

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

HOBBES
HOBBES OGD
AUG 01 2012
RECEIVED

SUBMIT IN TRIPLICATE – Other instructions on page 2.		5. Lease Serial No. See Below
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Devon Energy Production Co., LP		7. If Unit of CA/Agreement, Name and/or No.
3a. Address 20 North Broadway OKC, OK 73102	3b. Phone No. (include area code) (405)- 552-4524	8. Well Name and No. See Below
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) Section 8, T18S, R33E		9. API Well No. See Below
		10. Field and Pool or Exploratory Area See Below
		11. Country or Parish, State Lea County, 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 type="checkbox"/> Other CTB, Pool/Lease
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle, Off Lease
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Measurement & Sales

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 recompleate 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 recompleation 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 Co., LLP respectfully requests approval for Central Tank Battery, Pool/Lease Commingle, Off Lease Measurement, Sales & Storage:

Kachina 8 Federal 1	API: 30-025-30986	13160 Corbin; Bone Spring, South
Kachina 8 Federal 3	API: 30-025-31802	13320 Corbin; Wolfcamp, South
Kachina 8 Federal Com 2	API: 30-025-31371	13320 Corbin; Wolfcamp, South

There will be a central tank battery at the Kachina 8 Federal Com 2 well location in Section 8, T18S, R33E. The three Kachina wells will be the only wells producing to the facility. The gas production from the three wells will flow to a Frontier CDP Sales Meter 06075395 which will also be located at the Kachina 8 Federal Com 2 location. Production from the three Kachina wells will flow to equipment and production will be metered. Well test will be reported monthly or as needed to allocate back to the well.

The working interest, royalty interest and overriding interest owners are not unformed; notifications were sent via certified mail (see attached).

ROW will or has already been obtained.

NEED TO KEEP BATTERY @ #1 DUE TO STOCK TANK/PIPING @ #2 and other SURFACE ISSUES / well #2 is in a com. & not all interest are the same.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Melanie Crawford		Title Regulatory Analyst
Signature <i>Melanie Crawford</i>		Date 4/3/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by DENIED /s/ JD Whitlock Jr	Title LPEF	Date 7/31/12
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 CFO	

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)

Allocation method will not be approved.

AUG 02 2012

APPLICATION FOR CENTRAL TANK BATTERY, POOL/LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

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

Proposal for Kachina leases:

Devon Energy Production Company, LP is requesting approval for Central Tank Battery, Pool/Lease Commingle, and Off Lease Measurement, Sales & Storage from the following wells and pools:

Federal Lease NMNM89893

Well Name	Location	API #	Pool	BOPD	OG	MCFPD	BTU
Kachina 8 Federal 1	Sec 8-T18S-R33E	30-025-30986	13160 - Corbin; Bone Spring, South	69	39	62.86	1293
Kachina 8 Federal 3	Sec 8-T18S-R33E	30-025-31802	13320 - Corbin; Wolfcamp, South	3	39	3.14	1297

Federal Lease NMNM89893, Com Agreement NMNM085342

Well Name	Location	API #	Pool	BOPD	OG	MCFPD	BTU
Kachina 8 Federal Com 2	Sec 8-T18S-R33E	30-025-31371	13320 - Corbin Wolfcamp, South	3	39	19	1461

A map is enclosed showing the Federal leases and well locations in Section 8-T18S-R33E. The working, royalty and overriding royalty interest owners are not uniformed; notifications were sent to interest owner via certified mail (see attached).

Current Oil & Gas metering:

Currently there is a central tank battery 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 is flowing 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 is flowing 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. *(This was approved by BLM on October 1, 2011 and NMOCD on November 30, 2011)*

Proposed Oil & Gas metering:

There will be a central tank battery located at the Kachina 8 Federal Com 2 well location in section 8, T18S, R33E. The three Kachina wells will be the only wells producing to the facility. The gas production from the three wells will flow to a Frontier CDP Sales Meter 06075395 which will also be located at the Kachina 8 Federal Com 2 well location. Production from the three Kachina wells will flow to a header before flowing to the tank battery. The well production allocation method is that every well will be tested through test equipment and production will be metered. Well test will be reported monthly or as needed to allocate back to well.

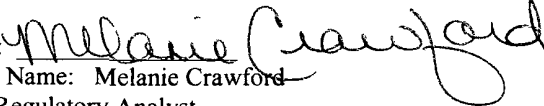
The BLM's interest in these wells is the same. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

Please see attached diagram for the "proposed" Kachina 8 Federal Com 2's production facility. The flow of produced fluids is shown in detail along with a description of each vessel.

The benefit of commingling is that this will help 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: 4/3/12

devon

6

Kachina Federal Wells

029928/000

4

Lease number
NNNM 089893

KACHINA 8 FEDERAL 1
DEVON ENERGY CORP

Kachina 8 Fed 2
DEVON

Coin Agreement

NM055342

Kachina 8 Fed 3
DEVON

NEW MEXICO

7

8-18S-33E

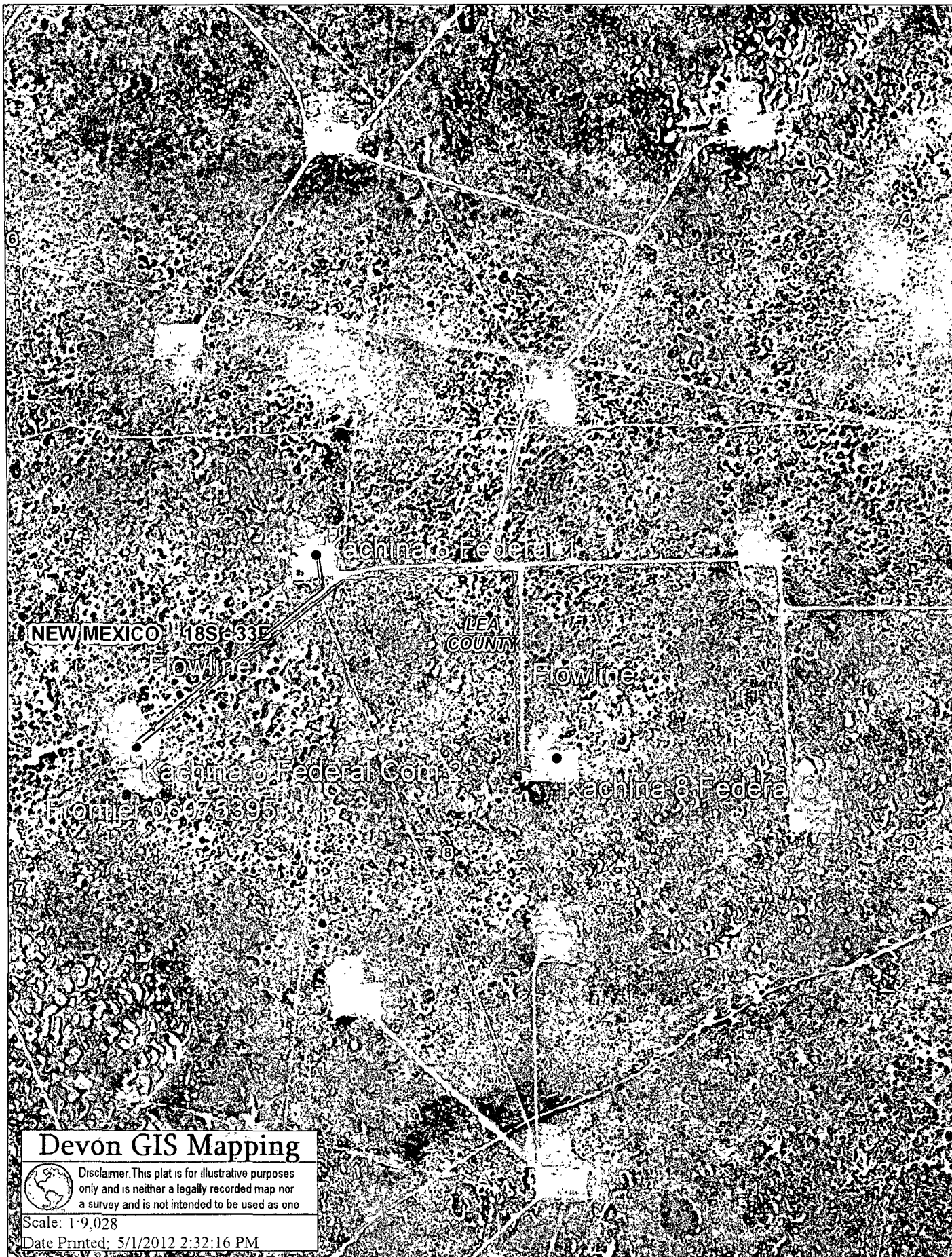
LEA
COUNTY

9

17

Legend

- Kachina Federal Wells
- Agreement
- Devon Minerals
- Devon Primary Term
- Devon HBP



Kachina 8 Federal #2 Battery
Section 8, T18S, R33E
1830FNL & 660FWL
Lea County, N.M
API# 30-025-31371





Production System: Open

- 1) Oil sales by tank gauge to tank truck.
- 2) Seal requirements:

A. Production Phase: On all Tanks.

(1) All valves 5 sealed closed.







Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed. 
- (2) Valve 3 sealed closed. 
- (3) Valve 4 sealed closed. 
- (4) Valve 5 sealed closed. 

(5) Misc. Valves: Plugged or otherwise inaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

- | | |
|-------------------------------------|---|
| Valve #1: <u>Production Line</u> |  |
| Valve #2: <u>Test or Roll line</u> |  |
| Valve #3: <u>Equalizer Line</u> |  |
| Valve #4: <u>Circ./Drain Line</u> |  |
| Valve #5: <u>Sles Line</u> |  |
| Valve #6: <u>BS&W Load Line</u> |  |

Buried Lines: -----

Firewall: 

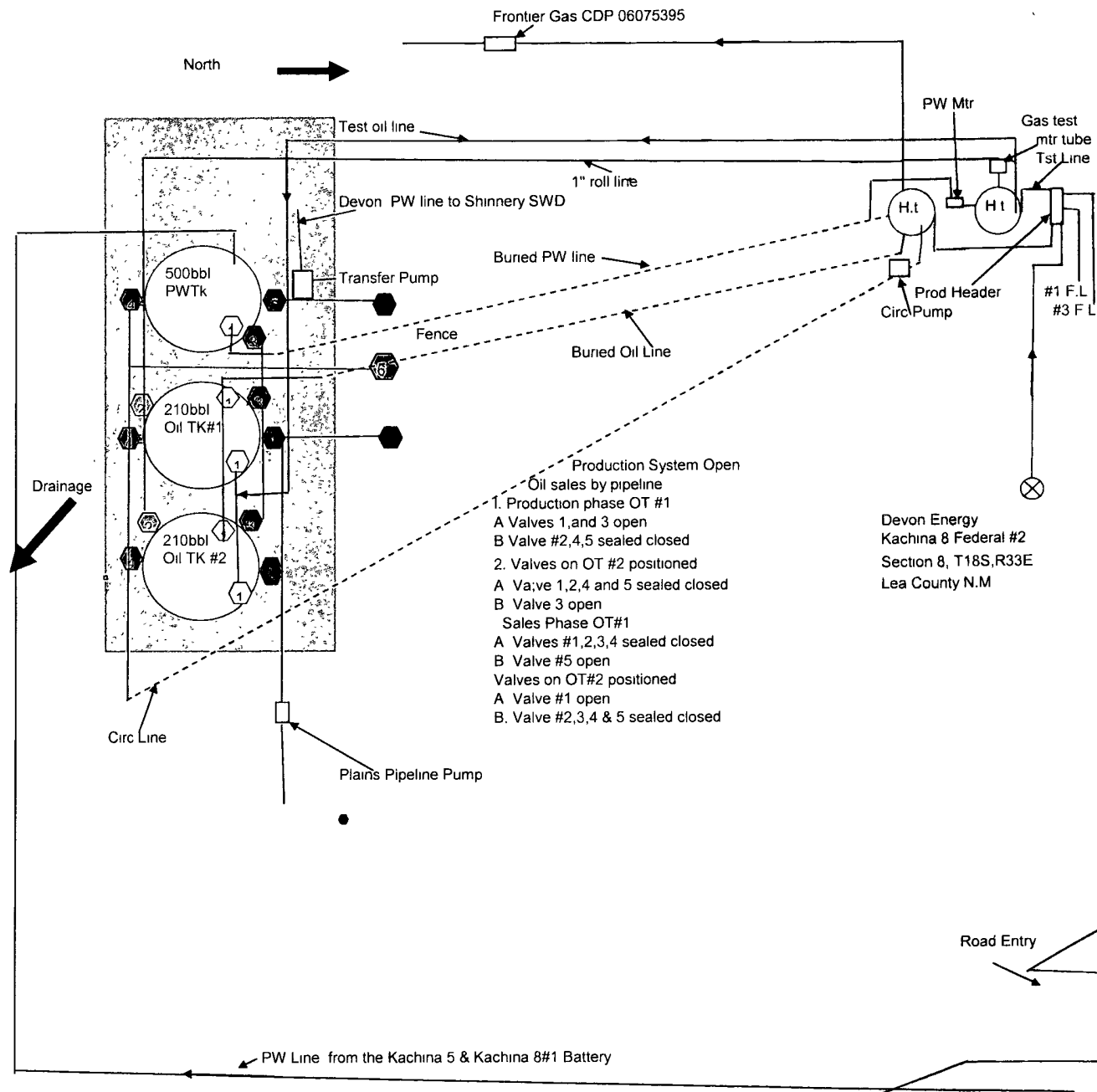
Wellhead: 

Stak-pak: 

Production line: -----

Water line: -----

Gas Meter   



OFF LEASE PRODUCTION

	10/01/11	11/01/11	12/01/11	01/01/12	02/01/12	03/01/12
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Kachina 8 Federal 1	2,230.05	2,091.81	2,023.42	2,037.85	1,624.71	1,317.71
Kachina 8 Federal 3	138.94	127.19	128.4	95.38	121.52	95.29
Kachina 8 Federal Com 2	603.	576.	596.	594.	527.	459.

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	KACHINA 8-1
Location ID	06075202
Sample Date	3/29/2012
WATER	
Method Name	BTUH2S.met
Injection Date	2012-04-02 18:49:57

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.)
H2S	0.0059	0.0	0.0	0.00007	0.001
NITROGEN	2.6075	0.0	0.0	0.02522	0.288
CARBON DIOXIDE	1.3215	0.0	0.0	0.02008	0.226
METHANE	71.6119	725.0	712.3	0.39666	12.189
ETHANE	12.7360	225.9	222.0	0.13223	3.420
PROPANE	7.0032	176.6	173.5	0.10662	1.937
I-BUTANE	0.7211	23.5	23.1	0.01447	0.237
N-BUTANE	1.9080	62.4	61.3	0.03829	0.604
I-PENTANE	0.4539	18.2	17.9	0.01131	0.167
N-PENTANE	0.4677	18.8	18.5	0.01185	0.170
C6+	1.1633	59.8	58.8	0.03743	0.507
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1310.2	1287.4	0.79403	19.745

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg F)	93.0	
Flowing Pressure (psia)	34.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1310.2	1287.4
Gross Heating Value (BTU / Real cu.ft.)	1315.7	1293.4
Relative Density (G), Real	0.7970	0.7944
Compressibility (Z) Factor	0.9958	0.9954
Total GPM	19.745	19.509
Wobbe Index	1473.8	1451.2

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	KACHINA 8-2
Location ID	06075395
Sample Date	3/29/2012
WATER	
Method Name	BTUH2S.met
Injection Date	2012-04-02 18:57:46

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.)
H2S	0.0000	0.0	0.0	0.00000	0.000
NITROGEN	2.6035	0.0	0.0	0.02518	0.288
CARBON DIOXIDE	0.4422	0.0	0.0	0.00672	0.076
METHANE	63.4497	642.3	631.1	0.35145	10.814
ETHANE	15.2837	271.1	266.4	0.15868	4.109
PROPANE	10.3721	261.6	257.0	0.15792	2.873
I-BUTANE	0.9960	32.5	31.9	0.01999	0.328
N-BUTANE	3.3080	108.2	106.3	0.06638	1.048
I-PENTANE	0.7778	31.2	30.6	0.01938	0.286
N-PENTANE	0.9217	37.0	36.4	0.02296	0.336
C6+	1.8453	94.9	93.2	0.05937	0.805
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1478.7	1453.0	0.88802	20.962

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	97.0	
Flowing Pressure (psia)	35.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1478.7	1453.0
Gross Heating Value (BTU / Real cu.ft.)	1487.0	1461.8
Relative Density (G), Real	0.8926	0.8883
Compressibility (Z) Factor	0.9945	0.9940
Total GPM	20.962	20.707
Wobbe Index	1573.9	1550.9

Precision Gas Measurement, Inc.
Natural Gas Report

Sample Information

Sample Information	
Company Name	DEVON ENERGY
Lease Name	KACHINA 8-3
Location ID	06075202
Sample Date	3/29/2012
WATER	
Method Name	BTUH2S.met
Injection Date	2012-04-02 19:04:10

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.)
H2S	0.0059	0.0	0.0	0.00007	0.001
NITROGEN	2.6358	0.0	0.0	0.02549	0.291
CARBON DIOXIDE	1.2556	0.0	0.0	0.01908	0.215
METHANE	71.3592	722.4	709.8	0.39526	12.146
ETHANE	12.8912	228.7	224.7	0.13384	3.461
PROPANE	7.1268	179.7	176.6	0.10851	1.971
I-BUTANE	0.7124	23.2	22.8	0.01430	0.234
N-BUTANE	1.9126	62.5	61.5	0.03838	0.605
I-PENTANE	0.4561	18.3	18.0	0.01136	0.167
N-PENTANE	0.4749	19.1	18.7	0.01183	0.173
C6+	1.1695	60.1	59.1	0.03763	0.510
Water	0.0000	0.0	0.0	0.00000	0.000
Total:	100.0000	1314.1	1291.2	0.79574	19.775

Results Summary

Result	Dry	Sat.
Total Normalized Mole%	100.0000	100.0000
Pressure Base (psia)	14.730	
Flowing Temperature (Deg. F)	93.0	
Flowing Pressure (psia)	34.0	
Water Mole%	-	1.7407
Gross Heating Value (BTU / Ideal cu.ft.)	1314.1	1291.2
Gross Heating Value (BTU / Real cu.ft.)	1319.7	1297.3
Relative Density (G), Real	0.7988	0.7961
Compressibility (Z) Factor	0.9958	0.9953
Total GPM	19.775	19.539
Wobbe Index	1476.6	1453.9



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

April 3, 2012

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

**Re: Central Tank Battery, Pool/Lease Commingle, Off Lease Measurement, Sales & Storage
Kachina 8 Federal 1, Kachina 8 Federal 3, Kachina 8 Federal Com 2
Sec 8-T18S-R33E
Lease Number: NMNM089893 & CA: NMNM085342
API 30-025-30986, 30-025-31802, 30-025-31371
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 Forms C-103, C-107B and BLM Form 3160-5 Sundry Notice of Intent for the aforementioned wells.

The working interest, royalty interest and overriding royalty interest owners in are not uniformed; notifications were sent via certified mail (see attached).

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.

A handwritten signature in cursive script that reads "Melanie Crawford".

Melanie Crawford
Regulatory Analyst

Enclosures

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.

Melanie Crawford
Print or Type Name

Signature

Melanie Crawford

Regulatory Analyst
Title

Date

4/3/12

Melanie.Crawford@dv.n.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: 20 North Broadway, 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. PC-1238

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
13160 - Corbin; Bone Spring, South	39/1293				
13320 - Corbin; Wolfcamp, South	39/1297				
13320 - Corbin; Wolfcamp, South	39/1461				

(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 ☒ Well Test

(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 ☒ Well 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 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 Melanie Crawford TITLE: Regulatory Analyst

DATE: 4/3/12

TYPE OR PRINT NAME: Melanie Crawford TELEPHONE NUMBER: 405-552-4524

E-MAIL ADDRESS: Melanie.Crawford@dmr.com

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. See Below
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. See Below

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.)		7. Lease Name or Unit Agreement Name See Below
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		8. Well Number 1
2. Name of Operator Devon Energy Production Company, LP		9. OGRID Number 6137
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524		10. Pool name or Wildcat See Below
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line 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 <input type="checkbox"/> or Closure <input type="checkbox"/>		
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: Central Tank Battery, Pool/Lease Commingle, Off Lease
Measurement, Sales & Storage ☒

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 Central Tank Battery, Pool/Lease Commingle, and Off Lease Measurement, Sale & Storage for the following wells:

Kachina 8 Federal 1	30-025-30986	13160 Corbin; Bone Spring, South	Lease: NMNM89893
Kachina 8 Federal 3	30-025-31802	13320 Corbin; Wolfcamp, South	Lease: NMNM89893
Kachina 8 Federal Com 2	30-025-31371	13320 Corbin; Wolfcamp, South	Lease: CA NM085342

There will be a central tank battery located at the Kachina 8 Federal Com 2 well location in section 8, T18S, R33E. The three Kachina wells will be the only wells producing to the facility. The gas production from the three wells will flow to a Frontier CDP Sales Meter 06075395 which will also be located at the Kachina 8 Federal Com 2 well location. Production from the three Kachina wells will flow to a header before flowing to the tank battery. The well production allocation method is that every well will be tested through test equipment and production will be metered. Well test will be reported monthly or as needed to allocate back to well.

The working interest, royalty interest and overriding royalty interest owners are not uniformed; notifications were sent via certified mail (see attached).

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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE: Melanie Crawford TITLE: Regulatory Analyst DATE: 4/3/12

Type or print name Melanie Crawford E-mail address: Melanie.Crawford@dvn.com Telephone No. (405) 552-4524
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____



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

405 235 3611 Phone
www.devonenergy.com

April 3, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery, Pool/Lease Commingle, and Off Lease Measurement, Sales & Storage
Kachina 8 Federal 1, Kachina 8 Federal Com 2, & Kachina 8 Federal 3
Sec 8 T185 R33E
API # 30-025-30986, 30-025-31802, & 30-025-31371
Pool 13160 - Corbin; Bone Spring, South
Pool 13320 - Corbin; Wolfcamp, South
Lea County, New Mexico

Gentlemen:

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 to a Central Tank Battery, Pool/Lease Commingle, and Off Lease Measurement, Sales & Storage from the above lease and pools.

A copy of our application submitted to the Division 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) 552-4524 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

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

Melanie Crawford
Regulatory Analyst

Enclosure

Explorers Petroleum Corp.
PO Box 1933
Roswell, NM 88202-1933

Certified Mailing
Number: 7010 1060
0000 0920 4909

Spiral Inc
PO Box 1933
Roswell, NM 88202-1933

Certified Mailing
Number: 7010 1060
0000 0920 4916

Colkelan Corporation
3481 E Sunset Rd, Ste 102
Las Vegas, NV 89120-6207

Certified Mailing
Number: 7010 1060
0000 0920 4923

Harvey E Yates Company
Sunwest Centre
PO Box 1933
Roswell, NM 88202-1933

Certified Mailing
Number: 7010 1060
0000 0920 4930

Nadel & Gussman Capitan LLC
601 N Marienfeld, Ste 508
Midland, TX 79701

Certified Mailing
Number: 7010 1060
0000 0920 4947

ONRR Royalty Management Program
PO Box 25627
Denver, CO 80225-0627

Certified Mailing
Number: 7010 1060
0000 0920 4954

Hanley Petroleum Inc
415 West Wall Ste 1500
Midland, TX 79701-4473

Certified Mailing
Number: 7010 1060
0000 0920 4961

Brett Bracken
4505 Mockingbird Lane
Midland, TX 79707-1617

Certified Mailing
Number: 7010 1060
0000 0920 4978

Leah Properties LLC
% Hanley Petroleum Inc
415 West Wall, Ste 1500
Midland, TX 79701

Certified Mailing
Number: 7010 1060
0000 0920 4985

James W Rogers
416 Manor Village Circle
Midland, TX 79707

Certified Mailing
Number: 7010 1060
0000 0920 4992

L D Robbins Oil & Gas Consultants Inc
415 W Wall, Ste 1400
Midland, TX 79701

Certified Mailing
Number: 7010 1060
0000 0920 5005

Ruth Jayne Loftin, Richard L Loftin POA
% Fisher, Moore and Co PLLC
415 W Wall, Ste 703
Midland, TX 79701

Certified Mailing
Number: 7010 1060
0000 0920