

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCB Hobbs

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

HOBBS OGD

OCT 05 2011

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 NMNM89893
2 Name of Operator DEVON ENERGY PRODUCTION		6 If Indian, Allottee or Tribe Name
3a Address 20 NORTH BROADWAY OKLAHOMA CITY, OK 73102		7 If Unit or CA/Agreement, Name and/or No
3b Phone No (include area code) Ph. 405-552-4524		8 Well Name and No KACHINA 8 FEDERAL 1
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T18S R33E		9 API Well No 30-025-30986
10 Field and Pool, or Exploratory CORBIN; BONE SPRING, SOUT		11 County or Parish, and State LEA COUNTY 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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	Comingle Pools

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 Co., LP respectfully requests to Pool Surface Commingle the Kachina 8 Federal 1 well with the following well

Kachina 8 Federal 3 30-025-31802 13320 Corbin, Wolfcamp, South

A central tank battery is located at the Kachina 8 Federal 1 well location in section 8, T18S, R33E. The Kachina 8 Federal 1 & Kachina 8 Federal 3 are the only wells producing to the facility. The gas production from the two wells will flow to the Frontier CDP Sales Meter 6075202 which is also located at the Kachina 8 Federal 1 well location. Production from the Kachina 8 Federal 1 & 3 wells will flow to a header before flowing to the tank battery. The well production allocation method is that we shut a well in for 24 hours and produce the other.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14 I hereby certify that the foregoing is true and correct:	
Electronic Submission #118741 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION, sent to the Hobbs	
Name (Printed/Typed) MELANIE A CRAWFORD	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 09/29/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Title <i>LPE7</i>	Date <i>10/1/11</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>CF0</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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

OCT 11 2011

Additional data for EC transaction #118741 that would not fit on the form

32. Additional remarks, continued

The working interest, royalty interest and overriding royalty interest owners are uniformed, no additional notification is requireD

APPLICATION FOR CENTRAL TANK BATTERY, POOL SURFACE COMMINGLE

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

Pool Surface commingling proposal for Kachina leases:

Devon Energy Production Company, LP is requesting approval for Central Tank Battery, Pool Surface Commingle from the following wells and pools:

Federal Lease *NM 89893*

Well Name	Location	API #	Pool - 13160	BOPD	Oil Gravity	MCFPD	BTU
Kachina 8 Fed 1	Sec 8-T18S-R33E	30-025-30986	Corbin, Bone Spring South	60	40	47.32	1491

Federal Lease *NM 89893*

Well Name	Location	API #	Pool - 13320	BOPD	Oil Gravity	MCFPD	BTU
Kachina 8 Fed 3	Sec 8-T18S-R33E	30-025-31802	Corbin, Wolfcamp South	3	39	12.68	1451

A map is enclosed showing the Federal leases and well locations in Section 8-T18S-R33E. The working interest, royalty interest and overriding royalty interest owners are unformed; no additional notification is required.

Oil & Gas metering:

A central tank battery is located at the Kachina 8 Federal 1 well location in section 8, T18S, R33E. The Kachina 8 Federal 1 & Kachina 8 Federal 3 will be the only wells producing to the facility. The gas production from the two wells will flow to the Frontier CDP Sales Meter 6075202 which is also located at the Kachina 8 Federal 1 well location. Production from the Kachina 8 Federal 1 & 3 wells will flow to a header before flowing to the tank battery. The well production allocation method is that we shut a well in for 24 hours and produce the other well.

The BLM's interest in these wells is the same. Waste is not induced and no correlative rights are impaired. 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:

Please see attached diagram for the "proposed" Kachina 8 Federal 1's production facility. The flow of produced fluids is shown in detail along with a description of each vessel. From the common production header, one well is on test and its production leaves the production header and enters the Test Separator.

The benefit of surface commingling is that the two wells are approximately 1600 feet apart. Reduced liability with primary exposure to one facility and reduced lease road/location maintenance due to time/wear-n-tear needing spent at each well's location. This will also lessen the surface disturbance due to having all the production at one facility.

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. Additionally, Devon Energy Production Co. LP 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.

Signed

Printed Name: *Melanie Crawford*

Title: Regulatory Analyst

Date *9/28/11*



Trent Tarp
Landman

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102
(405) 552-3351

September 20, 2011

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Lease Commingle
Kachina 8 Federal #1 and Kachina 8 Federal #3
Section 8, T18S, R33E
Lea County, New Mexico

Ladies & Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the referenced wells and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to lease commingle, off lease measurement, storage and sales the following pools/intervals:

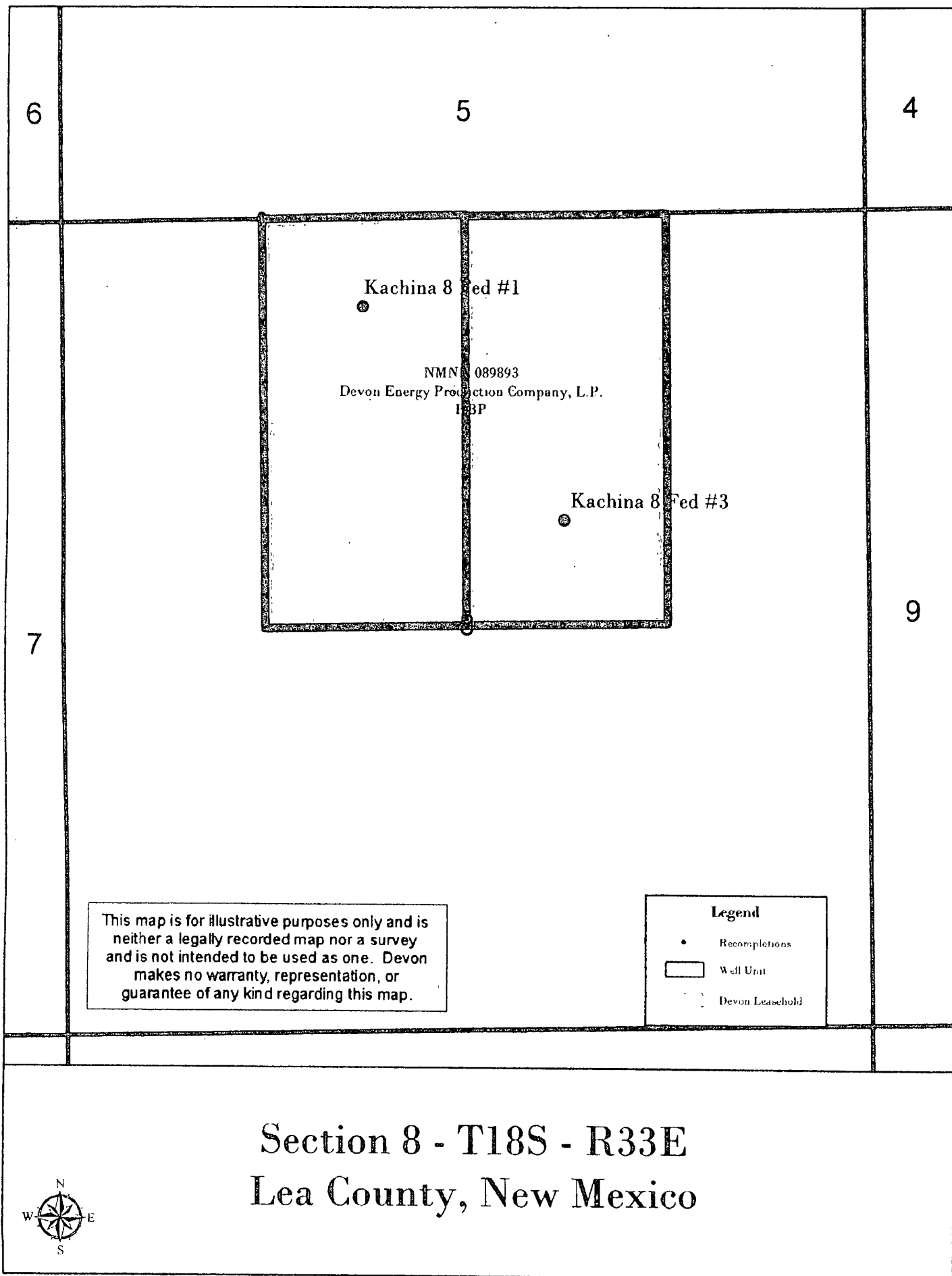
Corbin Bone Spring South Pool Code: 13160
South Corbin Wolfcamp Pool Code: 13320

Should you have any questions or concerns, please feel free to contact the undersigned at (405) 552-3351.

Respectfully,
Devon Energy Production Company, L.P.

A handwritten signature in black ink, appearing to read "Trent Tarp". The signature is written in a cursive, flowing style.

Trent Tarp
Landman



Senior RPR Gas Sales Meter 60 5202

Kachina Blvd

BS 337

LEA
COUNTY

Kachina

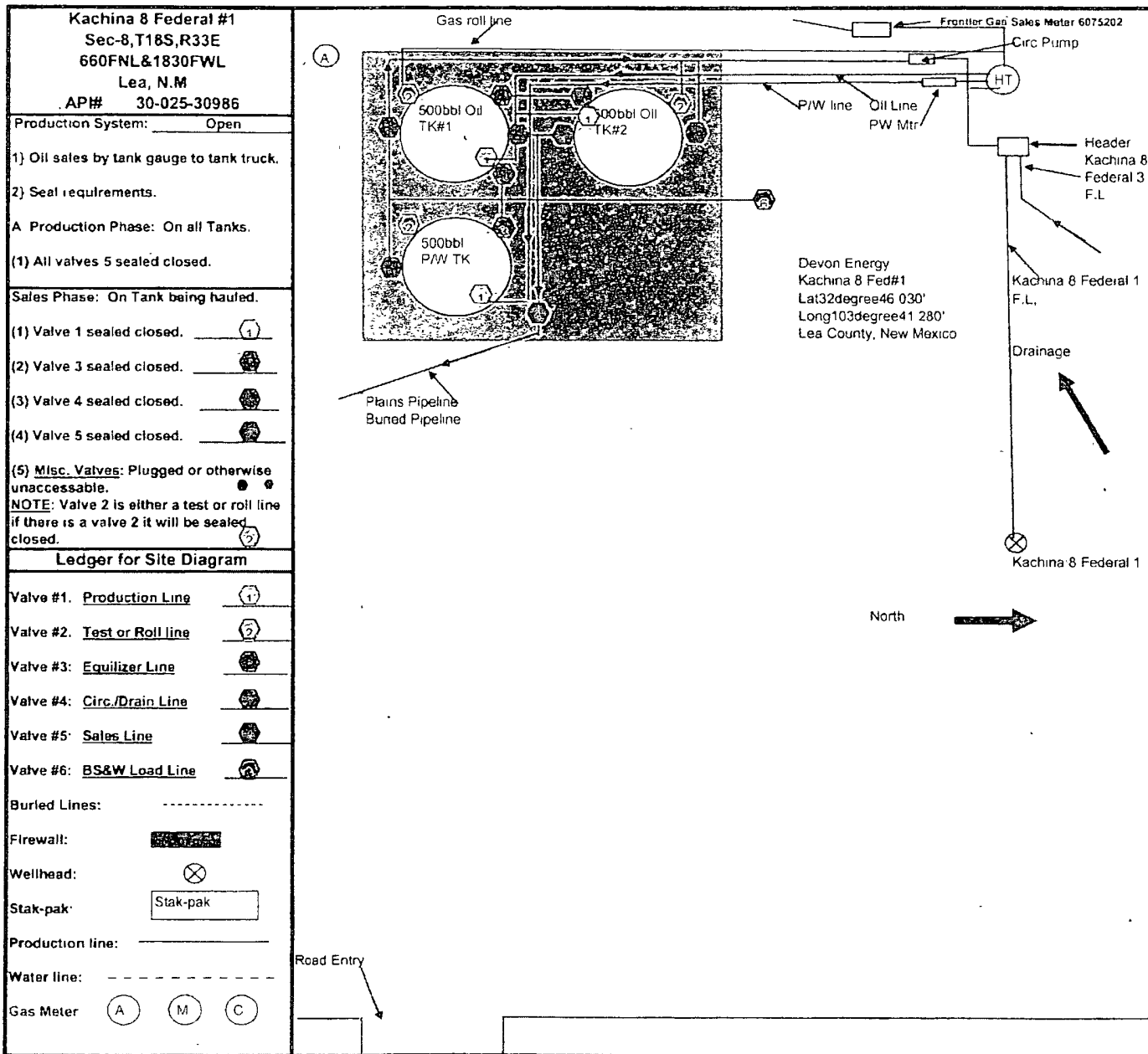
Devon GIS Mapping



Disclaimer This plot is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one.

Scale 1:4,514

Date Printed: 9/20/2011 8:16:02 AM



OFF LEASE PRODUCTION						
	04/01/11	05/01/11	06/01/11	07/01/11	08/01/11	09/01/11
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Kachina 8 Federal 1	0.	0.	0.	0.	978.77	533.14
Kachina 8 Federal 3	78	71.	72.	75.7	376.32	150.86



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:
IDENTIFICATION Kachina 8 #3
COMPANY: Devon Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 9/24/10 8:41 am
ANALYSIS DATE: 9/27/10
PRESSURE - PSIG
SAMPLE TEMP. °F
ATMOS. TEMP. °F 65

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

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	2.693	
Carbon Dioxide (CO2)	0.403	
Methane (C1)	64.462	
Ethane (C2)	15.037	4.012
Propane (C3)	9.792	2.692
I-Butane (IC4)	0.976	0.319
N-Butane (NC4)	3.379	1.063
I-Pentane (IC5)	0.779	0.284
N-Pentane (NC5)	0.982	0.355
Hexane Plus (C6+)	1.497	0.650
	100.000	9.375

BTU/CU.FT - DRY 1447
AT 14.650 DRY 1443
AT 14.650 WET 1418
AT 14.73 DRY 1451
AT 14.73 WET 1426

MOLECULAR WT. 25.2975

SPECIFIC GRAVITY -
CALCULATED 0.870
MEASURED

Precision Gas Measurement, Inc.

Natural Gas Report

Sample Information

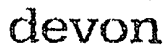
Sample Information	
Company Name	DEVON ENERGY
Lease Name	KATCHINA 8-1
Location ID	060-75-202
Sample Date	9/26/11
Operator	sd
Method Name	BTUH2S.met
Injection Date	2011-09-27 21:05:49

Component Results

Component Name	Norm%	Gross HV (Dry) (BTU / Ideal cu.ft.)	Gross HV (Sat.) (BTU / Ideal cu.ft.)	Relative Gas Density (Dry)	GPM (Dry) (Gal. / 1000 cu.ft.)
NITROGEN	1.9569	0.0	0.0	0.01893	0.216
METHANE	61.8097	625.7	614.8	0.34236	10.537
CARBON DIOXIDE	2.1698	0.0	0.0	0.03297	0.372
ETHANE	15.1337	268.4	263.8	0.15712	4.070
PROPANE	10.0535	253.5	249.1	0.15306	2.785
I-BUTANE	1.3380	43.6	42.9	0.02685	0.440
N-BUTANE	3.7648	123.1	121.0	0.07555	1.193
I-PENTANE	1.0300	41.3	40.6	0.02566	0.379
N-PENTANE	1.0162	40.8	40.1	0.02531	0.370
C6+	1.6646	85.6	84.1	0.05356	0.726
H2S	0.0628	0.4	0.4	0.00074	0.009
Water	0.0000	0.0	0.0	0.00000	0.000
Total	100.0000	1482.5	1456.7	0.91212	21.098

Results Summary

Result	Dry	Sat
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	99.0	
Flowing Pressure (psia)	30.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1482.5	1456.7
Gross Heating Value (BTU / Real cu.ft.)	1491.1	1465.9
Relative Density (G), Real	0.9170	0.9124
Compressibility (Z) Factor	0.9942	0.9938
Total GPM	21.098	20.841
Wobbe Index	1557.1	1534.7



Devon Energy Production Company
20 North Broadway - CT 3 058
Oklahoma City, Oklahoma 73102-8260
Phone (405)-552-5424
Fax (405)-552-1358
Melanie.Crawford@dvn.com

September 28, 2011

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

**Re: Pool Surface Commingle
Kachina 8 Federal 1 & Kachina 8 Federal 3
Sec 8-T18S-R33E
Lease Number: NMNM089893
API 30-025-30986 & 30-025-31802
Corbin; Bone Spring, South Pool Code: 13160
Corbin; Wolfcamp, South Pool Code: 13320
Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Pool Surface Commingle for the aforementioned wells.

The working interest, royalty interest and overriding royalty interest owners in both leases are uniform, no further notification is required.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Melanie Crawford
Regulatory Analyst

Enclosures

DATE	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

Melanie Crawford
 Print or Type Name

Melanie Crawford
 Signature

Regulatory Analyst
 Title

9/28/11
 Date

Melanie.Crawford@dmv.com
 E-mail Address

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO

30-025-30986

5. Indicate Type of Lease

FED ☒ STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

NMNM089893

7. Lease Name or Unit Agreement Name

Kachina 8 Federal

8. Well Number

1

9. OGRID Number

6137

10. Pool name or Wildcat

Corbin, Bone Spring, South

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Devon Energy Production Company, LP

3. Address of Operator

20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location

Unit Letter Section 8 Township 18S Range 33E NMPM Lea County New Mexico

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
n/a

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER Pool Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER ☐

13. Describe proposed or completed operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103 For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LP respectfully requests to Pool Surface Commingle the Kachina 8 Federal 1 well with the following well:

Kachina 8 Federal 3 30-025-31802 13320 Corbin, Wolfcamp, South

A central tank battery is located at the Kachina 8 Federal 1 well location in section 8, T18S, R33E. The Kachina 8 Federal 1 & Kachina 8 Federal 3 are the only wells producing to the facility. The gas production from the two wells will flow to the Frontier CDP Sales Meter 6075202 which is also located at the Kachina 8 Federal 1 well location. Production from the Kachina 8 Federal 1 & 3 wells will flow to a header before flowing to the tank battery. The well production allocation method is that we shut a well in for 24 hours and produce the other.

The working interest, royalty interest and overriding royalty interest owners are uniformed; no additional notification is required.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE *Melanie Crawford*

TITLE Regulatory Analyst

DATE 9/28/11

Type or print name Melanie Crawford
For State Use Only

E-mail address: Melanie.Crawford@dmr.com

Telephone No. (405) 552-4524

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any)