

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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 OCD
RECEIVED
MAR 06 2017

SUBMIT IN TRIPLICATE - Other instructions on page 2

<p>1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other</p> <p>2. Name of Operator DEVON ENERGY PRODUCTION COMPANY Contact: ERIN WORKMAN Email: Erin.workman@dvn.com</p> <p>3a. Address 6488 SEVEN RIVERS HIGHWAY ARTESIA, NM 88211</p> <p>3b. Phone No. (include area code) Ph: 405-552-7970</p> <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 21 T22S R34E SWSW 375FSL 375FWL ✓</p>	<p>5. Lease Serial No. NMNM43564</p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or CA/Agreement, Name and/or No.</p> <p>8. Well Name and No. GAUCHO 21 FEDERAL 2H ✓</p> <p>9. API Well No. 30-025-40626-00-S1</p> <p>10. Field and Pool or Exploratory Area WC-025 G05 S223421M</p> <p>11. County or Parish, State LEA COUNTY, NM</p>
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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"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Acidize <input type="checkbox"/> Alter Casing <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change Plans <input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Deepen <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> New Construction <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Plug Back	<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 Surface Commingling

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.

Per verbal approval from Duncan Whitlock, Devon Energy Production Co., LP respectfully requests approval for Pool Commingling/Off Lease Measurement, Sales and Storage at the Gaucho 21 Fed 2H Battery of the wells mentioned below:

Gaucho 21 Fed 1
 Sec. 21, T22S, R34E (NWNW)
 30-025-34266
 Paduca; Bone Spring
 NMNM43564

Gaucho 21 Fed 2H
 Sec. 21, T22S, R34E (SWSW)

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

**Electronic Submission #364844 verified by the BLM Well Information System
 For DEVON ENERGY PRODUCTION COM LP, sent to the Hobbs
 Committed to AFMSS for processing by PRISCILLA PEREZ on 02/02/2017 (17PP0119SE)**

Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 01/25/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J.D.W. Whitlock</i>	Title <i>TLPET</i>	Date <i>2/24/17</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>CFo</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.

Additional data for EC transaction #364844 that would not fit on the form

32. Additional remarks, continued

30-025-40526
WC 025 G-06 S223421M; Delaware
NMNM43564

Gaicho 21 Fed 3H
Sec. 21, T22S, R34E (SESW)
30-025-42136
Paduca; Bone Spring
NMNM43564

Gaicho 21 Fed 4H
Sec. 21, T22S, R34E (SESW)
30-025-42137
Paduca; Bone Spring
NMNM43564

The central tank battery is located on the Gaicho 21 Fed 2H Battery, in Sec 21, T22S, R34E. The production from each well will flow through its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Gaicho 21 Fed 1 & 2H will utilize a common DCP CDP #728802-00. The Gaicho 21 Fed 3H & 4H will utilize a common Federal Measurement Point #390-12-195 that will allocate back to each of these wells. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Gaicho 21 Fed 2H Battery will have four oil tanks that these four wells will utilize. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separator. All four wells will share a common LACT unit SN1514E10013.

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

Attachments: Deliverables

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

Proposal for Mean Green & Cobber:

Devon Energy Production Company, LP is requesting approval for the Central Tank Battery, Pool Commingle, Off-lease Measurement, Sales, & Storage for the following wells:

Federal Lease: NMNM43564 (12.5% Royalty Rate)

Well Name	Location	API #	Pool 96641	BOPD	MCFPD	OG	BTU
Gaucha 21 Fed 1	NWSW, Sec.21, T22S, R34E	30-025-34266	Paduca; Bone Spring	3	1	44	1334.9
Gaucha 21 Fed 3H	SESW, Sec.21, T22S, R34E	30-025-42136	Paduca; Bone Spring	798	1744	46	1321.1
Gaucha 21 Fed 4H	SESW, Sec.21, T22S, R34E	30-025-42137	Paduca; Bone Spring	1100	1612	46	1329.5

Federal Lease NMNM43564 (12.5% Royalty Rate)

Well Name	Location	API #	Pool 97946	BOPD	MCFPD	OG	BTU
Gaucha 21 Fed 2H	SWSW, Sec.21, T22S, R34E	30-025-40626	WC-025 G-06 S223421M; Delaware	11	24	44.5	1282.8

Attached is a map which displays the federal leases and well locations in Section 21, T22S, R34E.

The BLM's interest in these wells are identical.

Oil & Gas metering:

The central tank battery is located on the Gaucha 21 Fed 2H Battery, in Sec 21, T22S, R34E. The production from each well will flow through its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Gaucha 21 Fed 1 & 2H will utilize a common DCP CDP #728802-00. The Gaucha 21 Fed 3H & 4H will utilize a common Federal Measurement Point #390-12-195 that will allocate back to each of these wells. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Gaucha 21 Fed 2H Battery will have four oil tanks that these four wells will utilize. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metered separator. All four wells will share a common LACT unit SN1514E10013.

The Gaucha 21 Fed 1 flows into a three phase separator, where after separation gas is routed to the gas allocation meter #390-49-545, then combines with the Gaucha 21 Fed 2H production and will then flow through the DCP Federal Measurement Point #728802-00. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter SN20012632, flows into a common oil line with the Gaucha 21 Fed 2H, then to a common heater/treater and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl. water tanks, along with the water from the other wells.

The Gaucha 21 Fed 2H flows into a three phase separator, where after separation gas is routed to the gas allocation meter #390-49-196, then combines with the Gaucha 21 Fed 1 production and will then flow through the DCP Federal Measurement Point #728802-00. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter SN1492146, flows into a common oil line with the Gaucha 21 Fed 2H, then to a common heater/treater and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl. water tanks, along with the water from the other wells.

The Gaucha 21 Fed 3H flows to a three phase separator, where after separation gas is routed to the gas allocation meter #390-49-547, then combines with the Gaucha 21 Fed 4H, flows through the gas scrubber, and the to the Federal Measurement Point #390-11-548. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter SN1494307, flows into a common oil line with the Gaucha 21 Fed 4H production, combines with the oil from the FWKO, then to a common heater/treater, and into one of the 500 bbl. oil tanks. The water is metered with a mag meter, combines with water from the other wells, then flows to the FWKO, into the heater/treater, and to one of the 500 bbl. water tanks.

The Gaucha 21 Fed 4H flows to a three phase separator, where after separation gas is routed to the gas allocation meter #390-49-546, then combines with the Gaucha 21 Fed 3H, flows through the gas scrubber, and the to the Federal Measurement Point #390-11-548. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter SN14492138, flows into a common oil line with the Gaucha 21 Fed 3H production, combines with the oil from the FWKO, then to a common heater/treater, and into one of the 500 bbl. oil tanks. The water is metered with a mag meter, combines with water from the other wells, then flows to the FWKO, into the heater/treater, and to one of the 500 bbl. water tanks.

Oil production will be allocated on a daily basis based on the Coriolis Micro Motion Meter located downstream of the metered separator. The Coriolis 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 will be allocated on a daily basis utilizing the gas allocation meter for each well. The gas production from the Gaucho 21 Fed 1 & 2H gas allocation meters will commingle and flow into the DCP FMP #728802-00. The gas production from the Gaucho 21 Fed 3H & 4H gas allocation meters will commingle and flow into the Federal Measurement Point #390-12-195. 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 Gaucho 21 Fed 2H Flow Diagram along with a description of each vessel and map which shows the lease boundaries, location of the 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.

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: 02.24.16

Gaucha 21 Fed 2H Battery
 Sec. 22 T26S R34E
 API 30-025-40626
 Lea County, New Mexico

PROCESS FLOW DIAGRAM

N
 W • E
 S

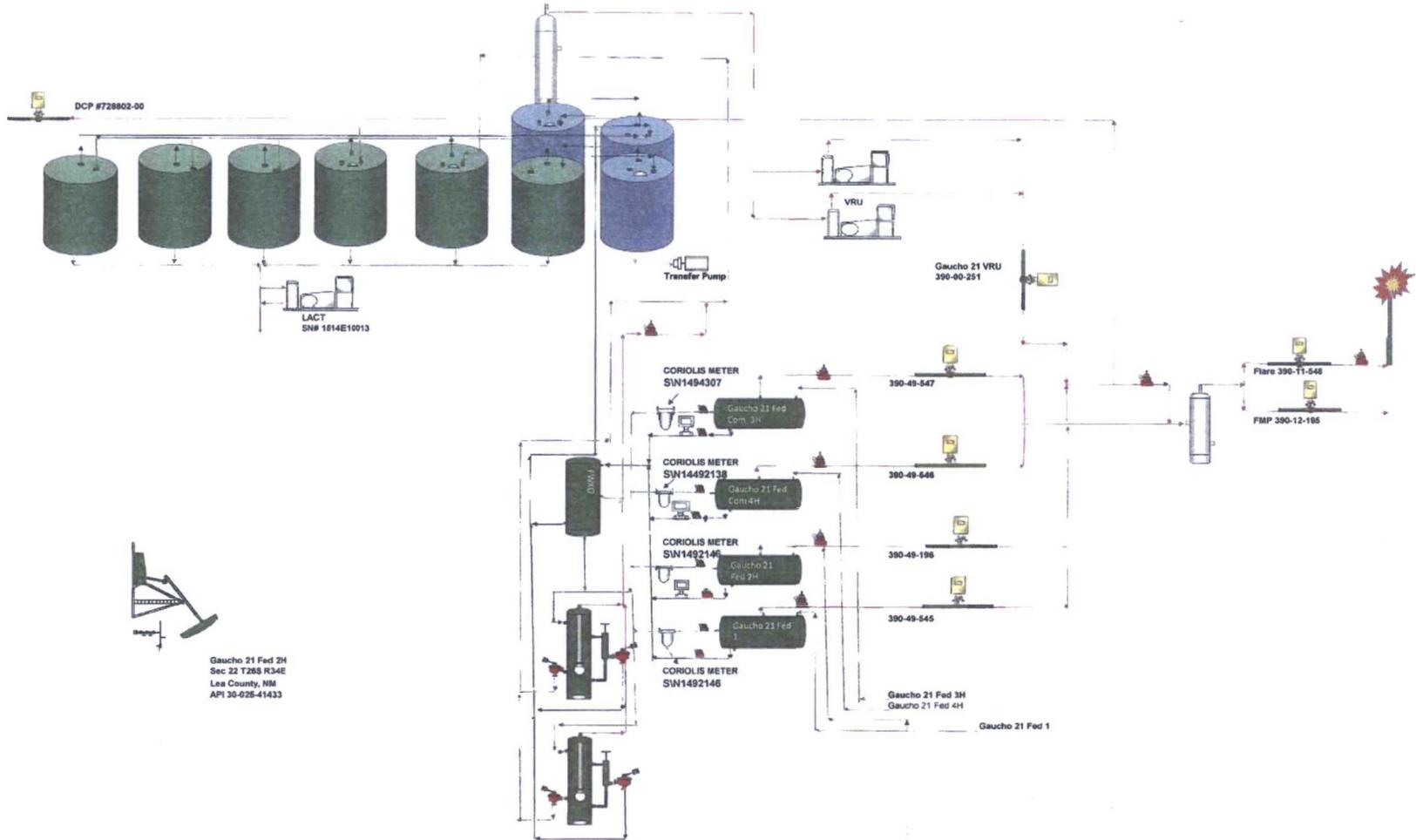
Road Access

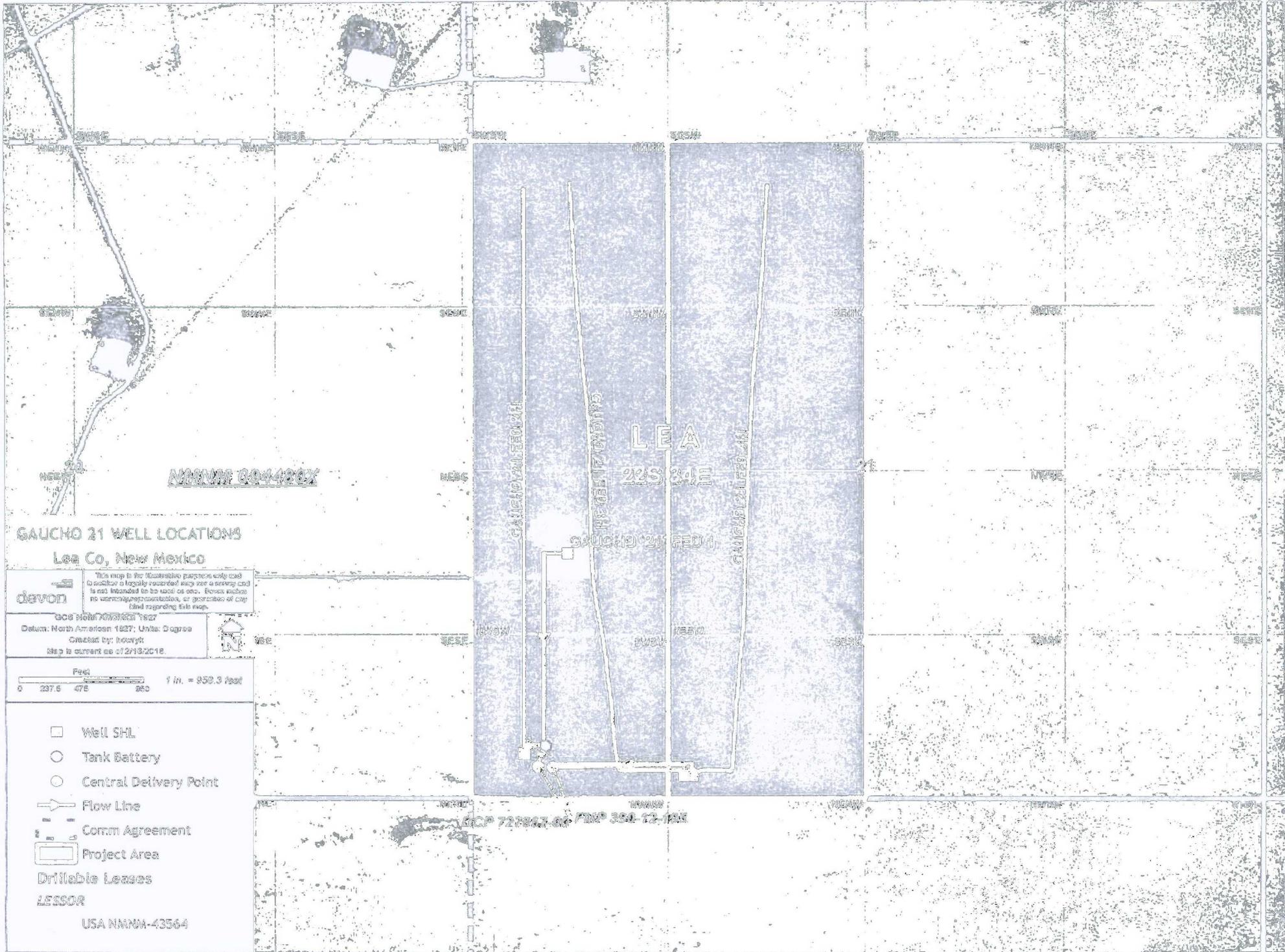
Production System: Closed

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



Gaucha 21 Fed 2H
 Sec 22 T26S R34E
 Lea County, NM
 API 30-025-41433





GAUCHO 21 WELL LOCATIONS
Lea Co, New Mexico

devon
This map is for illustrative purposes only and does not constitute a legally recorded map. A survey and is not intended to be used as one. Errors make no warranty, representation, or guarantee of any kind regarding this map.

Scale: North American 1827; Units: Degree
Created by: hccvjt
Map is current as of 2/19/2018.

Scale: 1 in. = 350.3 feet
0 237.5 475 350

- Well SHL
- Tank Battery
- Central Delivery Point
- Flow Line
- Comm Agreement
- ▭ Project Area
- Drillable Leases
- LESSOR
- USA NMMN-43564

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

Run Time: 08:49 AM

Page 1 of 5

Run Date: 02/22/2016

01 02-25-1920;041STAT0437;30USC181ETSEQ **Total Acres** 1,920.000 **Serial Number** NMNM-- - 043564
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 043564

Name & Address			Int Rel	% Interest
AXIS ENERGY CORP	PO BOX 219303	HOUSTON TX 77218	OPERATING RIGHTS	0.000000000
BTA OIL PRODUCERS	104 S PECOS ST	MIDLAND TX 79701	LESSEE	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	LESSEE	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	0.000000000
ENLINE RESOURCES LTD PTNRS	2001 KIRBY #1240	HOUSTON TX 77019	LESSEE	0.000000000
HUNT OIL CO	1900 N AKARD ST	DALLAS TX 752012300	OPERATING RIGHTS	0.000000000
HUNT OIL CO	1900 N AKARD ST	DALLAS TX 752012300	LESSEE	0.000000000
KERR-MCGEE OG ONSHORE LP	1999 BROADWAY #3700	DENVER CO 80202	OPERATING RIGHTS	0.000000000
PACE DAVID H	PO BOX 2136	MIDLAND TX 79702	LESSEE	0.000000000
REYNOLDS JOE J	2333 50TH ST #4	LUBBOCK TX 79421	LESSEE	0.000000000
SAMSON RESOURCES CO	2 W SECOND ST	TULSA OK 74103	OPERATING RIGHTS	0.000000000
SGH ENTERPRISES INC	TWO W 2ND ST	TULSA OK 741033103	OPERATING RIGHTS	0.000000000
THREE RIVERS ACQUISITION LLC	5301 SOUTHWEST PKWY STE 400	AUSTIN TX 787358949	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 043564

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	02205	0340E 015	ALIQ		N2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02205	0340E 021	ALIQ		ALL;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02205	0340E 026	ALIQ		ALL;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	02205	0340E 027	ALIQ		W2NE,W2NW,E2SW,E2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 043564

Act Date	Code	Action	Action Remark	Pending Office
12/22/1980	387	CASE ESTABLISHED	SPAR168;	
12/23/1980	888	DRAWING HELD		
05/21/1981	237	LEASE ISSUED		
06/01/1981	496	FUND CODE	05;145003	
06/01/1981	530	RLTY RATE - 12 1/2%		
06/01/1981	868	EFFECTIVE DATE		
06/01/1981	909	BOND ACCEPTED	EFF 09/10/71;NM1195	
06/04/1982	139	ASGN APPROVED	EFF 07/01/82;	
06/04/1982	140	ASGN FILED	J LANE/MGF OIL	
12/06/1982	899	TRF OF ORR FILED		
03/18/1983	899	TRF OF ORR FILED		
05/04/1983	899	TRF OF ORR FILED	(1)	
05/04/1983	899	TRF OF ORR FILED	(2)	
05/20/1983	899	TRF OF ORR FILED		
09/22/1983	140	ASGN FILED	AIKMAN ENE/ENE AIKMAN	
12/22/1983	315	RENTAL RATE DET/ADJ	\$2.00;	
03/21/1984	139	ASGN APPROVED	EFF 10/01/83;	
05/31/1984	111	RENTAL RECEIVED	\$0;84-85	
05/16/1985	111	RENTAL RECEIVED	\$0;85-86	
08/30/1985	899	TRF OF ORR FILED		
02/14/1986	066	BANKRUPTCY FILED	MGF OIL CORP	

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



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

February 24, 2016

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Gaucho 21 Fed 1, 2H, 3H, & 4H,
API: 30-025-34266, 30-025-40626, 30-025-42136, & 30-025-42137
Pool: (98049) WC-025 G-06 S223421M; Delaware
(96641) Paduca; Bone Spring
Lease: NMNM43564
County: Lea Co., NM

To whom it may concern:

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 for a Pool\Lease Commingle\OLM for the above mentioned wells. This application will amend the Surface Commingling Order PC-1272.

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) 552-7970 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

Gaucha 21 Fed 1H Battery - CTB\PC\OLM

Name1	Int Type	Street 1	City	State	Postal Cc	Tracking #
CHRIS M MORPHEW	WI	4912 N MIDKIFF RD	MIDLAND	TX	79705-251	9214 8901 5271 8100 1093 27
ROBERT E LANDRETH	OR & PP	110 W LOUISIANA AVE STE 404	MIDLAND	TX	79701	9214 8901 5271 8100 1093 34
AXIS ENERGY CORPORATION	WI	PO BOX 2107	ROSWELL	NM	88202-210	9214 8901 5271 8100 1093 41
PANTHER CITY EXPLOR CO LLC	OR	2029 N MAIN ST	FORT WORTH	TX	76164-851	9214 8901 5271 8100 1093 58
MICHAEL R ABBOTT	WI	PO BOX 3876	LUBBOCK	TX	79452	9214 8901 5271 8100 1093 65
CINCO OIL COMPANY	WI	PO BOX 6460	LUBBOCK	TX	79423	9214 8901 5271 8100 1093 72
WILDCAT ENERGY LLC	WI	PO BOX 13323	ODESSA	TX	79768	9214 8901 5271 8100 1093 89
JOE JACK REYNOLDS	OR	8214 WESTCHESTER SUITE 860	DALLAS	TX	75225	9214 8901 5271 8100 1093 96
SCOTT W TANBERG	OR & PP	2502 KESWICK RD	MIDLAND	TX	79705	9214 8901 5271 8100 1094 02
GERALD J BROCKMAN	OR	15071 GOLF DR	WHITNEY	TX	76692	9214 8901 5271 8100 1094 19
NORTON LLC	PP	60 BEACH AVE BAY VIEW	S DARTMOUTH	MA	2748	9214 8901 5271 8100 1094 26
GILES M FORBESS	WI	PO BOX 31	LUBBOCK	TX	79408	9214 8901 5271 8100 1094 33
ALAN JOCHIMSEN	PP	4209 CARDINAL LN	MIDLAND	TX	79707	9214 8901 5271 8100 1094 40
MARCHETA JOCHIMSEN	PP	4209 CARDINAL LN	MIDLAND	TX	79707	9214 8901 5271 8100 1095 70
DEBORAH FEDRIC	PP	PO BOX 1837	ROSWELL	NM	88202-183	9214 8901 5271 8100 1094 57
GEORGE H HUNKER	PP	PO BOX 524	LANDER	WY	82520	9214 8901 5271 8100 1094 64
SAMMY L MORRISON	OR	4617 BREEZEWAY CT	MIDLAND	TX	79707	9214 8901 5271 8100 1094 71
MISTY MORNING PARTNERSHIP	OR	1645 FOX LN	BURLESON	TX	76028	9214 8901 5271 8100 1094 88
DOUGLAS INVESTMENTS INC	OR	PO BOX 79148	SAGINAW	TX	76179	9214 8901 5271 8100 1094 95
ONRR	RI	PO BOX 25627	DENVER	CO	80225-062	9214 8901 5271 8100 1095 01
MONTY D MCLANE	PP	PO BOX 9451	MIDLAND	TX	79708	9214 8901 5271 8100 1095 18
MARGARET HUNKER TSUI TR	PP	3200 N TACOMA ST	ARLINGTON	VA	22213	9214 8901 5271 8100 1095 25
CLINTON PACE	OR	544 COMANCHE	LUBBOCK	TX	79404	9214 8901 5271 8100 1095 32
RYAN PACE	OR	6312 73RD ST APT 812	LUBBOCK	TX	79424	9214 8901 5271 8100 1095 49
TARA N PACE	OR	5716 RIDGEMONT PL	MIDLAND	TX	79707	9214 8901 5271 8100 1095 56
ALEYNA N PACE	OR	5716 RIDGEMONT PL	MIDLAND	TX	79707	9214 8901 5271 8100 1095 87
DEVON ENERGY PROD CO LP	WI & OR	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	73102-501	9214 8901 5271 8100 1095 63

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
97946 WC-025 G -06 S223421M; Delaware	44.5/1282.8	45.1/1324.8		
96641 Paduca; Bone Spring	44/1334.9			
96641 Paduca; Bone Spring	46/1321.1			
96641 Paduca; Bone Spring	44/1329.5			

- (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 Subtraction Method
(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 (Well Test Method)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

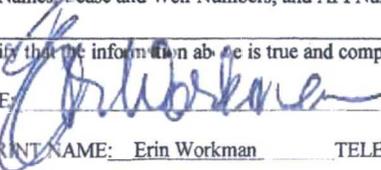
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (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:  TITLE: Regulatory Compliance Assoc. DATE: 02.24.16

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**

**Gaucha 21 Fed 1, 2, 3H, & 4H – 3002534266, 30040626, 3002542136, & 3002542137
Leases NMNM43564**

**Devon Energy Production Company
February 24, 2017
Condition of Approval
Pool Commingling of lease production**

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 or product accountability.
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. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. 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.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.