



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

August 7, 2007

AUG 09 2007
OCD-AR-LS-A

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

RE: Surface Commingling - PG 4 Federal 1
Unit Letter C SEC 9 T23S R31E
API No. 30-015-26509
North Pure Gold 4 Federal 2
Unit Letter D SEC 9 T23S R31E
API No. 30-015-34756
Eddy County, New Mexico

Dear Mr. Jones:

Please find attached the BLM Form C-3160-5 Sundry Notice of Intent to Surface Commingle and the OCD form C-107B for the proposed zones. The working interest, royalty interest and overriding royalty interest owners in both formations are not uniform and all have been notified via certified mail. The receipts will be sent when received.

An NSL letter is included. Should you require any additional information, please do not hesitate to contact me at 405.228.8699.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Judy A. Barnett
Regulatory Analyst
Judith.Barnett@dev.com

cc: Oil Conservation Division -Artesia
Bureau of Land Management - Carlsbad

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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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



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 _____

[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.

Judith A. Barnett

Print or Type Name

Signature

Regulatory Analyst

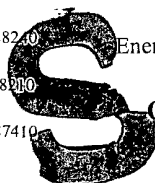
Title

08/01/07

Date

Judith.Barnett@dmv.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

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

AUG 09 2007

OCD-ARTESIA

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 Company L. P.
OPERATOR ADDRESS: 20 N. Broadway, Oklahoma City, Oklahoma 73102-8260
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
Los Medanos; Delaware 40297	43.3 oil, 0.759 gas, 1258 BTU/cf	42.5 oil, 0.76 gas, 1255 BTU/cf			
Wildcat; Bone Springs 96503	39.6 oil, 0.773 gas, 1241 BTU/cf	42.5 oil, 0.76 gas, 1255 BTU/cf			

- (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 (Monthly well test/allocation procedure)
(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 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: Judy A. Barnett TITLE: Regulatory Analyst
DATE: 08/07/07
TYPE OR PRINT NAME Judy A. Barnett TELEPHONE
NO.: 405.228 8699 E-MAIL ADDRESS: _____



Laboratory Services, Inc.

 2609 West Marland
 Hobbs, New Mexico 88240

Telephone: (505) 397-3713

M

 FOR: Devon Energy
 P. O. Box 250
 Artesia, New Mexico 88211-0250

 SAMPLE:
 IDENTIFICATION PG 4 #1 Upper Zone
 COMPANY: Devon Energy
 LEASE:
 PLANT:

 SAMPLE DATA: DATE SAMPLED 8/2/07 7:00
 ANALYSIS DATE: 8/3/07
 PRESSURE - PSIG 1200
 SAMPLE TEMP. °F
 ATMOS. TEMP. °F 65

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

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	1.547	
Carbon Dioxide (CO2)	3.335	
Methane (C1)	73.946	
Ethane (C2)	11.238	2.998
Propane (C3)	6.172	1.697
i-Butane (iC4)	0.683	0.223
n-Butane (nC4)	1.608	0.506
i-Pentane (iC5)	0.273	0.100
n-Pentane (nC5)	0.346	0.125
Hexane Plus (C6+)	0.852	0.370
	100.000	6.019
BTU/CU.FT. - DRY	1241	MOLECULAR WT. 22.4293
AT 14.650 DRY	1237	
AT 14.650 WET	1216	
AT 14.73 DRY	1244	
AT 14.73 WET	1222	
SPECIFIC GRAVITY -		
CALCULATED	0.773	
MEASURED		



**ARDINAL
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
DEVON ENERGY
ATTN: JIM CROMER/JERRY MATHEWS
20 N. BROADWAY
OKLAHOMA CITY, OK 73102
FAX TO:

Receiving Date: 08/01/07
Reporting Date: 08/02/07
Project Number: NOT GIVEN
Project Name: PURE GOLD 4 #1
Project Location: NOT GIVEN

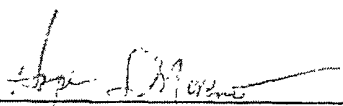
Sampling Date: NOT GIVEN
Sample Type: CRUDE OIL
Sample Condition: INTACT
Sample Received By: AB

Laboratory No.	Sample ID	API grav. @ 60°F	Weight % Sulfur
H13019-1	PURE GOLD 4 #1	39.6	0.0586

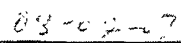
METHODS: ASTM

D287

D4294



Chemist



Date

LEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for the service. If claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after complete service. ~~H13019-1~~ ~~DEVON~~ Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client or its affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons.



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: Sta. #131-55-021
IDENTIFICATION North Pure Gold 4 #2
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 11/29/06 8:30 am
ANALYSIS DATE: 11/29/06
PRESSURE - PSIG 34.5
SAMPLE TEMP. °F 51.9
ATMOS. TEMP. °F 60

GAS (XX) LIQUID ()
SAMPLED BY: Lemmons
ANALYSIS BY: Vickie Sullivan

REMARKS:

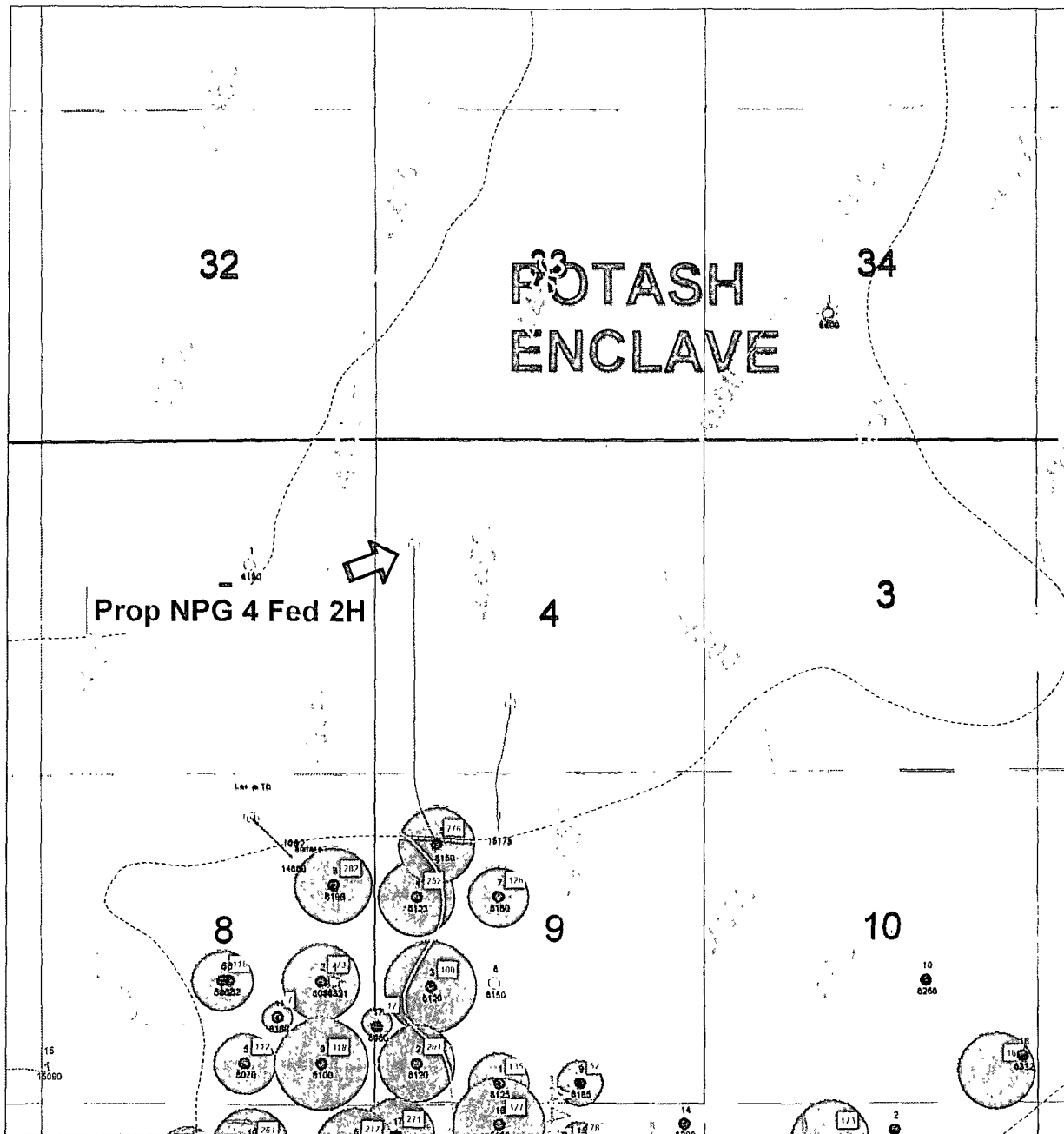
COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	2.263	
Carbon Dioxide (CO2)	0.020	
Methane (C1)	64.726	
Ethane (C2)	15.800	4.215
Propane (C3)	10.819	2.974
I-Butane (IC4)	1.213	0.396
N-Butane (NC4)	2.994	0.942
I-Pentane (IC5)	0.621	0.227
N-Pentane (NC5)	0.591	0.214
Hexane Plus (C6+)	0.953	0.414
	100.000	9.382

BTU/CU.FT. - DRY 1437
AT 14.650 DRY 1432
AT 14.650 WET 1407
AT 14.73 DRY 1440
AT 14.73 WET 1415

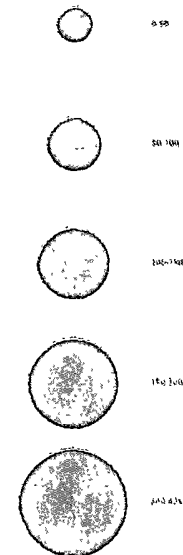
MOLECULAR WT. 24.7478

SPECIFIC GRAVITY -
CALCULATED 0.853
MEASURED



Delaware EURLs <DEG_EURL study>

TABLE 1. Data EURLs (EURLs, feet)

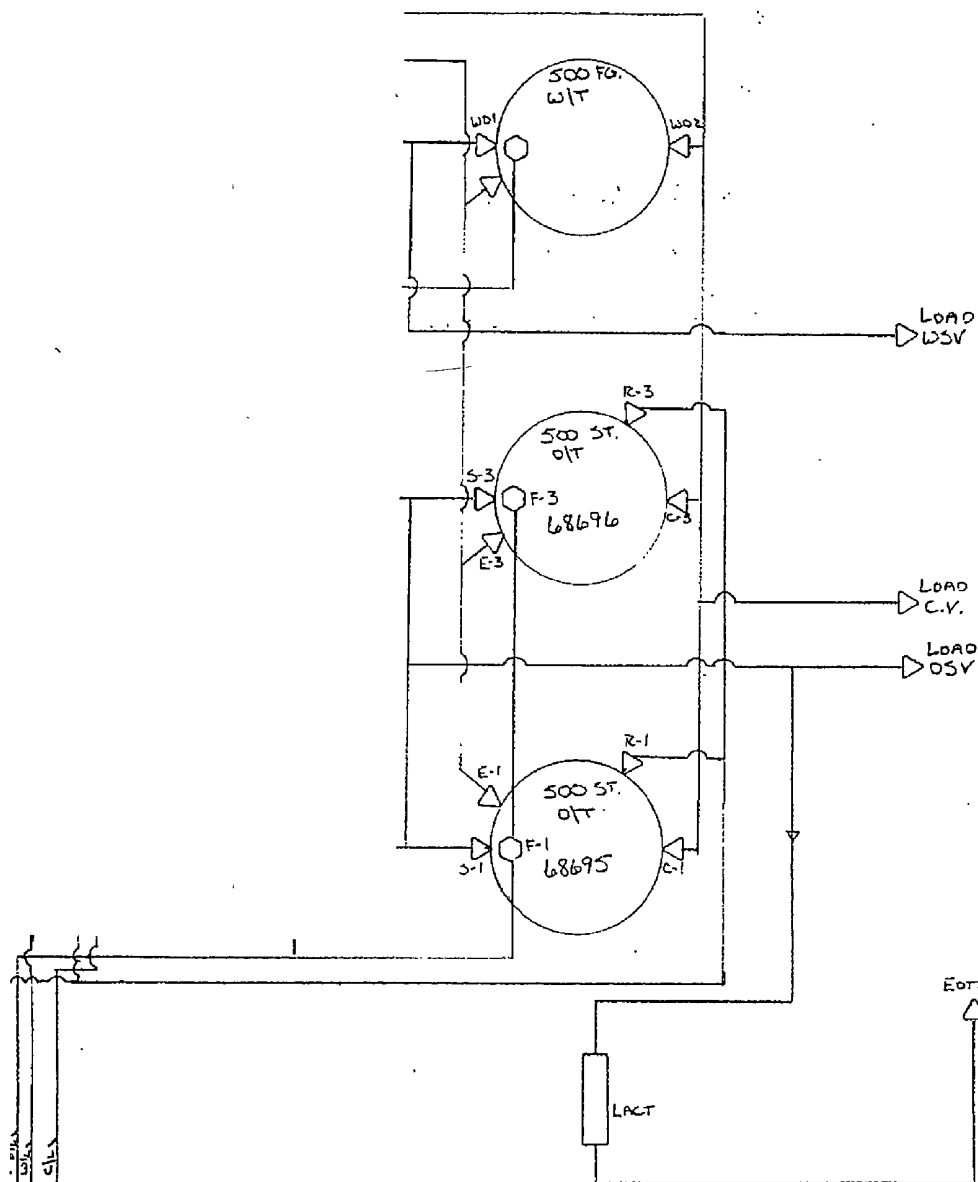


devon

Top Lower Brushy Canyon D Sand

Author:		Date:
		22 March, 2006
	Scale:	
	<scale>	





N. PURE GOLD
4 FED # 2

Sec 9 TWP 23 S R 31 E
 1140 FNL & 840 FWL
 Eddy County, N.M.
 #

This Lease is Subject to the Site Security Plan for Southeastern
 New Mexico operations. The Plan is Located At: Santa Fe Energy Resources, Inc.
 3122 National L. Parks Hwy
 Anaheim, CA 92701