

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

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-drill an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM0405444A |
| 2. Name of Operator DEVON ENERGY PRODUCTION CO LP Contact: ERIN WORKMAN Email: ERIN.WORKMAN@DVN.COM | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102 | 3b. Phone No. (include area code) Ph: 405-552-7970 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T23S R31E SESE 350FSL 445FEL | | 8. Well Name and No. ALDABRA 26 FED COM 8H |
| | | 9. API Well No. 30-015-38624-00-S1 |
| | | 10. Field and Pool, or Exploratory WILDCAT |
| | | 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 | Surface Commingling |
| | <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 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 approval for the Central Tank Battery, Off-lease Measurement, Sales, & Storage for the following wells:

Aldabra 26 Fed 8H
SESE, Sec 26, T23S, R31E
30-015-38624
Ingle Wells, Bone Spring
NMNM0405444A

Aldabra 27 Fed 1H
SWSW, SE. 27, T23S, R31E
30-015-38625

| | |
|--|-----------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #312785 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 11/10/2015 (16JAS1037SE) | |
| Name (Printed/Typed) ERIN WORKMAN | Title REGULATORY COMPLIANCE PROF. |
| Signature (Electronic Submission) | Date 08/14/2015 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------|----------------------|
| Approved By <i>J. D. Whitlock</i> | Title <i>TLPET</i> | Date <i>10/19/16</i> |
| 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 <i>CFO</i> |

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #312785 that would not fit on the form

32. Additional remarks, continued

Ingle Wells, Bone Spring
NMNM418220A

The central tank battery is located on the Aldabra 26-27 Central Tank Battery . The production from each well will flow through its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Aldabra 26-27 Central Tank Battery will have four oil tanks that these two wells will utilize and they have a common DCP CDP #72888900 which is on location on the west side of the battery. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separators. Oil will be sold through a common Smith Lact Meter SN1335E101622.

Devon 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.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Attachments: Application Packet

Thank You!

APPLICATION FOR SURFACE COMMINGLE, CENTRAL TANK BATTERY, OFF LEASE SALES, MEAUREMENTS, & STORAGE

Proposal for the Aldabra Wells:

Devon Energy Production Company, LP is requesting approval for the Surface Commingle for the following wells:

Federal Lease NMNM0405444A (12.5% Royalty Rate)

| Well Name | Location | API # | Pool 33740 | BOPD | OG | MCFPD | BTU |
|-------------------|--------------------------|--------------|--------------------------|------|------|-------|--------|
| Aldabra 26 Fed 8H | SESE, Sec 26, T23S, R31E | 30-015-38624 | Ingle wells; Bone Spring | 124 | 44.5 | 357 | 1352.6 |

Federal Lease: NMNM0418220A (12.5% Royalty Rate)

| Well Name | Location | API # | Pool 33740 | BOPD | OG | MCFPD | BTU |
|-------------------|---------------------------|--------------|--------------------------|------|----|-------|--------|
| Aldabra 27 Fed 1H | SWSW, Sec. 27, T23S, R31E | 30-015-38625 | Ingle Wells; Bone Spring | 109 | 40 | 391 | 1344.0 |

Attached is a map which displays the federal leases and well locations in Section 26 & 27, T23S, R31E.

The BLM's interest in these wells are identical.

Oil & Gas metering:

The central tank battery is located on the Aldabra 26-27 Central Tank Battery, located in SESE Sec. 27, T23S, R31E. The production from each well will flow through its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Aldabra 26-27 Central Tank Battery will have four oil tanks that these two wells will utilize and they have a common DCP CDP #72888900 which is on location on the west side of the battery. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separators. Oil will be sold through a common Smith LACT Meter SN1335E10162.

The Aldabra 26 Fed 8H flows to a three phase separator, where after separation gas is routed to the gas allocation meter #390-49-249, then combines with the Aldabra 27 Fed 1H and flows to the DCP CDP #72888900. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter SN14398967, then flows into the heater/treater, combines with the production from the Aldabra 27 Fed 1H, and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, after separation, oil is then measured utilizing a turbine meter then combines with the Aldabra 27 Fed 1H production and flows into the heater/treater and then into one of the 500 bbl. oil tanks. The water then flows into one of the 500 bbl. water tanks, along with the water from the other well. Gas from the heater/treater will be allocated back based on the oil production for the month.

The Aldabra 27 Fed 1H flows to a three phase separator, where after separation gas is routed to the gas allocation meter #390-49-264, then combines with the Aldabra 26 Fed 8H and flows to the DCP CDP #72888900. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter SN14398971, then flows into the heater/treater, combines with the production from the Aldabra 26 Fed 8H, and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, after separation, oil is then measured utilizing a turbine meter then combines with the Aldabra 27 Fed 1H production and flows into the heater/treater and then into one of the 500 bbl. oil tanks. The water then flows into one of the 500 bbl. water tanks, along with the water from the other well. Gas from the heater/treater will be allocated back based on the oil production for the month.

Oil production will be allocated on a daily basis based on the Coriolis Micro Motion Meter located downstream of the metered separator. The oil measured downside of the FWKO will be allocated back based on oil production for the month. The Coriolis meters 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 will be allocated on a daily basis utilizing the gas allocation meter for each well. The gas production from the gas allocation meters will commingle and flow into the DCP CDP #72888900. 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.

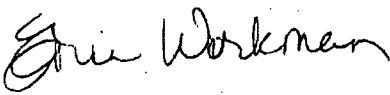
Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed Aldabra 26-27 CTB Process Flow Diagram along with a description of each vessel and map which shows the lease boundaries, location of the wells, facility, and gas sales meter. The commingling of this production is the most effective, economic means of producing the reserves and will not result in reduced royalty or improper

measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

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 has or will be submitted.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Signed: 

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 08.17.15

am an
rich su
ucddroyan

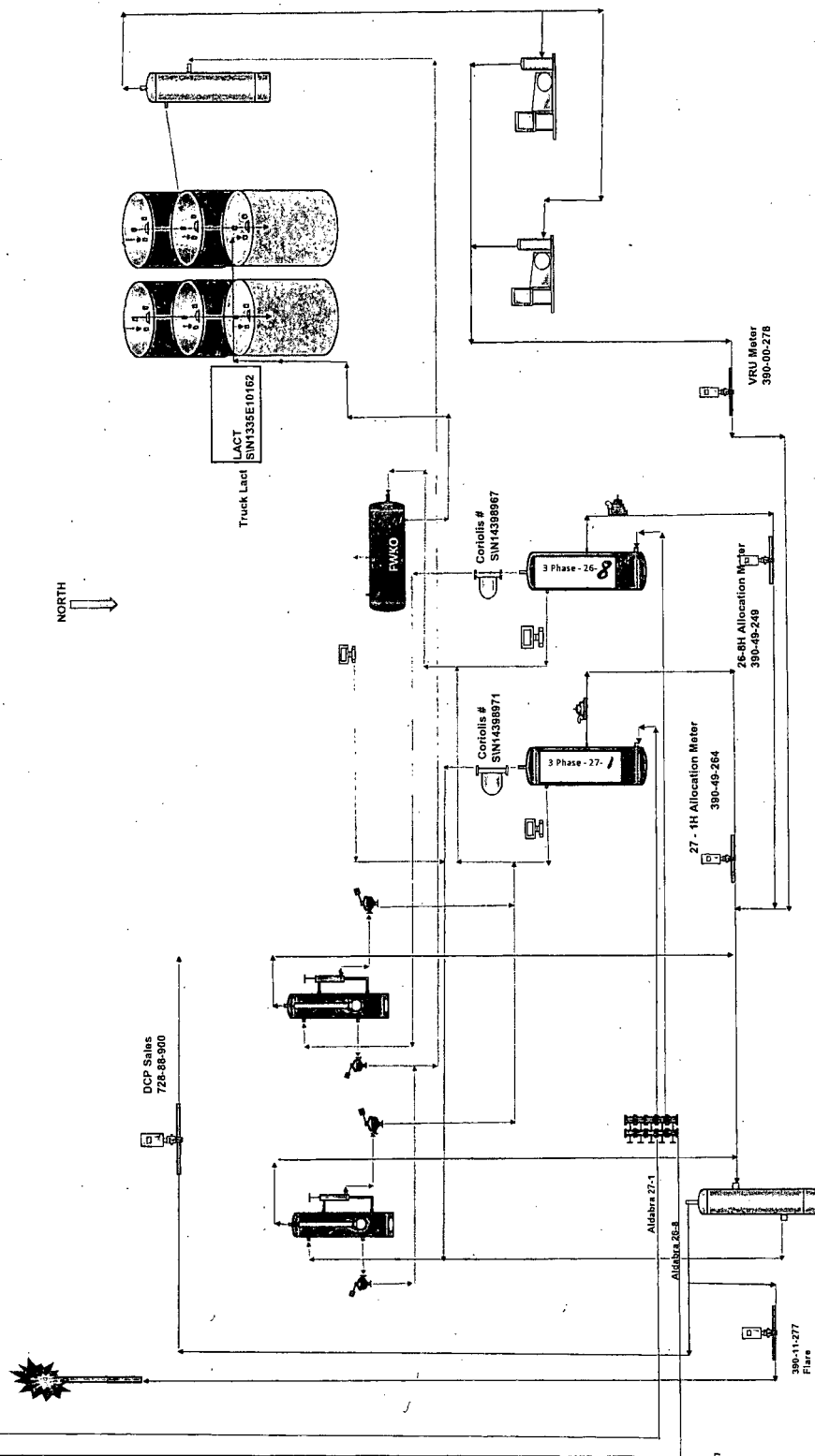
my an
eter. L
herd r

Aldabra 26-27 CTB
SESE, Sec 27, T23S, R31E
Eddy County, NM
Lease NIMNM0418220A

Production System - Closed

All valves will be sealed .
30 minutes prior to sales

PROCESS FLOW DIAGRAM



Note: Devon Energy site security plan located in the Artesia main office.

Economic Justification Report

Aldabra 26-27 Central Tank Battery

Value (bbl): \$53.78

Value (mcf): \$3.26

| Well Name & Number | Type | Fed Lease 1 | Royalty Rate | Fed Lease 2 (if applicable) | Royalty Rate | Fed Lease 3 (if applicable) | Royalty Rate | BOPD | Oil Gravity @ 60° | MCFPD | Dry BTU |
|--------------------|-------|--------------|--------------|--------------------------------|--------------|--------------------------------|--------------|------|----------------------|-------|---------|
| Aldabra 26 Fed 8H | Sweet | NMNM0405444A | 12.50% | | | | | 124 | 44.5 | 357 | 1352.6 |
| Aldabra 27 Fed 1H | Sweet | NMNM0418220A | 12.50% | | | | | 109 | 40 | 391 | 1344 |

Economic Combined Production

| BOPD | Oil Gravity @ 60° | MCFPD | Dry BTU |
|-------|----------------------|-------|---------|
| 233.0 | 42.4 | 748.0 | 1348.1 |

Date: 10/18/2016

Signed: *Erin Workman*

Title: Regulatory Analyst

Printed Name: Erin Workman

NMNM 0

024

023

NMNM 0405444

022

NMNM 0405444A

021

NMNM 038484

NMNM 01

025

026

NMNM 0405444A

NMNM 0418220A

027

028

NMNM 040659

03

035

NMNM 019199

034

NMNM 043744

033

NMNM 045236

Aldabra 26 Fed 8H

Aldabra 27 Fed 1H

021

NMNM 038464

NMNM 0405444A

022

NMNM 0405444

023

NMNM 02

028

NMNM 040659

NMNM 0418220A

027

026

NMNM 0405444A

NMNM 05

025

033

NMNM 045236

NMNM 043744

034

NMNM 019199

035

03

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 08:17 AM

Page 1 of 4

Run Date: 07/25/2016

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

720.000

NMNM-- 0 418220A

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 0 418220A

| Name & Address | | | Int Rel | % Interest |
|-------------------------|-----------------------|----------------------------|------------------|---------------|
| DEVON ENERGY PROD CO LP | 333 W SHERIDAN AVE | OKLAHOMA CITY OK 731025010 | OPERATING RIGHTS | 0.000000000 |
| HARKEN EXPLORATION CO | PO BOX 619024 | DALLAS TX 75261 | OPERATING RIGHTS | 0.000000000 |
| MARATHON OIL CO | PO BOX 3128 | HOUSTON TX 772533128 | LESSEE | 100.000000000 |
| MID-CONTINENT ENERGY | 100 W 5TH ST #450 | TULSA OK 741034287 | OPERATING RIGHTS | 0.000000000 |
| OXY USA INC | PO BOX 27570 | HOUSTON TX 772277570 | OPERATING RIGHTS | 0.000000000 |
| OXY USA INC | 5 GREENWAY PLZ #110 | HOUSTON TX 770460521 | OPERATING RIGHTS | 0.000000000 |
| PETROHAWK PROPERTIES LP | 1100 LOUISIANA #4400 | HOUSTON TX 77002 | OPERATING RIGHTS | 0.000000000 |
| PXP PRODUCING CO LLC | 717 TEXAS ST STE 2100 | HOUSTON TX 770022753 | OPERATING RIGHTS | 0.000000000 |
| RIVERBEND PRODUCTION LP | 500 DALLAS ST #2835 | HOUSTON TX 77002 | OPERATING RIGHTS | 0.000000000 |

Serial Number: NMNM-- 0 418220A

| Mer Twp | Rng | Sec | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency |
|---------|-------|-------|------|----------|-------------|-----------------------|--------|---------------------|
| 23 | 0230S | 0310E | 026 | ALIQ | N2NW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0230S | 0310E | 027 | ALIQ | ALL; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM-- 0 418220A

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|------|-------------------------|---------------------|----------------|
| 08/01/1963 | 387 | CASE ESTABLISHED | | |
| 08/01/1963 | 496 | FUND CODE | 05;145003 | |
| 08/01/1963 | 530 | RLTY RATE - 12 1/2% | | |
| 08/01/1963 | 868 | EFFECTIVE DATE | | |
| 10/01/1963 | 553 | CASE CREATED BY ASGN | OUT OF NMNM0418220; | |
| 01/16/1970 | 315 | RENTAL RATE DET/ADJ | \$2.00; | |
| 03/01/1970 | 246 | LEASE COMMITTED TO CA | SW 557 | |
| 05/27/1970 | 102 | NOTICE SENT-PROD STATUS | | |
| 10/07/1982 | 140 | ASGN FILED | MARATHON/MARATHON | |
| 03/29/1983 | 909 | BOND ACCEPTED | EFF 03/10/83;NM0490 | |
| 03/30/1983 | 139 | ASGN APPROVED | EFF 11/01/82; | |
| 05/02/1983 | 932 | TRF OPER RGTS FILED | (1) | |
| 05/02/1983 | 932 | TRF OPER RGTS FILED | (2) | |
| 09/26/1983 | 269 | ASGN DENIED | (1) | |
| 09/26/1983 | 269 | ASGN DENIED | (2) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (1) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (2) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (3) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (4) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (5) | |
| 11/07/1983 | 932 | TRF OPER RGTS FILED | | |
| 02/06/1984 | 932 | TRF OPER RGTS FILED | (1) | |
| 02/06/1984 | 932 | TRF OPER RGTS FILED | (2) | |
| 02/10/1984 | 932 | TRF OPER RGTS FILED | | |
| 04/06/1984 | 932 | TRF OPER RGTS FILED | | |
| 10/25/1984 | 932 | TRF OPER RGTS FILED | (1) | |
| 10/25/1984 | 932 | TRF OPER RGTS FILED | (2) | |
| 10/25/1984 | 932 | TRF OPER RGTS FILED | (3) | |

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 08:16 AM

Page 1 of 5

Run Date: 07/25/2016

01 02-25-1920;041STAT0437;30USC181ETSEQ

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres

1,240.000

Serial Number

NMNM-- 0 405444A

Serial Number: NMNM-- 0 405444A

| Name & Address | | | Int Rel | % Interest |
|-------------------------|----------------------|----------------------------|------------------|---------------|
| CHEVRON USA INC | 6301 DEAUVILLE | MIDLAND TX 797062964 | OPERATING RIGHTS | 0.000000000 |
| DEVON ENERGY PROD CO LP | 333 W SHERIDAN AVE | OKLAHOMA CITY OK 731025010 | OPERATING RIGHTS | 0.000000000 |
| HARKEN EXPLORATION CO | PO BOX 619024 | DALLAS TX 75261 | OPERATING RIGHTS | 0.000000000 |
| MARATHON OIL CO | PO BOX 3128 | HOUSTON TX 772533128 | LESSEE | 100.000000000 |
| MID-CONTINENT ENERGY | 100 W 5TH ST #450 | TULSA OK 741034287 | OPERATING RIGHTS | 0.000000000 |
| PETROHAWK PROPERTIES LP | 1100 LOUISIANA #4400 | HOUSTON TX 77002 | OPERATING RIGHTS | 0.000000000 |
| RIVERBEND PRODUCTION LP | 500 DALLAS ST #2835 | HOUSTON TX 77002 | OPERATING RIGHTS | 0.000000000 |
| XTO ENERGY INC | 810 HOUSTON ST #2000 | FT WORTH TX 761026298 | OPERATING RIGHTS | 0.000000000 |

Serial Number: NMNM-- 0 405444A

| Mer Twp Rng Sec | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency |
|--------------------|------|----------|-------------|-----------------------|--------|---------------------|
| 23 0230S 0310E 022 | ALIQ | | ALL; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 0230S 0310E 025 | ALIQ | | NWNW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 0230S 0310E 026 | ALIQ | | E2,SW,S2NW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM-- 0 405444A

| Act Date | Code | Action | Action Remark | Pending Office |
|------------|------|--------------------------|---------------------|----------------|
| 06/14/1963 | 387 | CASE ESTABLISHED | | |
| 07/01/1963 | 496 | FUND CODE | 05;145003 | |
| 07/01/1963 | 530 | RLTY RATE -- 12 1/2% | | |
| 07/01/1963 | 868 | EFFECTIVE DATE | | |
| 08/01/1963 | 553 | CASE CREATED BY ASGN | OUT OF NMNM0405444; | |
| 12/12/1969 | 500 | GEOGRAPHIC NAME | UNDEFINED FLD; | |
| 12/12/1969 | 510 | KMA CLASSIFIED | | |
| 12/12/1969 | 650 | HELD BY PROD - ACTUAL | | |
| 01/16/1970 | 315 | RENTAL RATE DET/ADJ | \$2.00; | |
| 03/01/1970 | 246 | LEASE COMMITTED TO CA | SW-557; | |
| 03/03/1970 | 102 | NOTICE SENT-PROD STATUS | | |
| 12/09/1970 | 512 | KMA EXPANDED | | |
| 09/09/1973 | 500 | GEOGRAPHIC NAME | JAMES RANCH FLD; | |
| 09/09/1973 | 512 | KMA EXPANDED | | |
| 04/01/1975 | 246 | LEASE COMMITTED TO CA | SRM-1296; | |
| 10/15/1981 | 932 | TRF OPER RGTS FILED | | |
| 10/07/1982 | 140 | ASGN FILED | MARATHON PETRO/OIL | |
| 03/29/1983 | 909 | BOND ACCEPTED | EFF 03/10/83;NM0490 | |
| 03/30/1983 | 139 | ASGN APPROVED | EFF 11/01/82; | |
| 05/02/1983 | 932 | TRF OPER RGTS FILED | (1) | |
| 05/02/1983 | 932 | TRF OPER RGTS FILED | (2) | |
| 09/26/1983 | 558 | TRF OPER RGTS RET UNAPPV | | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (1) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (2) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (3) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (4) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (5) | |
| 09/29/1983 | 932 | TRF OPER RGTS FILED | (6) | |

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM


devon

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 31 2016

RECEIVED

Devon Energy Production Company
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405)-552-7970
Erin.Workman@dvn.com

August 14, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Aldabra 26 Fed 8H & Aldabra 27 Fed 1H
API: 30-015-38624 & 30-015-38625
Pool: Ingle Wells; Bone Spring
Lease: NMNM0405444A & NMNM0418220A
County: Eddy Co., NM

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 for the above mentioned wells.

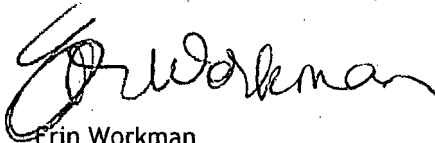
A copy of our application submitted to the Division & the BLM is attached.

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) 552-7970 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.



Erin Workman
Regulatory Compliance Professional

Enclosure

COMMINGLED MAILING REFERENCE: ALDABRA 26-27

| RESPONDENT NAME | ADDRESS 1 | ADDRESS 2 | ADDRESS 3 | CITY | STATE | ZIP CODE | E-CERTIFIED MAILING NUMBER |
|------------------------------------|-----------------------------------|--|--------------------------------|------------------|-------|------------|----------------------------|
| RICHARD C GIBSON | | | PO BOX 3817 | MIDLAND | TX | 79702 | 9214890152718100006718 |
| THOMAS R SMITH | | | 5705 PINEHURST | FARMINGTON | NM | 87402 | 9214890152718100006725 |
| LE OPPERMAN | | | | | | | 9214890152718100006732 |
| JOE N GIFFORD | | | 500 W TEXAS AVE STE 830 | MIDLAND | TX | 79701 | 9214890152718100006749 |
| DOUGLAS ABELL DENTON | | | PO BOX 51187 | MIDLAND | TX | 79710-1187 | 9214890152718100006756 |
| OBIE & COMPANY | | | 1501 PRINCETON AVE | MIDLAND | TX | 79701-5761 | 9214890152718100006763 |
| | % JP MORGAN CHASE BANK NA | | PO BOX 99084 | FORT WORTH | TX | 76199-0084 | 9214890152718100006770 |
| HOUSTON & EWIMA HILL TRUST EST | JAMES ROBERT HILL, VIRGINIA GLENN | HILL LATTIMORE & JOHN A STYRSKY TRUSTEES | P O BOX 731986 | DALLAS | TX | 75373-1986 | 9214890152718100006787 |
| TEK PROPERTIES LTD | % THOMAS E KELLY | | 4705 MIRAMONT CIRCLE | BRYAN | TX | 77802 | 9214890152718100006794 |
| OXY USA INC | | | PO BOX 841803 | DALLAS | TX | 75284-1803 | 9214890152718100006800 |
| OTTO E SCHROEDER JR | | | 915 N FIELDER RD APT 1101 | ARLINGTON | TX | 76012 | 9214890152718100006817 |
| CATHERINE M GRACE | % DAN SERNA & COMPANY | | 6031 INTERSTATE 20 W STE 251LB | ARLINGTON | TX | 76017 | 9214890152718100006824 |
| SOUTHWEST PETROLEUM CORP | | | PO BOX 25623 | OVERLAND PARK | KS | 66225 | 9214890152718100006831 |
| JAMES R HILL FAMILY LTD PTNRSP | A TEXAS LIMITED PARTNERSHIP | | P O BOX 731986 | DALLAS | TX | 75373-1986 | 9214890152718100006848 |
| GLENN LATTIMORE FAMILY LP | A TEXAS LIMITED PARTNERSHIP | | P O BOX 731986 | DALLAS | TX | 75373-1986 | 9214890152718100006855 |
| MARY MARGARET OLSON TRUST | LEONARD B OLSON, TRUSTEE | % SERNA & CO PC | 6031 W 120 STE 251 | ARLINGTON | TX | 76017 | 9214890152718100006862 |
| BASCOM MITCHELL FAMILY PTNERSHP LP | % BASCOM L MITCHELL | | 1 LIVE OAK DR | MIDLAND | TX | 79705 | 9214890152718100006879 |
| L EDWARD INNERARITY JR (ORRI) | | | PO BOX 2113 | MIDLAND | TX | 79702 | 9214890152718100006886 |
| RICHARD DONALD JONES JR | | | 200 N GAINES RD | CEDAR CREEK | TX | 78612 | 9214890152718100006893 |
| GEORGIA B BASS | | | 6203 ALDEN BRIDGE DR APT 7201 | THE WOODLANDS | TX | 77382-5135 | 9214890152718100006909 |
| REGENT OIL & GAS COMPANY LP | | | PO BOX 25204 | DALLAS | TX | 75225 | 9214890152718100006916 |
| JADT MINERALS LTD | | | PO BOX 190229 | DALLAS | TX | 75219-0229 | 9214890152718100006923 |
| PATRICIA KAY LORENZ | | | 401 RED OAK ST | ARANSAS PASS | TX | 78336-4616 | 9214890152718100006930 |
| DOROTHY J KEENOM INDIV | | | PO BOX 470605 | FORT WORTH | TX | 76147-0605 | 9214890152718100006947 |
| JOHN E CASSIDY | | | PO BOX 177 | DRIPPING SPRINGS | TX | 78620 | 9214890152718100006954 |
| GEORGE KARABATSOS | | | PO BOX 96 | MIDLAND | TX | 79702 | 9214890152718100006961 |
| BALONEY FEATHERS LTD | BY ELK MOUNTAIN HOLDINGS LLC | GEN PTNR | 1115 HIGHLAND ST | HOUSTON | TX | 77009 | 9214890152718100006978 |
| FIGURE 4 INVESTMENT TRUST | | | PO BOX 1586 | LUBBOCK | TX | 79408 | 9214890152718100006985 |
| NANCY PUFF JONES TRUST | DOROTHY JEAN KEENOM TRUSTEE | | 11010 CRESTMORE ST | HOUSTON | TX | 77096 | 9214890152718100006992 |
| OSBORNE B COWLES TRUST | DTD 10/8/96 | A JANET GHARRITY SUCCESSOR TTEE | PO BOX 470605 | FORT WORTH | TX | 76147-0605 | 9214890152718100007005 |
| PATRICIA B YOUNG MGMT TR | 1ST NTL BK & TR CO OF OKMULGEE | OKLAHOMA | 700 BEACH DR APT 302 | ST PETERSBURG | FL | 33701-2646 | 9214890152718100007012 |
| JAY LEE TOUCHSTONE TRUST | CREATED UWOM MERLE T FRANKLIN | TOUCHSTONE & KYLE | PO BOX 1037 | OKMULGEE | OK | 74447 | 9214890152718100007029 |
| TRUMAN ESTES TOUCHSTONE TRUST | CREATED UWOM MERLE T FRANKLIN | TOUCHSTONE & KYLE | 10000 MEMORIAL DR STE 650 | HOUSTON | TX | 77024-3417 | 9214890152718100007036 |
| LINDA KAY NEIGHBORS | | | 10000 MEMORIAL DR STE 650 | HOUSTON | TX | 77024-3417 | 9214890152718100007043 |
| ALFRED GILES IV | | | 1711 DOUGLAS AVE | MIDLAND | TX | 79701 | 9214890152718100007050 |
| JOHN GEOFFREY GILES | | | PO BOX 50360 | AUSTIN | TX | 78763-0360 | 9214890152718100007067 |
| PETROHILL RESOURCES LLC | AGENT | FAO MLHRT & MSWRT & WMT | 2600 ESCONDIDO CV | AUSTIN | TX | 78703-1610 | 9214890152718100007074 |
| ONRR | ROYALTY MANAGEMENT PROGRAM | MICHAEL S WALTREP & MARGERY L | 3343 LOCKE AVE STE 103 | FORT WORTH | TX | 76107-5702 | 9214890152718100007081 |
| HILL INVESTMENTS LTD | CASODY ENTERPRISES LLC | GEN PTNR ALAN M HILL PRES | PO BOX 25627 | DENVER | CO | 80225-0627 | 9214890152718100007098 |
| H-S MINERALS & REALTY LTD | RC STAR LLC GENERAL PARTNER | CYDNEY H SHEPARD & E ROBERT SHEPARD MANAGING MEMBERS | PO BOX 1568 | CEDAR PARK | TX | 78630-1568 | 9214890152718100007104 |
| MICKEY GIBSON | | | PO BOX 27284 | AUSTIN | TX | 78755-2284 | 9214890152718100007111 |
| CHRISTENSEN RESOURCE PROPERTIES LP | | | PO BOX 590 | CAVE CREEK | AZ | 85327 | 9214890152718100007128 |
| | | | PO BOX 3790 | MIDLAND | TX | 79702-3790 | |

| | | | | | | | |
|------------------------------|------------------------------|--|----------------------|--------------|----|------------|------------------------|
| CHRISTENSEN HOLDINGS LP | | | 2303 W LOUISIANA AVE | MIDLAND | TX | 79701 | 9214890152718100007128 |
| PERRY RESOURCES LLC | | | 5615 VULCAN VISTA NE | ALBUQUERQUE | NM | 87111 | 9214890152718100007135 |
| L EDWARD INNERARY JR | | | PO BOX 2113 | MIDLAND | TX | 79702 | 9214890152718100007159 |
| NORTEX CORPORATION | % THE NORTHERN TRUST COMPANY | | PO BOX 27710 | HOUSTON | TX | 77227-7710 | 9214890152718100007166 |
| PATRICIA BOYLE YOUNG | | | PO BOX 1639 | SOLANA BEACH | CA | 92075-7639 | 9214890152718100007173 |
| LORRAINE L JOHNSON LVG TRUST | FARMERS NATIONAL CO AGENT | GEORGIA L TEMPLE CO TTEE | PO BOX 3480 | OMAHA | NE | 68103-0480 | 9214890152718100007180 |
| CONCORD LAND & MINERALS | LONG TERM INVESTMENTS | TWENTY TWO LLC BENNY DUNCAN REG AGENT | PO BOX 671099 | DALLAS | TX | 75367 | 9214890152718100007197 |

| | | | | | |
|---------|----------|----------|-----------|------|---------|
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO. |
|---------|----------|----------|-----------|------|---------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



NM OIL CONSERVATION
 ARTESIA DISTRICT
 OCT 31 2016

ADMINISTRATIVE APPLICATION CHECKLIST

RECEIVED

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.

Erin Workman
 Print or Type Name

Signature

Regulatory Compliance Professional
 Title

08.13.15
 Date

Erin.Workman@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

RECEIVED
OCT 31 2016

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: 333 W Sheridan Avenue, Oklahoma City, OK 73102

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 |
|--------------------------|--|---|--|---|---------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(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 (Coriolis Test Method)

(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 (Coriolis Test)

(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 attach 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: Erin Workman TITLE: Regulatory Compliance Prof. DATE: 08.13.15

TYPE OR PRINT NAME: Erin Workman TELEPHONE NUMBER: 405-552-7970

E-MAIL ADDRESS: Erin.workman@dvnm.com

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

Devon Energy Production Co.

October 2, 2016

Condition of Approval

Surface commingling, off lease storage measurement and sales, and alternate method of measurement.

Aldabra 26 Fed 8H, Aldabra 27 Fed 1H

3001538624 & 3001538625

Lease NM04054444A & NM0418220A

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. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. 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.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Approval for alternate method of measurement for oil production. Coriolis meters will be used off 3 phase separators for allocation of oil production and oil will be sold through a common LACT meter at facility.