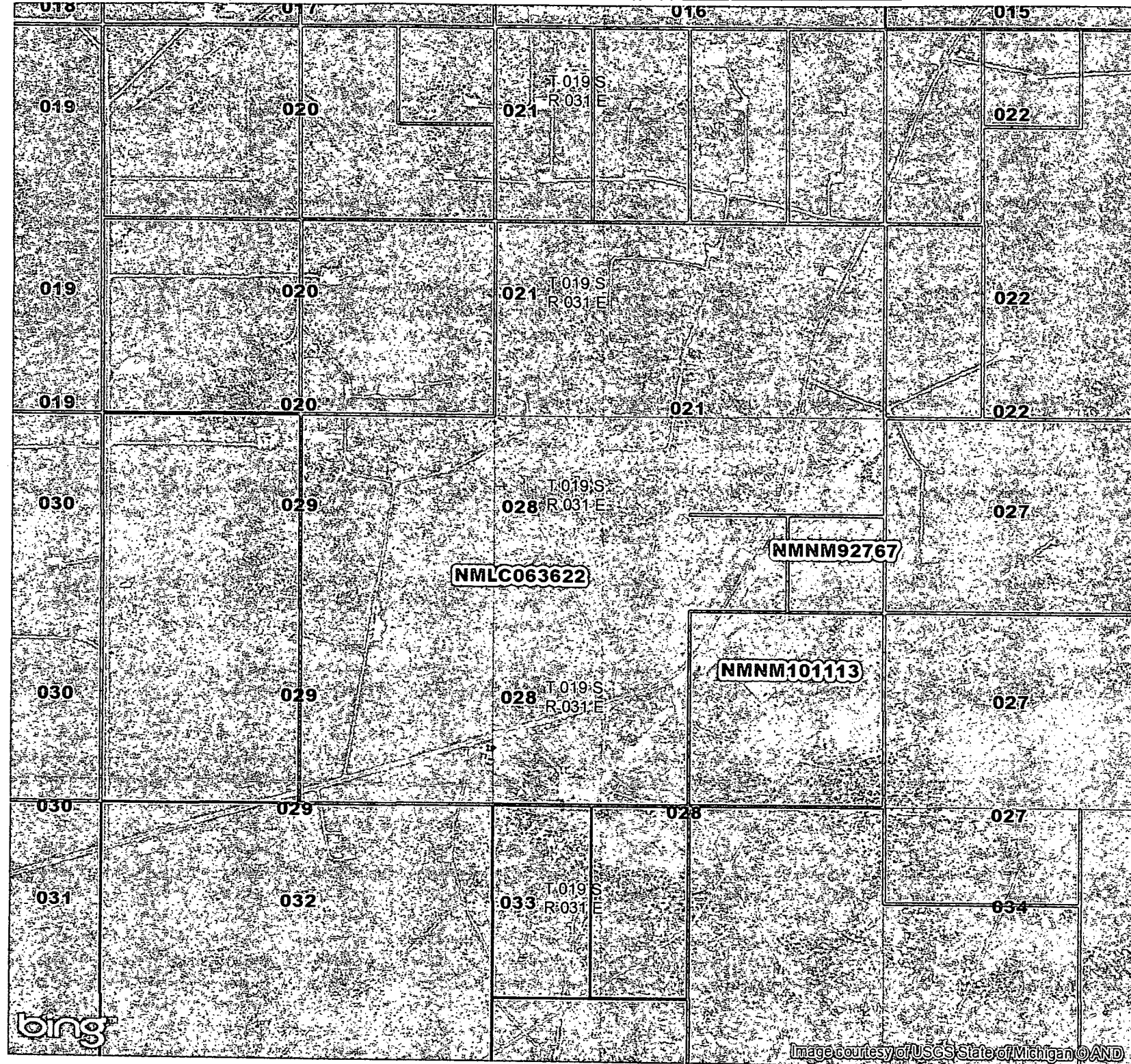


Image courtesy of USGS State of Michigan © AND

Bellatrix 28 CTB & Combingie

NMNC 0063042A

NMNM 0557720

NMNM 092767

Bellatrix 28 Federal 1H & Fed Com 2H Pad

19SL3E ODP #1515412 & Tank Battery

IGO

EDL COUNTY

NMND 056362

NMNM 092767

NMNM 11200

29

28

Bellatrix 28 Fed Com 3H & 4H Pad

NMNM 10113

Shugart Rd

32

NMNM 10113

NMNM 097136

33

NMNC 0036709

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Bellatrix 28 Federal 1H, Bellatrix 28 Fed Com 2H, 3H & 4H
Devon Energy Production Co.
January 8, 2014

**Condition of Approval
Surface Commingling, off lease measurement and sales**

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 ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. 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.

The public's interest in these leases/CAs has been found to differ. The Bellatrix 28 Fed Com 2H has 40 acres in lease NM92767 which is at a rate of 16 2/3% all other leases involved are 12.5%. The Bellatrix 28 Fed Com 2H will have its own separation and measurement equipment prior to commingling. This does not mean that the allocation of production to the other 3 wells which are produced through the same production and test equipment will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.