

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 22 2008
OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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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.
NM95109 and NM89052

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Devon Energy Production Company, L.P.

3a. Address

20 North Broadway, Oklahoma City, OK 73102

3b. Phone No. (include area code)

405-228-8699

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

8. Well Name and No.
See Attached

9. API Well No.

See Attached 30 015 27831

10. Field and Pool or Exploratory Area

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

SEC 25 T22S R30E

11. Country or Parish, State

Eddy NM

12. CHECK THE 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 Surface Commingle |
| | <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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 surface commingle for measurement of hydrocarbon production the following wells:

Apache 25 Federal 2 Unit P Sec 25 T22S R30E: API# 30-015-27478 660 FSL 1310 FEL Pool: Los Medanos; Bone Spring

Apache 25 Federal 5 Unit I Sec 25 T22S R30E: API# 30-015-27831 1980 FSL 330 FEL DHC-3178 Los Medanos; Bone Spring & S. Los Medanos; Wolfcamp

Apache 25 Federal 6 Unit P Sec 25 T22S R30E: API# 30-015-27832 330 FSL 330 FEL Quahada Ridge SE; Delaware

Apache 25 Federal 9 Unit J Sec 25 T22S R30E: API# 30-015-27897 1980 FSL 1650 FEL Los Medanos; Bone Spring

Apache 25 Federal 10H Unit P Sec 25 T22S R30E: API# 30-015-27898 330 FSL 1650 FEL Quahada Ridge SE; Delaware

Surface commingle will be at the Apache 25 Federal 6. The ownership is uniform in both leases and all of the wells.

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

Name (Printed/Typed)

Judy A. Barnett

Title Regulatory Analyst

Signature

Date

4/18/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instructions on page 2)

Accepted for record - NMOCD

APPLICATION FOR SURFACE COMMINGLING:

Bureau of Land Management
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Devon Energy Production Company, L. P. requests approval for surface commingling and measurement of hydrocarbon production from the following wells on Federal Lease:

| <u>Lease Name & No: 91509</u> | <u>Sec</u> | <u>TWP</u> | <u>Rng</u> | <u>Formation</u> |
|-----------------------------------|------------|------------|------------|--|
| Apache 25 Federal 9 | 25 | 22S | 30E | Los Medanos-Bone Spring & South Medanos-Wolfcamp |
| Apache 25 Federal 5 | 25 | 22S | 30E | Quahada Ridge SE; Delaware |

| <u>Lease Name & No:89052</u> | <u>Sec</u> | <u>TWP</u> | <u>Rng</u> | <u>Formation</u> |
|----------------------------------|------------|------------|------------|----------------------------|
| Apache 25 Federal 2 | 25 | 22S | 30E | Los Medanos;Bone Spring |
| Apache 25 Federal 6 | 25 | 22S | 30E | Quahada Ridge SE; Delaware |
| Apache 25 Federal 10H | 25 | 22S | 30E | Quahada Ridge SE; Delaware |

Exhibit I is a schematic, which shows the equipment that will be utilized to determine well production from each well that will contribute production to the proposed commingled facility.

Surface Commingling Proposal for Apache 25 Federal #2, #5, #6, #9 and #10H.

Devon proposes to surface commingle the producing wells; the Apache 25 Federal 2, Apache 25 Federal 5, Apache 25 Federal 6, Apache 25 Federal 9 and the Apache 25 Federal 10H to the Apache 25 Federal 6 battery facility. This commingling will in effect lessen the disturbance and impact on the environment. The BLM will be notified if there is any future change in the facility location.

Oil metering:

Oil and water volumes from each well producing to this battery will be determined by using a test separator/ heater treater at the proposed facility so that one of the wells is always producing through the testing equipment. Daily production will be allocated on a daily basis based on the most recent individual well tests of oil, gas and water. Well tests for each well will be conducted at least once per month.

Process and Flow Description: A common gas sales meter associated with a DCP central delivery point (CDP) is currently located and will continue to be used at the Apache 25 Federal #6 location (#6 battery), Sec 25, T22S R30E Federal Lease #NM89052. This sales meter currently accepts gas from the Apache 25 Federal #3 battery, the currently existing Apache 25 Federal #2 battery (which will be dismantled upon approval of this surface commingling permit), as well as the gas production from the #6 battery. Upon dismantling of the #2 battery, the entire 3-phase flow streams from the #2, #5, #9 and #10H wells will be directed to the #6 battery, rather than being processed at the #2 battery, and oil, gas and water volumes will be allocated to each well using the test separator/ heater treater located at the #6 battery. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The attached facility diagrams show the proposed metering arrangement. The BLM will be notified if there is any future change in the facility location.

Please see attached diagram for the "current" facilities set up and "proposed" Apache 25 Federal 6 production facility.

Devon Energy Production Company, L. P. is the record title owner of the leases to be commingled and the owner of 100% WI interest in the commingle wells. The ownership of all interests is uniform in both of the leases and all of the wells. Therefore, no additional notification should e necessary.

The proposed commingling of production will reduce operating expense among the referenced wells as well as reduce the surface footprint and overall emissions associated with producing these wells. This will result in increasing the economic life of the wells.

Signed:

Name: Judy A. Barnett

Title: Regulatory Analyst

Date: April 18, 2008



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

April 15, 2008

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: David Brooks

Re: Surface Commingling
NM-91509 & NM-89052
Section 25-T22S-R30E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") intends to dismantle the Apache 25 Federal #2 battery located in the SE/4 SE/4 Section 25-T22S-R30E, Eddy County, New Mexico. This battery currently services the Apache 25 Federal #2, #5, and #9 wells as evidenced by the attached Commingling Order PC-1098 dated September 9, 2003.

In lieu of Commingling Order PC-1098, Devon respectfully requests the Commission administratively approve a new surface commingling order allowing for the commingling of production from the Apache 25 Federal #2, #5, #6, #9 and the Apache 25 Federal #10H which is currently drilling in to the existing Apache 25 Federal #6 battery located in SE/4 SE/4 (Unit letter P) of Said section 25. Attached is Form C-107-B for your approval.

Devon is the record title owner of the leases to be commingled and the owner of 100% WI interest in the commingled wells. The ownership of all interests is uniform in both of the leases and all of the wells. Therefore, no additional notification should be necessary.

If there are any questions or if additional information is required feel free to contact me at (405) 552-4633 or Judy Barnett at (405) 228-8699.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

