

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

5. Lease Serial No.
NMLC029390A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SARGAS 28 FEDERAL COM 3H

9. API Well No. .
30-015-41795-00-X1

10. Field and Pool, or Exploratory
SHUGART

11. County or Parish, and State

EDDY COUNTY, NM

TYPE OF ACTION

☐ Water Disposal

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

Date 06/13/2014

Date 18/14

Office *CF*

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

Additional data for EC transaction #249522 that would not fit on the form

32. Additional remarks, continued

NESE, Sec. 29, T18S, R31E
30-015-41560
56405 Shugart, Bone Spring, North
Lease: NMLC 0029387, NMNM055468, NMLC02390

The central tank battery is located at the Sargas 28 Fed Com 3H & 4H Battery in Sec. 29, T18S, R31E in Eddy County, New Mexico. The Sargas 28 Fed Com 3H production will flow through its own three phase separator with a coriolis meter for the oil, flow meter to meter the water, and gas allocation to meter the gas. The Sargas 28 Fed Com 4H production will flow through its own three phase separator with a coriolis meter for the oil, flow meter to meter the water, and gas allocation to meter the gas. VRUY will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Sargas 28 Fed Com 3H & 4H Battery 4H Battery will have four oil tanks that both wells will utilize and they have a common Duke Energy Central Delivery Point #13135424 located on the east side of the facility. Oil, gas, and water volumes from both wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility.

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

See Attachment

APPLICATION FOR A CENTRAL TANK BATTERY

Proposal for the Sargas 28 Fed 3H & Sargas 28 Fed 4H:

Devon Energy Production Company, LP is requesting approval for a Central Tank Battery for the following wells:

Federal Lease: NMLC029387A (12.5%), NMNM 055648 (12.5%), & NMLC029390A (12.5%)				Oil			
Well Name	Location	API #	Pool 56400	BOPD	Gravities	MCFPD	BTU
Sargas 28 Fed Com 3H	NESW, Sec. 29, T18S, R31E	30-015-41795	Shugart, Bone Spring, North	528.87	36	270.94	1289.6
Sargas 28 Fed Com 4H	NESW, Sec. 29, T18S, R31E	30-015-41560	Shugart, Bone Spring, North	401.32	36.5	156.84	1293.8

Attached is a map displays the federal leases and well locations in Section 29, T18S, R31E.

A single Communization Agreement is in process.

The BLM's interest these wells are the same.

Oil & Gas metering:

The central tank battery is located at the Sargas 28 Fed Com 3H & 4H Battery in Sec. 29, NESW, T18S, R31E, in Eddy County, New Mexico. The Sargas 28 Fed Com 3H production will flow through its own three phase separator with a coriolis meter for the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Sargas 28 Fed Com 4H production will flow through its own three phase separator with a coriolis 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 Sargas 28 Fed Com 3H & 4H Battery will have four oil tanks that both wells will utilize and they have a common Duke Energy Central Delivery Point #13135424 which is located on the south side of the facility. Oil, gas, and water volumes from both wells producing to this battery will be determined by using a metering separator at the proposed facility. Oil sold through a common LACT meter using a Smith Meter S/N 1335E10161 with associated temperature averager.

The Sargas 28 Fed 3H flows to a three phase metering separator, where after separation gas is routed to the gas allocation meter #67749109, then to the DCP CDP #13135424 located on the south side of the facility. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter #14399258 and water is metered using a turbine meter. The oil then flows to one of the two production heater/treaters, then into an oil production line where it is combined with the Sargas 28 Fed 4H and flows to one of the 500 bbl. oil tanks. The water from this well combines with the Sargas 28 Fed 4H and flows to the FWKO is then measured by a turbine meter, and flows into one of the heater/treaters, then to one of the 500 bbl. produced water tanks, along with the water from the other well.

The Sargas 28 Fed 4H flows to a three phase metering separator, where after separation gas is routed to the gas allocation meter #67749108, then to the DCP CDP #13135424 located on the south side of the facility. Produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter #14381422 and water is metered using a turbine meter. The oil then flows to one of the two production heater/treaters, then into an oil production line where it is combined with the Sargas 28 Fed 3H and flows to one of the 500 bbl. oil tanks. The water from this well combines with the Sargas 28 Fed 3H and flows to the FWKO is then measured by a turbine meter, and flows into one of the heater/treaters, then to one of the 500 bbl. produced water tanks, along with the water from the other well.

Oil production will be allocated on a daily basis based on the Micro Motion Coriolis Test Meters. These 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 for the Sargas 28 Fed 3H & 4H will be allocated on a daily basis using the gas allocation meters, for the 3H #67749109 and for the 4H gas meter #67749108. The gas production from the test gas meters will commingle and flow through Duke Energy CDP #13135424 on the south side of the facility. The gas off the VRU allocation meter #67700701 will flow to the Duke Energy CDP. 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.

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

Signed: _____

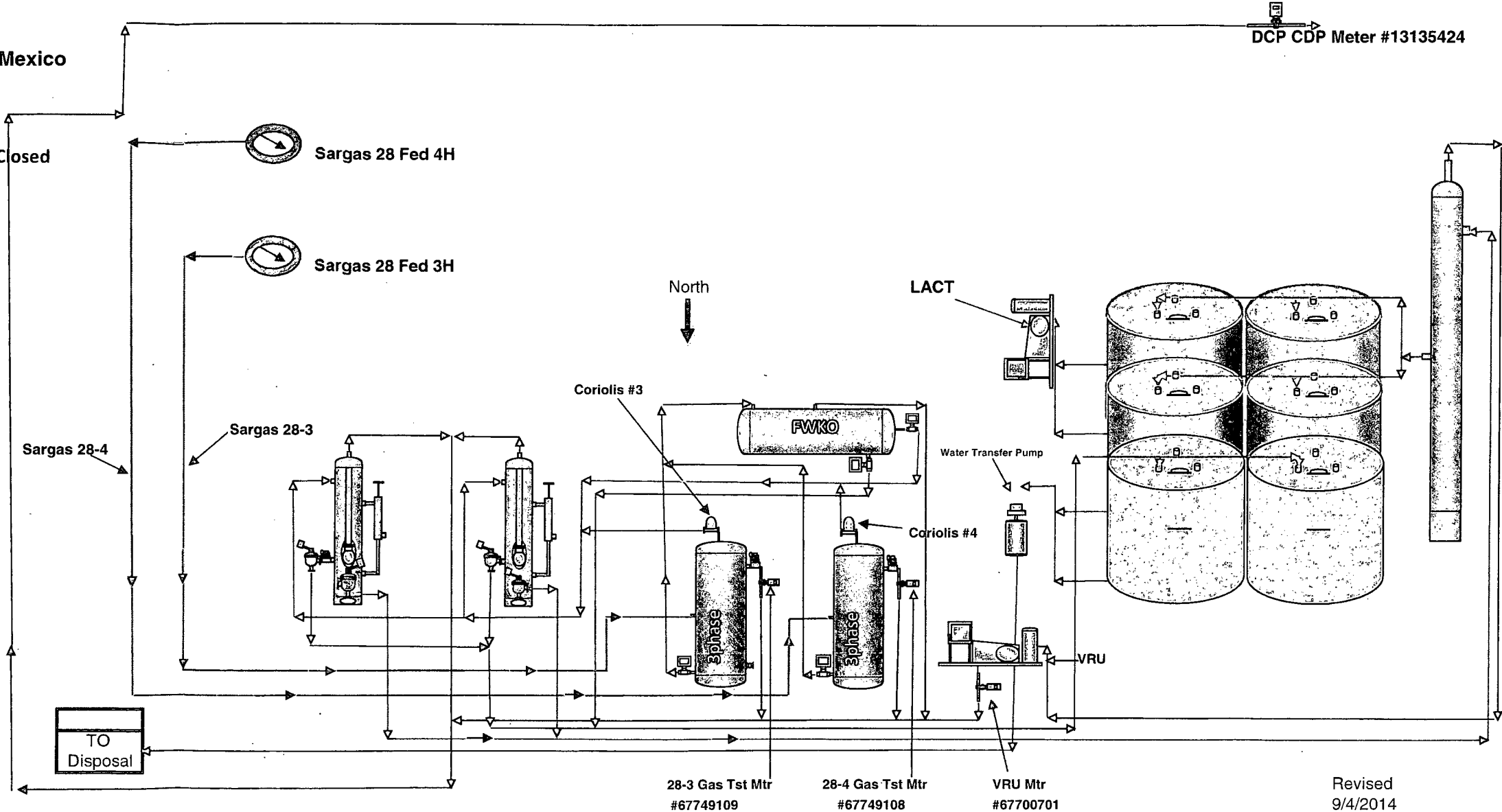
Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 06.06.14

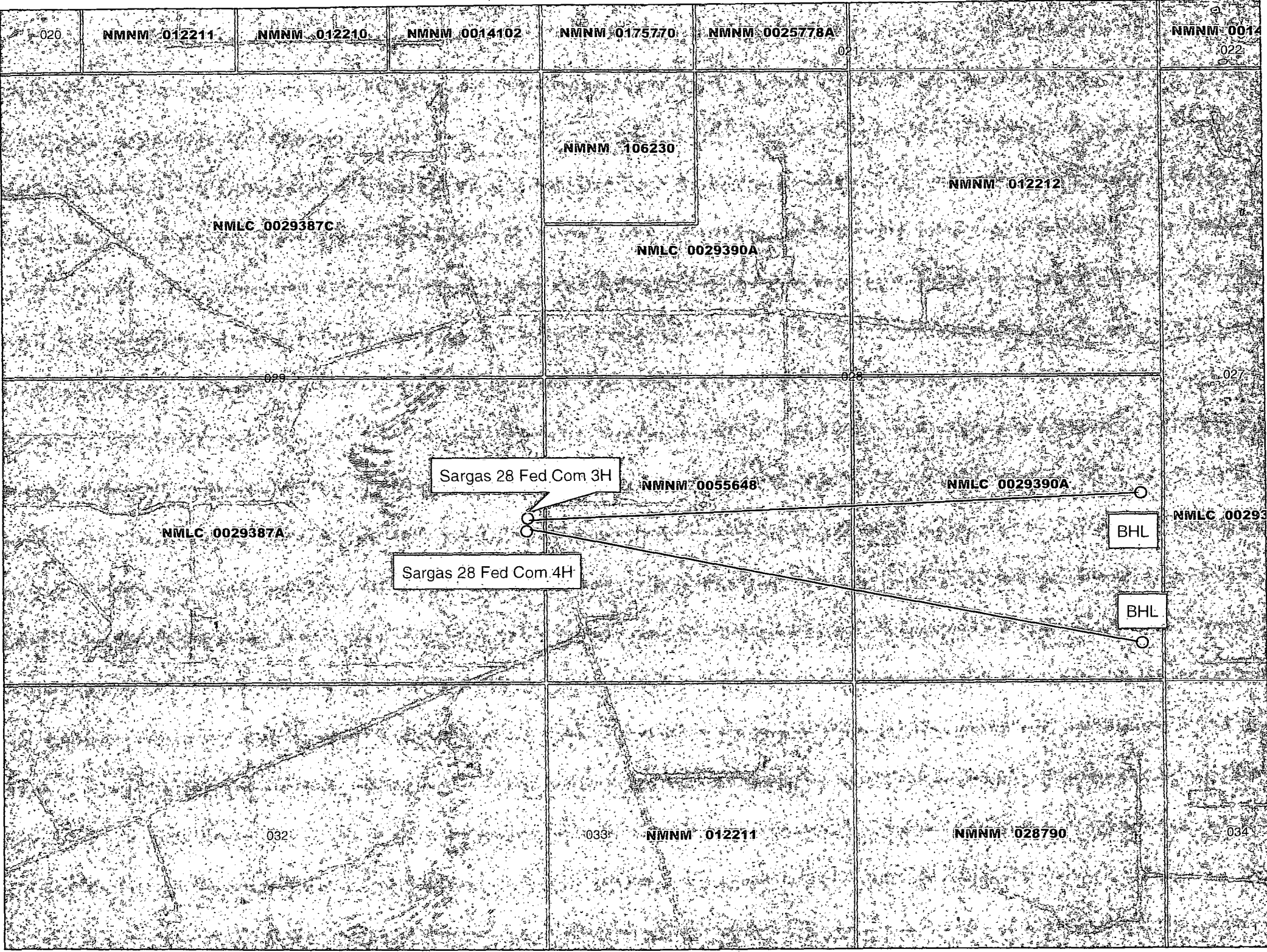
Sargas 28 Fed 3H & 4H Battery
Sec. 28-T18S-31E
1475 FSL 342 FEL
Eddy, County, New Mexico
API: 30-015-41560

Production System: Closed



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

Revised
9/4/2014



020

NMNM 012211

NMNM 012210

NMNM 0014102

NMNM 0175770

NMNM 0025778A

NMNM 0014

022

NMNM 106230

NMNM 012212

NMLC 0029387C

NMLC 0029390A

020

026

027

Sargas 28 Fed Com 3H

NMNM 0055648

NMLC 0029390A

NMLC 0029387A

NMLC 00293

BHL

Sargas 28 Fed Com 4H

BHL

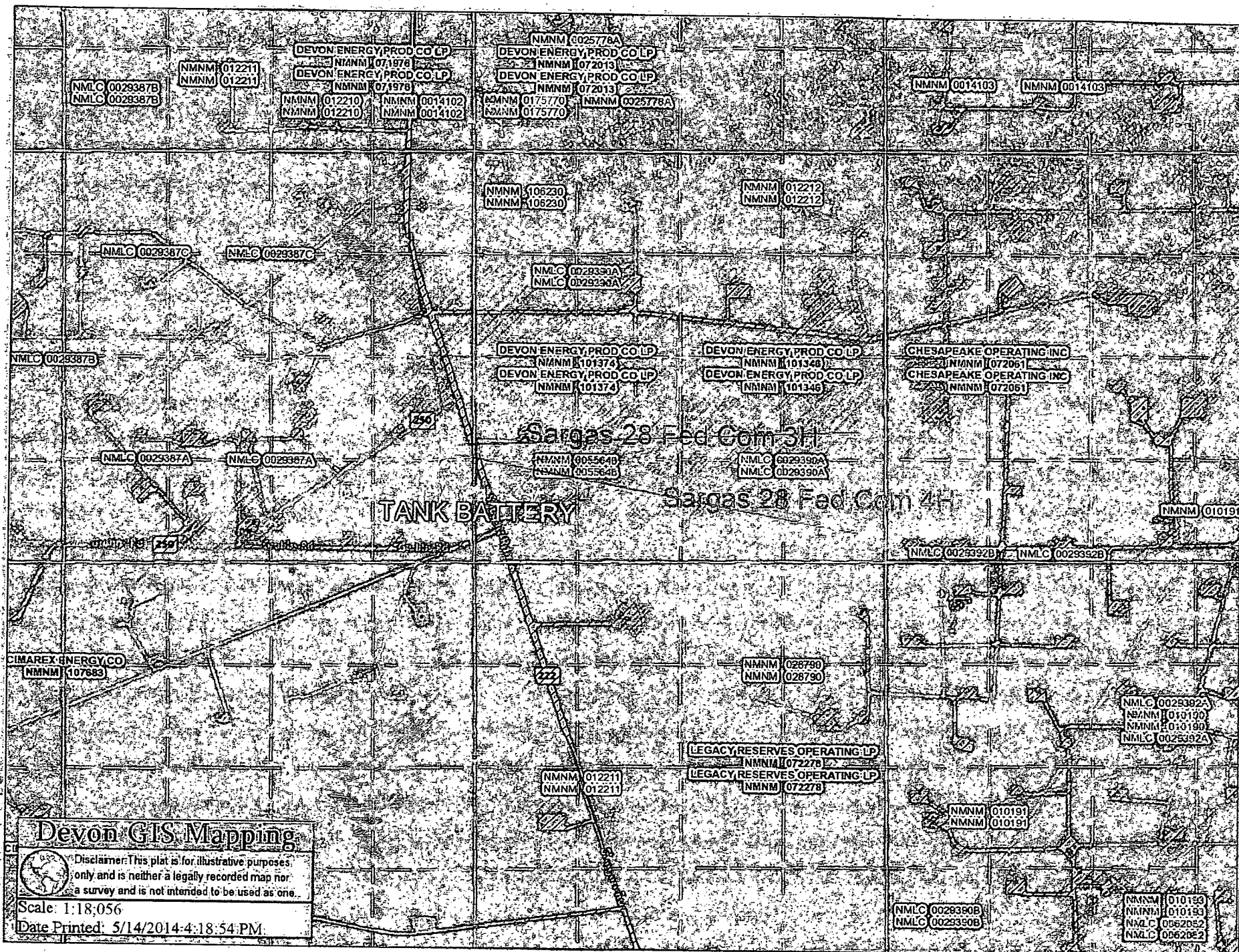
032

033

NMNM 012211

NMNM 028790

034



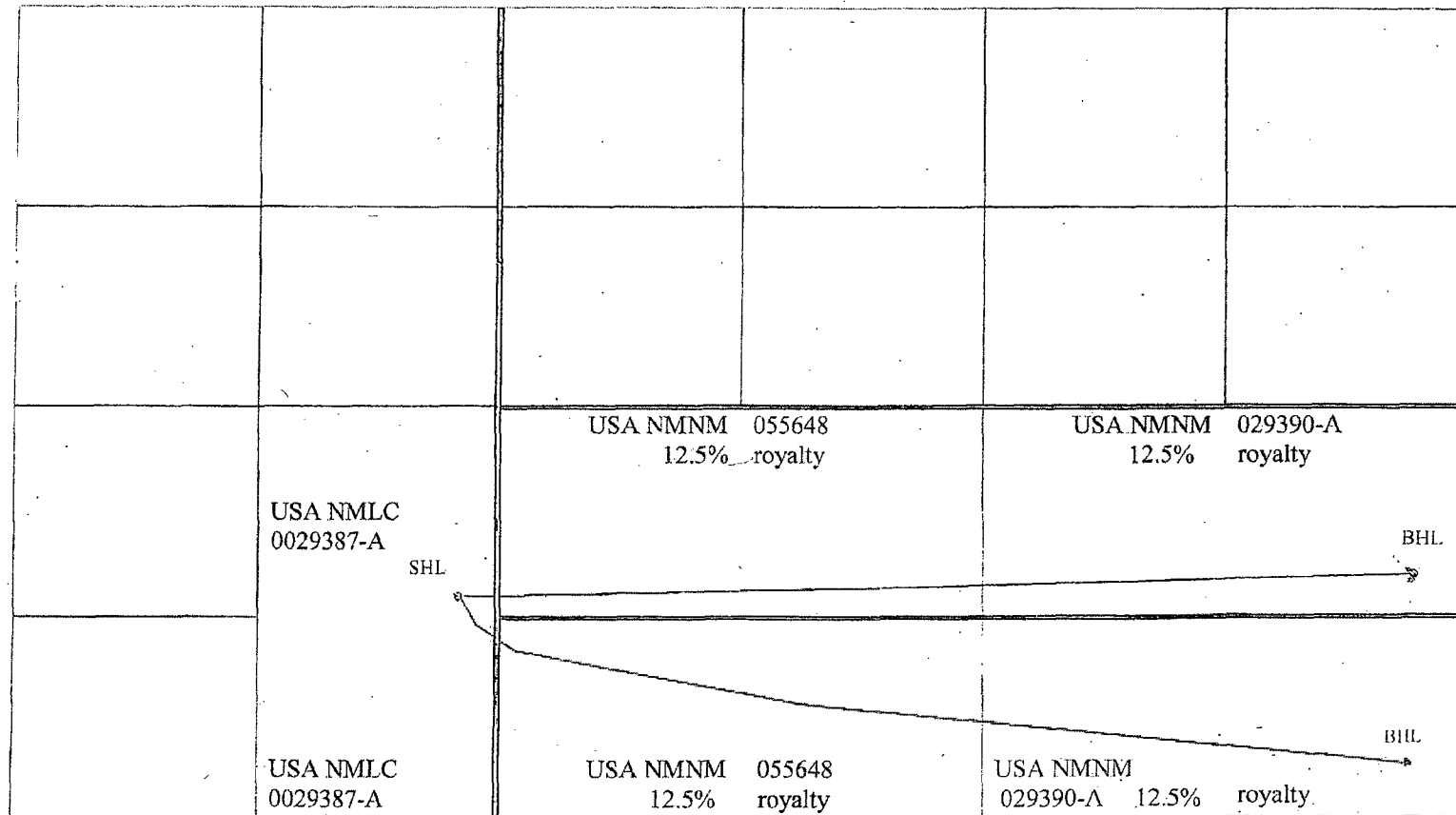
SECTION LAND PLAT

County Eddy State New Mexico

Section 29 & 28 Township 18 S Range 31 E

Sargas 28 Federal Com 3 H : SHL Sec. 29, 1475' FSL, 342' FEL, BHL Sec. 28, 1700' FSL, 340' FEL

Sargas 28 Federal Com 4 H : SHL Sec. 29, 1475' FSL, 342' FEL, BHL Sec. 28, 400' FSL, 340' FEL



Sec. 29

Sec. 28

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

Run Time: 01:36 PM

Page 1 of 3

Run Date: 05/05/2014

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

Case Type 310781: O&G RENEWAL LEASE - PD

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Total Acres

320.000

Serial Number

NMLC-- 0 029387A

Serial Number: NMLC-- 0 029387A

Name & Address			Int Rel	% Interest
18-31 INC	PO BOX 1120	ROSWELL NM 88201	LESSEE	100.00000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.00000000
IVERSON CLAIRE ANN	2005 KIDWELL ST	DALLAS TX 75214	OPERATING RIGHTS	0.00000000
IVERSON SIEGFRIED JAMES III	PO BOX 4095	MIDLAND TX 79704	OPERATING RIGHTS	0.00000000
IVERSON WENDELL W	PO BOX 1343	MIDLAND TX 79702	OPERATING RIGHTS	0.00000000
IVERSON-PAGE PATSY	1155 MUIRLANDS VISTA WAY	LA JOLLA CA 92037	OPERATING RIGHTS	0.00000000
MAGNUM HUNTER PRODUCTION INC	600 E COLLEGE BLVD	IRVING TX 75039	OPERATING RIGHTS	0.00000000
PENWELL ENERGY INC	600 N MARIENFELD #1100	MIDLAND TX 79701	OPERATING RIGHTS	0.00000000
S & P CO	330 MARSHALL ST #300	SHREVEPORT LA 71101	OPERATING RIGHTS	0.00000000
SKLARCO LLC	PO BOX 1753	SHREVEPORT LA 71166	OPERATING RIGHTS	0.00000000

Serial Number: NMLC-- 0 029387A

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0180S	0310E	029	ALIQ	S2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 029387A

Act Date	Code	Action	Action Remark	Pending Office
12/29/1939	496	FUND CODE	05;145003	
12/29/1939	553	CASE CREATED BY ASGN	OUT OF NMLC029387;	
12/29/1939	868	EFFECTIVE DATE		
11/15/1956	102	NOTICE SENT-PROD STATUS		
10/16/1959	314	RENEWAL APLN FILED		
12/01/1959	242	LEASE RENEWED	THRU 11/30/69;	
04/01/1960	650	HELD BY PROD - ACTUAL		
04/01/1960	658	MEMO OF 1ST PROD-ACTUAL		
06/27/1969	314	RENEWAL APLN FILED		
12/01/1969	242	LEASE RENEWED	THRU 11/30/79;	
08/10/1977	396	TRF OF INTEREST FILED	V WELCH EST/SHELTON	
08/06/1979	314	RENEWAL APLN FILED		
12/01/1979	242	LEASE RENEWED	THRU 11/30/89;	
03/13/1987	963	CASE MICROFILMED	CNUM 103,799	RW
06/02/1989	314	RENEWAL APLN FILED		
12/01/1989	242	LEASE RENEWED	THRU 11/30/99;	
12/01/1989	530	RLTY RATE - 12 1/2%	/A/	
12/01/1989	868	EFFECTIVE DATE		
03/02/1990	974	AUTOMATED RECORD VERIF		RAO/LR
10/30/1990	974	AUTOMATED RECORD VERIF		RAO/MT
12/13/1990	909	BOND ACCEPTED	EFF 11/09/90;MT0719	
02/07/1991	575	APD FILED	SOUTHLAND ROYALTY CE	
02/08/1991	575	APD FILED	SOUTHLAND ROYALTY CE	
03/07/1991	576	APD APPROVED	SHUGART A FED NO 10	
03/07/1991	576	APD APPROVED	SHUGART A FED NO 11	
07/12/1991	575	APD FILED	SOUTHLAND ROYALTY CE	
07/13/1991	575	APD FILED	SOUTHLAND ROYALTY CE	
07/15/1991	575	APD FILED	SOUTHLAND ROYALTY CE	
08/07/1991	576	APD APPROVED	SHUGART A FED NO 12	

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: 01:36 PM

Page 2 of 3

Run Date: 05/05/2014

08/07/1991	576	APD APPROVED	SHUGART A FED NO 13
08/07/1991	576	APD APPROVED	SHUGART A FED NO 14
07/07/1992	974	AUTOMATED RECORD VERIF	LO/MV
10/01/1992	621	RLTY RED-STRIPPER WELL	4.5%;/1/
10/27/1992	974	AUTOMATED RECORD VERIF	ANN/KRP
11/02/1993	625	RLTY REDUCTION APPV	/1/
12/07/1993	974	AUTOMATED RECORD VERIF	JDS
05/02/1996	451	DEFAULT DETERMINED	\$5179.95;MMS
05/16/1996	974	AUTOMATED RECORD VERIF	RAYO
10/08/1996	453	DEFAULT CORRECTED	
10/17/1996	974	AUTOMATED RECORD VERIF	TF/TF
06/13/1997	932	TRF OPER RGTS FILED	BURLINGTON/MAGNUM
07/15/1997	933	TRF OPER RGTS APPROVED	EFF 07/01/97;
07/15/1997	974	AUTOMATED RECORD VERIF	JLV
10/27/1997	575	APD FILED	
12/03/1997	576	APD APPROVED	1 W SHUGART "29" FED
12/16/1997	817	MERGER RECOGNIZED	COENE ANADARKO/MIDCON
12/16/1997	940	NAME CHANGE RECOGNIZED	COENE MIDCON/MCNIC OG
12/16/1997	974	AUTOMATED RECORD VERIF	BTM
08/10/1998	932	TRF OPER RGTS FILED	18-31/PENWELL
09/09/1998	933	TRF OPER RGTS APPROVED	EFF 09/01/98;
09/11/1998	974	AUTOMATED RECORD VERIF	ANN
01/25/1999	899	TRF OF ORR FILED	
03/15/1999	103	ADDTL INFO RECD	STIPS:DUNE LIZARD
03/15/1999	103	ADDTL INFO RECD	STIPS:PRAIRIE CHICKEN
04/23/1999	932	TRF OPER RGTS FILED	(1)PENWELL ENE/S&P CO
04/23/1999	932	TRF OPER RGTS FILED	(2)PENWELL ENE/S&P CO
06/09/1999	933	TRF OPER RGTS APPROVED	01 EFF 05/01/99;
06/09/1999	933	TRF OPER RGTS APPROVED	02 EFF 05/01/99;
06/09/1999	974	AUTOMATED RECORD VERIF	ANN
09/29/1999	314	RENEWAL APLN FILED	
12/01/1999	242	LEASE RENEWED	THRU 11/30/2019;
12/01/1999	530	RLTY RATE - 12 1/2%	/A/
12/01/1999	868	EFFECTIVE DATE	LAST RENEWAL
04/20/2000	974	AUTOMATED RECORD VERIF	TF
07/17/2000	932	TRF OPER RGTS FILED	S & P CO/SKLARCO
08/28/2000	933	TRF OPER RGTS APPROVED	EFF 08/01/2000
08/28/2000	974	AUTOMATED RECORD VERIF	ANN
08/16/2001	817	MERGER RECOGNIZED	CONCHO RES/DEVON ENE
01/10/2003	396	TRF OF INTEREST FILED	SJ IVERSON/CN IVERSON
05/23/2006	899	TRF OF ORR FILED	1
05/23/2006	932	TRF OPER RGTS FILED	BANK OF A/PAGE ETAL;1
11/08/2012	933	TRF OPER RGTS APPROVED	EFF 06/01/06;
11/08/2012	974	AUTOMATED RECORD VERIF	LBO

Serial Number: NMLC--0 029387A

Line Nr	Remarks
0002	06/09/1999- BONDED OPERATOR
0003	XERIX OIL & GAS CO - NM1664 - S/W
0004	/A/AC 535 RLTY RATE 5% EFF 12/29/1939 THRU
0005	11/31/1959, AC 549 RLTY RATE 12.4-25% SCH C EFF
0006	12/1/1959 THRU 11/30/1989. AC 530 RLTY RATE 12.50%
0007	EFF 12/1/1989 THRU 11/30/1999. AC 530 RLTY RATE
0008	12.50% EFF 12/1/1999 THRU 11/30/2019.
0009	BONDED OPERATOR - 08/28/2000

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: 01:44 PM

Page 1 of 2

Run Date: 05/05/2014

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

Total Acres

Serial Number

Case Type 310781: O&G RENEWAL LEASE - PD

280.000

NMLC-- 0 029390A

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMLC-- 0 029390A

Name & Address			Int Rel	% Interest
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	64.883475000
ENERGEN RESOURCES CO	605 RICHARD ARRINGTON JR BLVD	BIRMINGHAM AL 352032707	LESSEE	18.432203000
FIDELITY EXPL & PROD CO	1700 LINCOLN ST STE 4600	DENVER CO 802034509	LESSEE	16.684322000
PIERCE JIM	200 W 1ST CT #859	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000

Serial Number: NMLC-- 0 029390A

Mer Twp	Rng	Sec	STyp	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23	0180S	0310E	028	ALIQ	NENW,S2NW,SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 029390A

Act Date	Code	Action	Action Remark	Pending Office
12/04/1939	387	CASE ESTABLISHED		
12/04/1939	496	FUND CODE	.05;145003	
12/04/1939	868	EFFECTIVE DATE		
05/01/1949	553	CASE CREATED BY ASGN	OUT OF NMLC029390;	
07/27/1959	314	RENEWAL APLN FILED		
12/01/1959	242	LEASE RENEWED	THRU 11/30/69;	
03/23/1962	643	PRODUCTION DETERMINATION	/1/	
03/23/1962	650	HELD BY PROD - ACTUAL	/1/	
03/23/1962	658	MEMO OF 1ST PROD-ACTUAL	/1/	
06/15/1962	102	NOTICE SENT-PROD STATUS		
06/11/1969	314	RENEWAL APLN FILED		
09/24/1969	058	NOTICE SENT-NONPROD STAT		
12/01/1969	242	LEASE RENEWED	THRU 11/30/79;	
04/25/1971	658	MEMO OF 1ST PROD-ACTUAL		
02/25/1972	102	NOTICE SENT-PROD STATUS		
08/10/1977	396	TRF OF INTEREST FILED	V WELCH EST/SHELTON	
07/26/1979	314	RENEWAL APLN FILED		
12/01/1979	242	LEASE RENEWED	THRU 11/30/89;	
08/09/1985	932	TRF OPER RGTS FILED		
09/09/1985	932	TRF OPER RGTS FILED		
09/20/1985	932	TRF OPER RGTS FILED		
10/04/1985	932	TRF OPER RGTS FILED		
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
09/24/1986	933	TRF OPER RGTS APPROVED	(1)EFF 10/01/85;	
09/24/1986	933	TRF OPER RGTS APPROVED	(2)EFF 10/01/85;	
09/24/1986	933	TRF OPER RGTS APPROVED	EFF 09/01/85;	
09/24/1986	933	TRF OPER RGTS APPROVED	EFF 11/01/85;	
09/30/1986	963	CASE MICROFILMED	CNUM 104,480 AD	
11/25/1988	940	NAME CHANGE RECOGNIZED	S COLLIER/SIRGO OPER	
08/29/1989	314	RENEWAL APLN FILED		
10/26/1989	909	BOND ACCEPTED	EFF 10/26/89;NM1664	
12/01/1989	242	LEASE RENEWED	THRU 11/30/99;	
12/01/1989	530	RLTY RATE - 12 1/2%	/A/	

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: 01:44 PM

Page 2 of 2

Run Date: 05/05/2014

12/01/1989	868	EFFECTIVE DATE	
05/10/1991	974	AUTOMATED RECORD VERIF	RAO/MT
07/07/1992	974	AUTOMATED RECORD VERIF	LO/MV
10/02/1992	140	ASGN FILED	CHEVRON/CHEVRON PBC
10/22/1992	974	AUTOMATED RECORD VERIF	ANN/VHG
02/10/1993	139	ASGN APPROVED	EFF 11/01/92;
02/10/1993	974	AUTOMATED RECORD VERIF	SSP/KRP
08/30/1993	974	AUTOMATED RECORD VERIF	GAG
12/30/1994	817	MERGER RECOGNIZED	PENNZOIL E&P/PENNZOIL
12/30/1994	940	NAME CHANGE RECOGNIZED	PENNZOIL/PENNZOIL E&P
03/24/1995	940	NAME CHANGE RECOGNIZED	CHEVRON PBC/PENNZOIL
10/11/1995	140	ASGN FILED	PENNZOIL/UMC PETRO
12/12/1995	139	ASGN APPROVED	EFF 11/01/95;
12/12/1995	974	AUTOMATED RECORD VERIF	MV/MV
07/11/1996	576	APD APPROVED	1-E SHUGART WSW
06/12/1998	817	MERGER RECOGNIZED	UMC PETRO/OCEAN ENE
06/12/1998	974	AUTOMATED RECORD VERIF	BTM
06/16/1998	246	LEASE COMMITTED TO CA	NMNM101346;
06/16/1998	660	MEMO OF 1ST PROD-ALLOC	/2/NMNM101346;
11/02/1998	643	PRODUCTION DETERMINATION	/2/
12/11/1998	246	LEASE COMMITTED TO CA	NMNM101374;
12/28/1998	817	MERGER RECOGNIZED	PENNZOIL E&P/PENNZENE
03/15/1999	103	ADDTL INFO RECD	STIPS:DUNE LIZARD
03/15/1999	103	ADDTL INFO RECD	STIPS:PRAIRIE CHICKEN
06/21/1999	899	TRF OF ORR FILED	
08/16/1999	140	ASGN FILED	OCEAN ENE/ENRGEN ETAL
10/04/1999	314	RENEWAL APLN FILED	
11/09/1999	139	ASGN APPROVED	EFF 09/01/99;
11/09/1999	974	AUTOMATED RECORD VERIF	LR
12/01/1999	242	LEASE RENEWED	THRU 11/30/2019;
12/01/1999	530	RLTY RATE - 12 1/2%	/A/
12/01/1999	868	EFFECTIVE DATE	LAST RENEWAL
03/21/2000	140	ASGN FILED	OCEAN/OCEAN ENE RES
10/06/2000	269	ASGN DENIED	
10/06/2000	974	AUTOMATED RECORD VERIF	ANN
08/27/2001	932	TRF OPER RGTS FILED	READY OIL/J PIERCE
10/01/2001	933	TRF OPER RGTS APPROVED	EFF 09/01/01;
10/01/2001	974	AUTOMATED RECORD VERIF	JLV
11/08/2001	817	MERGER RECOGNIZED	OCEAN ENE RES/ENE INC
12/10/2002	817	MERGER RECOGNIZED	FIDELITY OIL/EXPLPROD
01/10/2003	396	TRF OF INTEREST FILED	SJ IVERSON/CN IVERSON
08/14/2003	940	NAME CHANGE RECOGNIZED	OCEAN ENE/DEVON LA
03/08/2006	817	MERGER RECOGNIZED	DEVON LA/DEVON ENE
05/23/2006	899	TRF OF ORR FILED	1

Serial Number: NMLC-- 0 029390A

Line Nr	Remarks
0002	/A/AC 549 RLTY RATE 12.5-25% SCH C EFF 12/1/1959
0003	THRU 11/30/1989. AC 530 12.50% RLTY RATE
0004	EFF 12/01/1989 THRU 11/30/1999. AC 530 RLTY RATE
0005	12.50% EFF 12/01/1999 THRU 11/30/2019.
0006	10/01/2001 - BONDED LESSEE
0007	OCEAN ENERGY INC - NM1773 NW

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/27/14 06:43 AM

Page 1 of 2

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

Total Acres
160.000

Serial Number
NMNM-- 0 055648

Case Type 310781: O&G RENEWAL LEASE - PD

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- 0 055648

Name & Address	Int Rel	%Interest
DEVON ENERGY PROD CO LP 333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE 64.883480000
ENERGEN RESOURCES CO 605 RICHARD ARRINGTON JR BLVD	BIRMINGHAM AL 352032707	LESSEE 18.432200000
FIDELITY EXPL & PROD CO 1700 LINCOLN ST STE 4600	DENVER CO 802034509	LESSEE 16.684320000
MAGNUM HUNTER PRODUCTION INC 202 S CHEYENNE AVE STE 1000	TULSA OK 741033001	OPERATING RIGHTS 0.000000000

Serial Number: NMNM-- 0 055648

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0310E	028	ALIQ	SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 055648

Act Date	Code	Action	Action Remarks	Pending Office
11/30/1939	387	CASE ESTABLISHED		
12/01/1939	496	FUND CODE	05;145003	
12/01/1939	658	MEMO OF 1ST PROD-ACTUAL		
12/01/1939	868	EFFECTIVE DATE		
10/27/1958	553	CASE CREATED BY ASGN	OUT OF NMLC029390C;	
12/01/1959	242	LEASE RENEWED	THRU 11/30/69;	
12/05/1961	658	MEMO OF 1ST PROD-ACTUAL		
03/09/1962	102	NOTICE SENT-PROD STATUS		
12/01/1969	242	LEASE RENEWED	THRU 11/30/79;	
08/10/1977	396	TRF OF INTEREST FILED	V WELCH EST/SHELTON	
12/01/1979	242	LEASE RENEWED	THRU 11/30/89;	
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
06/05/1987	963	CASE MICROFILMED	CNUM 102,914 NAT	
08/25/1988	974	AUTOMATED RECORD VERIF	JA/MIG	
08/29/1989	314	RENEWAL APLN FILED		
12/01/1989	242	LEASE RENEWED	THRU 11/30/99;	
12/01/1989	530	RLTY RATE - 12 1/2%	/A/	
12/01/1989	868	EFFECTIVE DATE		
12/19/1989	974	AUTOMATED RECORD VERIF	TF/MT	
04/12/1990	974	AUTOMATED RECORD VERIF	TF/TF	
12/13/1990	909	BOND ACCEPTED	EFF 11/09/90;MT0719	
10/01/1992	621	RLTY RED-STRIPPER WELL	10.1%;/1/	
10/02/1992	140	ASGN FILED	CHEVRON/CHEVRON PBC	
11/12/1992	974	AUTOMATED RECORD VERIF	ANN/VHG	
12/09/1992	974	AUTOMATED RECORD VERIF	ANN/KRP	
12/21/1992	139	ASGN APPROVED	EFF 11/01/92;	
12/21/1992	974	AUTOMATED RECORD VERIF	TF/JS	
07/16/1993	974	AUTOMATED RECORD VERIF	GAG	

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

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/27/14 06:43 AM

Page 2 of 2

10/22/1993	625	RLTY REDUCTION APPV	/1/
12/07/1993	974	AUTOMATED RECORD VERIF	JDS
12/30/1994	817	MERGER RECOGNIZED	PENNZOIL E&P/PENNZOIL
12/30/1994	940	NAME CHANGE RECOGNIZED	PENNZOIL/PENNZOIL E&P
03/24/1995	940	NAME CHANGE RECOGNIZED	CHEVRON PBC/PENNZOIL
10/11/1995	140	ASGN FILED	PENNZOIL/UMC PETRO
12/12/1995	139	ASGN APPROVED	EFF 11/01/95;
12/12/1995	974	AUTOMATED RECORD VERIF	MV/MV
06/13/1997	932	TRF OPER RGTS FILED	BURLINGTON/MAGNUM
07/15/1997	933	TRF OPER RGTS APPROVED	EFF 07/01/97;
07/15/1997	974	AUTOMATED RECORD VERIF	JLV
06/12/1998	817	MERGER RECOGNIZED	UMC PETRO/OCEAN ENE
06/12/1998	974	AUTOMATED RECORD VERIF	BTM
12/11/1998	246	LEASE COMMITTED TO CA	NMNM101374;
12/11/1998	651	HELD BY PROD - ALLOCATED	/1/
12/11/1998	660	MEMO OF 1ST PROD-ALLOC	/1/NMNM101374;
12/28/1998	817	MERGER RECOGNIZED	PENNZOIL E&P/PENNZENE
03/15/1999	103	ADDTL INFO RECD	STIPS:DUNE LIZARD
03/15/1999	103	ADDTL INFO RECD	STIPS:PRAIRIE CHICKEN
04/20/1999	643	PRODUCTION DETERMINATION	/1/
08/16/1999	140	ASGN FILED	OCEAN ENE/ENERGEN
10/04/1999	139	ASGN APPROVED	EFF 09/01/99;
10/04/1999	314	RENEWAL APLN FILED	
10/04/1999	974	AUTOMATED RECORD VERIF	MV/MV
12/01/1999	242	LEASE RENEWED	THRU 11/30/2019;
12/01/1999	530	RLTY RATE - 12 1/2%	/A/
12/01/1999	868	EFFECTIVE DATE	LAST RENEWAL
03/21/2000	140	ASGN FILED	OCEAN/OCEAN ENE RES
10/06/2000	269	ASGN DENIED	
10/06/2000	974	AUTOMATED RECORD VERIF	ANN
11/08/2001	817	MERGER RECOGNIZED	OCEAN ENE RES/ENE INC
12/10/2002	817	MERGER RECOGNIZED	FIDELITY OIL/EXPLPROD
08/14/2003	940	NAME CHANGE RECOGNIZED	OCEAN ENE/DEVON LA
03/08/2006	817	MERGER RECOGNIZED	DEVON LA/DEVON ENE
05/23/2006	899	TRF OF ORR FILED	1

Line Nr Remarks

Serial Number: NMNM-- 0 055648

0002	RLTY RATE PRIOR TO 12/1/1959 NOT IN CASE FILE
0003	AC 549 RLTY RATE 12.5-25% SCH C EFF 12/1/1959
0004	THRU 11/30/1989. AC 530 RLTY RATE 12.50%
0005	EFF 12/01/1989 THRU 11/30/1999. AC 530 RLTY RATE
0006	12.50% EFF 12/01/1999 THRU 11/30/2019.

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

Run Time: 01:41 PM
Page 1 of 1

Run Date: 05/05/2014

01 02-25-1920;041STAT0437;30USC185 SEC.
Case Type 288100: ROW-O&G PIPELINES
Commodity 969: OIL & GAS FACILITIES
Case Disposition: CLOSED

Total Acres Serial Number
0.227 NMNM-- - 055648

Serial Number: NMNM-- - 055648

Name & Address	Int Rel	% Interest
MESA PETRO CORP PO BOX 2009 AMARILLO TX 79105	APPLICANT	100.000000000

Serial Number: NMNM-- - 055648

MerTwp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0070S 0230E 006	ALIQ		SWSE;	ROSWELL FIELD OFFICE	CHAVES	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 055648

Act Date	Code	Action	Action Remark	Pending Office
06/17/1983	124	APLN RECD		
06/17/1983	501	REFERENCE NUMBER	MACHO FED #5;	
06/17/1983	502	LENGTH IN FEET	660.00;	
06/17/1983	504	WIDTH IN FEET (TOTAL)	15;	
06/17/1983	505	DIAMETER OF PIPE (INCHES)	2;	
10/07/1983	130	APLN WITHDRAWN		
10/07/1983	970	CASE CLOSED		
10/07/1985	247	FUTURE ACTION SUSPENSE	SEND TO FED REC;	
11/29/1989	974	AUTOMATED RECORD VERIF	LA/ML;	

Serial Number: NMNM-- - 055648

Line Nr	Remarks
0002	GAS PIPELINE;



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

June 12, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Sargas 28 Fed Com 3H & 4H
Sec 29, T18S, R31E
Lease: NMLC 0029387, NMNM 055648, & NMLC 029390
API: #30-015-41795 & #30-015-41560
Pool: Shugart; Bone Spring, North
Eddy County, NM

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") and the Bureau of Land Management seeking approval for a Central Tank Battery for the above mentioned wells.

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

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.

A handwritten signature in black ink that reads "Erin Workman". The signature is written in a cursive, flowing style.

Erin Workman
Regulatory Compliance Professional

Enclosure

CERTIFIED MAILING LIST

Mailing Reference: **Bootes 15 Commingle**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
18-31, Inc. P.O. Box 1120 Roswell, NM 88202-1120	91 7199 9991 7032 9571 7867
Alvin M. Iverson, Jr. Trust 5073 S. 76th East Avenue, Apt. D Tulsa, OK 74145-6232	91 7199 9991 7032 9571 7874
Baish Limited Partnership 4005 Kennett Pike Greenville, DE 19807	91 7199 9991 7032 9571 7881
Balwick Limited Partnership 3300 North A Street, Bldg 2, Suite 212 Midland, TX 79705	91 7199 9991 7032 9571 7898
Becky Welch Panek 7011 E. Brooks Drive Tucson, AZ 85730	91 7199 9991 7032 9571 7904
Betty Baish Strohmeyer Estate 5311 E. 5th Street Tucson, AZ 85711-2331	91 7199 9991 7032 9571 7911
Beverly A. Martella Iverson 17287 Skyline Blvd, Box 203 Woodside, CA 94062	91 7199 9991 7032 9571 7928
Billie Lewis 1933 N. Camino Real Casa Grande, AZ 85122	91 7199 9991 7032 9571 7935
Braille Inst of America Inc. P.O. Box 840738 Dallas, TX 75284-0738	91 7199 9991 7032 9571 7942
Bryan W. Welch 1764 S. Paige Creek Place Tucson, AZ 85748	91 7199 9991 7032 9571 7959
Canadian Kenwood Company 730 2nd Avenue S., Suite 1300 Minneapolis, MN 55402	91 7199 9991 7032 9571 7966
Charles Brice Dowaliby 211 W. Tilden Street Roswell, NM 88203-5746	91 7199 9991 7032 9571 7973
Claire Ann Iverson Revocable Living Trust P.O. Box 10508 Midland, TX 79702-7508	91 7199 9991 7032 9571 7980
Claire Iverson 2005 Kidwell Street Dallas, TX 75214	91 7199 9991 7032 9571 7997
Clide Oil Corporation P.O. Box 410 Allen, TX 75013	91 7199 9991 7032 9571 8000

CERTIFIED MAILING LIST

Mailing Reference: **Bootes 15 Commingle**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Eileen Mary Kunkel 46183 State Hwy 74, Apt #19 Palm Desert, CA 92260	91 7199 9991 7032 9639 0519
Elyse S. Patterson Estate Trust P.O. Box 3480 Omaha, NE 68103-0480	91 7199 9991 7032 9639 0526
Fidelity Exploration & Prod Co. 1700 Lincoln Street #280 Denver, CO 80203-4535	91 7199 9991 7032 9639 0533
First Church of Christ 101 S. Lea Avenue Roswell, NM 88203-4573	91 7199 9991 7032 9639 0540
Garel Ray & Myrtle Myra Westall 1208 Karabella Way Roswell, NM 88201-3322	91 7199 9991 7032 9639 0557
Georgiana Westall Perry Box 1332 Artesia, NM 88211-1332	91 7199 9991 7032 9639 0564
Glen R. Westall 4208 Saint Andrews Drive Midland, TX 79707-4447	91 7199 9991 7032 9639 0571
Higgins Trust, Inc. P.O. Box 6905 Dallas, TX 75284-0738	91 7199 9991 7032 9639 0588
Iverson Family Oil & Gas LLC 3530 E. 31st Street, Suite B Tulsa, OK 74135-1519	91 7199 9991 7032 9639 0595
Iverson III, Inc. 3454 S. Zuni Avenue Tulsa, OK 74105	91 7199 9991 7032 9639 0601
James Gary Welch 15714 Winding Moss Drive Houston, TX 77068	91 7199 9991 7032 9639 0618
James M. Dowaliby, Jr. 535 Townsend Avenue New Haven, CT 06512	91 7199 9991 7032 9639 0625
Jeanette Y. Keohane P.O. Box 51722 Albuquerque, NM 87181	91 7199 9991 7032 9639 0632
Jewell D. Iverson Rev Trust 3530 E. 31st Street, Suite B Tulsa, OK 74135-1519	91 7199 9991 7032 9639 0649
John Michael Frost P.O. Box 1120 Roswell, NM 88202-1120	91 7199 9991 7032 9639 0656

CERTIFIED MAILING LISTMailing Reference: **Bootes 15 Commingle****Repondent Name/Address:****Certified Mailing Number:**

John Widney Lodewick
3305 Wentwood Drive
Dallas, TX 75225

91 7199 9991 7032 9639 0663

Katherine Mary Scott
809 Sheridan Street
Altoona, PA 16602

91 7199 9991 7032 9639 0670

Kent Production, LLC
P.O. Box 131524
Houston, TX 77219-1524

91 7199 9991 7032 9639 0687

Laura Patricia Lodewick
511 Newell Avenue
Dallas, TX 75223

91 7199 9991 7032 9639 0694

Leslie Shimazaki
3592 Felton Street
San Diego, CA 92104-4337

91 7199 9991 7032 9639 0700

M. F. Pearsall
11-2 Cranberry Knoll
Dennis, MA 02638

91 7199 9991 7032 9639 0717

Margarett H. Naylor Revocable Trust
4131 Camino Coyote, Suite A
Las Cruces, NM 88001

91 7199 9991 7032 9639 0724

Marian Welch Pendergrass
2705 Gaye Drive
Roswell, NM 88201

91 7199 9991 7032 9639 0731

Marianne Keohane Frost
P.O. Box 1120
Roswell, NM 88202-1120

91 7199 9991 7032 9639 0748

Mark James Frost
P.O. Box 1120
Roswell, NM 88202-1120

91 7199 9991 7032 9639 0755

Mary Elizabeth Baish Westin
220 Fran Street
Lilly, PA 15938

91 7199 9991 7032 9639 0762

Mary Ellen Johnston
2715 N. Kentucky Avenue, Apt #16
Roswell, NM 88201-5868

91 7199 9991 7032 9639 0779

Mary Evelyn Beck Roberts
1111 N. Pennsylvania Avenue
Roswell, NM 88201

91 7199 9991 7032 9639 0786

Maurice M. Pippin
P.O. Box 12972
Odessa, TX 79768-2972

91 7199 9991 7032 9639 0793

Michael Irvin Welch
13562 Bullion Court
Corpus Christi, TX 78418

91 7199 9991 7032 9639 0809

CERTIFIED MAILING LISTMailing Reference: **Bootes 15 Commingle**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Michael R. McGuire 8815 Mendocino Court NE Albuquerque, NM 87122	91 7199 9991 7032 9639 0816
Nearburg Exploration Co., LLC 3300 N. A street, Bldg. 2, Suite 120 Midland, TX 79705	91 7199 9991 7032 9639 0823
Nortex Corporation P.O. Box 27710 Houston, TX 77227-7710	91 7199 9991 7032 9639 0830
ONRR P.O. Box 25627 Denver, CO 80225-0627	91 7199 9991 7032 9639 0847
P A I Incorporated 4437 Northwest 32 Place Oklahoma City, OK 73112	91 7199 9991 7032 9639 0854
P I P 1990 Trust P.O. Box 10508 Midland, TX 79702-7508	91 7199 9991 7032 9639 0861
Peter Iverson 2002 Valencia Street Santa Ana, CA 92706-2937	91 7199 9991 7032 9639 0878
Phoebe Jane Welch IV P.O. Box 495 La Mesa, NM 88044-0495	91 7199 9991 7032 9639 0885
Phoebe Welch 20350 Marsh Creek Road Brentwood, CA 94513-4808	91 7199 9991 7032 9639 0892
Phoebe Welch P.O. Box 942878 Sacramento, CA 94278-3340	91 7199 9991 7032 9639 0908
Ralph Albert Shugart Trust 501 S. Cherry Street, Suite 570 Denver, CO 80246-1327	91 7199 9991 7032 9639 0915
Robert Welch Gillespie 186 Sierra View Road Pasadena, CA 91105	91 7199 9991 7032 9639 0922
Rojo, Inc. P.O. Box 1120 Roswell, NM 88201	91 7199 9991 7032 9639 0939
S. J. Iverson III P.O. Box 4095 Midland, TX 79704	91 7199 9991 7032 9639 0946
Sanders Thomas Welch 129 Wrangler Road Roswell, NM 88201	91 7199 9991 7032 9639 0953

CERTIFIED MAILING LISTMailing Reference: **Bootes 15 Commingle**

<u>Repondent Name/Address:</u>	<u>Certified Mailing Number:</u>
Selma Andrews Trust P.O. Box 840738 Dallas, TX 75284-0738	91 7199 9991 7032 9639 0960
Siegfried James Iverson III P.O. Box 10508 Midland, TX 79702	91 7199 9991 7032 9639 0977
Stacy Welch Green P.O. Box 164 Sonoita, AZ 85637-0164	91 7199 9991 7032 9639 0984
Sue Saunders Graham Estate P.O. Box 1835 Roswell, NM 88202-1835	91 7199 9991 7032 9639 0991
Susan Jones 3212 Enfield Road Austin, TX 78703-3621	91 7199 9991 7032 9639 1004
Suzanne M. Harrington 261 River Birch Circle Mooresville, NC 28115	91 7199 9991 7032 9640 8658
The Toles Company, LLC P.O. Box 1300 Roswell, NM 88202	91 7199 9991 7032 9640 8665
Theresa Ann Frost 8672 NE 123rd Place Kirkland, WA 98034-6030	91 7199 9991 7032 9640 8672
TIG Properties, LP P.O. Box 10508 Midland, TX 79702	91 7199 9991 7032 9640 8689
Van P. Welch, Jr. 2601 Sunrise Road Walsenburg, CO 81089	91 7199 9991 7032 9640 8696
Van S. Welch, II 2207 Fairway Drive Duncan, OK 73533	91 7199 9991 7032 9640 8702
W W I 1990 Trust P.O. Box 10508 Midland, TX 79702-7508	91 7199 9991 7032 9640 8719
Wendell T. Welch P.O. Box 8428 Nikiski, AK 99635-8428	91 7199 9991 7032 9640 8726

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



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.

Erin Workman
 Print or Type Name

Signature

Regulatory Compliance Prof.
 Title

06.06.14
 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

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 (Please Specify)
(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 Method & Well Test Method)

(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 attached 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: 06.06.14

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

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

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

**Sargas 28 Federal Com 3H, Lease: NMLC029390A pending CA
Sargas 28 Federal Com 4H, Lease: NMLC029390A pending CA**

Devon Energy Production Co.

September 4, 2014

**Condition of Approval
Commingling on and off lease**

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.
11. Gas Test meter numbers and oil Micro Motion Coriolis meter numbers to be provided upon installation of meters.
12. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
13. Supply production totals with oil gravity and gas BTU upon completion of wells.
14. Variance to Onshore Order #4 oil measurement to use Coriolis meters is approved with this approval.
15. This approval grants authorization for any off lease and/or off CA storage, measurement, and sales which may be appropriate.