

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.*5. Lease Serial No.  
NMNM012121

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
COTTON DRAW 112

2. Name of Operator

Contact: ERIN L WORKMAN

DEVON ENERGY PRODUCTION CO Email: ERIN.WORKMAN@DVN.COM

9. API Well No.  
30-015-36435-00-S1

3a. Address

333 WEST SHERIDAN AVE  
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-7970

10. Field and Pool, or Exploratory  
PADUCA

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

Sec 35 T24S R31E NENE 660FNL 660FEL

11. County or Parish, and State

EDDY 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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 recompletion 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 Company, LP respectfully requests an Off-Lease Measurement, Sales, & Storage for the following wells:

Cotton Draw 90  
30-015-31889  
NWNW Sec. 36, T24S, R31E  
49460 Paduca; Delaware

STATEWELL  
THIS WELL PLUGGED

UPD 12/19/14  
Accepted for record  
NMOC

NM OIL CONSERVATION  
ARTESIA DISTRICT

DEC 18 2014

RECEIVED

Cotton Draw 111  
30-015-36197  
NENW Sec. 36-24S-31E  
13370 Cotton Draw; Brushy Canyon

STATEWELL

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Electronic Submission #234216 verified by the BLM Well Information System

For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad

Committed to AFMSS for processing by MEIGHAN SALAS on 04/30/2014 (14MMS0040SE)

Name (Printed/Typed) ERIN L WORKMAN

Title REGULATORY COMPLIANCE ASSOC.

Signature

(Electronic Submission)

Date 01/31/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

J. D. 2 Hittok Jr

Title

EPS

Date

12/15/14

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.

**Additional data for EC transaction #234216 that would not fit on the form**

**32. Additional remarks, continued**

Cotton Draw 112

30-015-36435

NENW Sec. 36-24S-31E *NM012121*

13370 Cotton Draw; Brushy Canyon

*Facility*  
The Cotton Draw #90 has separate production facilities for each well and they have a common SUG CDP #39962 which is located in Sec. 35-T24S-R31E in Eddy County, New Mexico. Oil, gas, and water volumes from the Cotton Draw ~~90 &~~ 111 will be determined by using the Well Test Method. ~~The Cottor.~~ Draw #112 will be producing into its own tank utilizing the tank gauge strapping method for well test. Well tests for these wells will be conducted at least once per month for a minimum of 24 hours. Gas Production will be allocated on a daily basis utilizing the subtraction method from ~~the~~ SUG CDP meter #39962 and the allocation meters #390-33-075, 390-49-087, & #390-33-259. The gas production from the wells listed above will be commingled, measured, and sold off lease.

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

# APPLICATION FOR AN OFF LEASE GAS MEASUREMENT, SALES & STORAGE

## Proposal for the Cotton Draw 111, & 112 leases:

Devon Energy Production Company, LP is requesting approval for Off Lease Gas Measurement, Sales, & Storage for the following wells. These wells were deemed non-commercial under lease #NM709286G.

### State Lease: NM E-9127

Well Name	Location	API #	Pool 13370	BOPD	Oil Gravity	Mcfpd	BTU
Cotton Draw #111	NENW, Sec. 36-24S-31E	30-015-36197	Cotton Draw; Brushy Canyon	9.910	39.8	43.04	1235.8

### Federal Lease: NMNM012121 Royalty Rate 12.5%

Well Name	Location	API #	Pool 13370	BOPD	Gravity	Mcfpd	Oil BTU
Cotton Draw #112	NENE, Sec. 35-24S-31E	30-015-36435	Cotton Draw; Brushy Canyon	8.520	40	22.36	1302.9

These Cotton Draw Unit wells were deemed non-commercial and was placed back to the appropriate single lease.

A map is enclosed showing the Federal Leases and well locations in Sec. 35 & 36-24S-31E.

The BLM's interest in the Cotton Draw #112 well is 12.5% royalty rate.

### Oil & Gas metering:

The Cotton Draw 90 Facility has separate production facilities for each well and they have a common SUG CDP #39962 which is located in Sec. 35-NWSW-T24S-R31E in Eddy County, New Mexico. Gas volumes from the Cotton Draw 111 will be determined by using gas allocation meter # 390-33-075. The Cotton Draw #112 will be producing into its own separator/heater treater. Oil production will go into one of two tanks that will be utilized by the Cotton Draw 112 only. Gas for the Cotton Draw 112 will be allocated using allocation meter #390-33-259. The oil will be measure by tank gauging to obtain daily production volumes. Gas Production will be allocated on a daily basis utilizing the subtraction method from the SUG CDP meter #39962 and the allocation meters #390-33-075 & #390-33-259. The gas production from the wells listed above will be measured, commingled, and sold off lease.

These meters, including the Cotton Draw 111 allocation meter 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 a map which shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on Category III of the BLM's guidance in IM 2013-152. The proposed commingling is the only economical way that Devon can sell the gas due to low volume gas production by the Cotton Draw 112. SUG will not install another meter and it is not economical in order to produce approximately 600 MCF per month from the Cotton Draw 112. This proposal 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. **ROW approved on January 4, 2008 #NM-119479 approved Feb. 21, 2008 #NM-11989, for gas sales SUG line #39962.**

The working interest, royalty interest, and overriding interest owners are not identical; parties have been notified by certified mail (see attached)

Signed:

Printed Name: Erin Workman

Title: Regulatory Compliance Associate

Date: 01.31.14

12.15.14

CDU#90

Sec-36,T24S, R31E

660FNL&amp;660FWL

Eddy, N.M

API# 30-015-31889

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 unaccessible.

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: Production Line

Valve #2: Test or Roll line

Valve #3: Equilizer Line

Valve #4: Circ./Drain Line

Valve #5: Sles Line

Valve #6: BS&amp;W Load Line

Buried Lines:

Firewall:

Wellhead:

Stak-pak:

Production line:

Water line:

Gas Meter

A

M

C

SUG CDP #39962  
Section 35-24S-31E#390-33-075  
Allocation MeterAllocation  
Meter CD 112  
#390-33-259

CD 111

CD 112

Production  
Oil line  
P.W lineProduction  
Heater Treater & Sep

P/W line

Production Heater, FWKO & Sep  
CD 111H/T  
Out of service

Out of service

North →

Production System Open  
Oil Trucked

1. Production Phase OT#1

(1) valve #1 and 3 open

(2) valve 2, 4, &amp; 5 sealed closed.

(3) Valve on tk #2, 3, 4 positioned.

A. Valve 1, 2, 4, 5 sealed closed.

B. Valve 3 open.

Sales Phase OT#1

1. Valves 1, 2, 3, sealed closed

2. Valve #5 in open position

3. OT#2 positioned

A. Valve 1, 3 open

B. Valve 2, 4 &amp; 5 sealed close

3. Valves on tank 3

A. Valves 2, 4, 5 sealed close

B. Valve 3 open.

4. Low Profile tanks. 1&amp;2

A. Valves 1, 2, 3, 4, 5 sealed close

Cotton Draw #90  
API-30-015-31889  
Sec-36,T24S, R31E  
660 FNL & 660 FWL  
Eddy County, NMNote:  
Devon Energy Site Security Plan  
located in the Artesia Main Office

NMNM 0000543

027

NMNM 0001181

026

NMNM 0012121

CD 112

025

NMNM 0012121

03

NMNM 0037489

CD 90

CD 111

CD Facility

NMNM 12

State Lease

034

035

036

03

NMNM 0036379

Gas line

SUG CDP  
#39962

NMNM 0042625

003

002

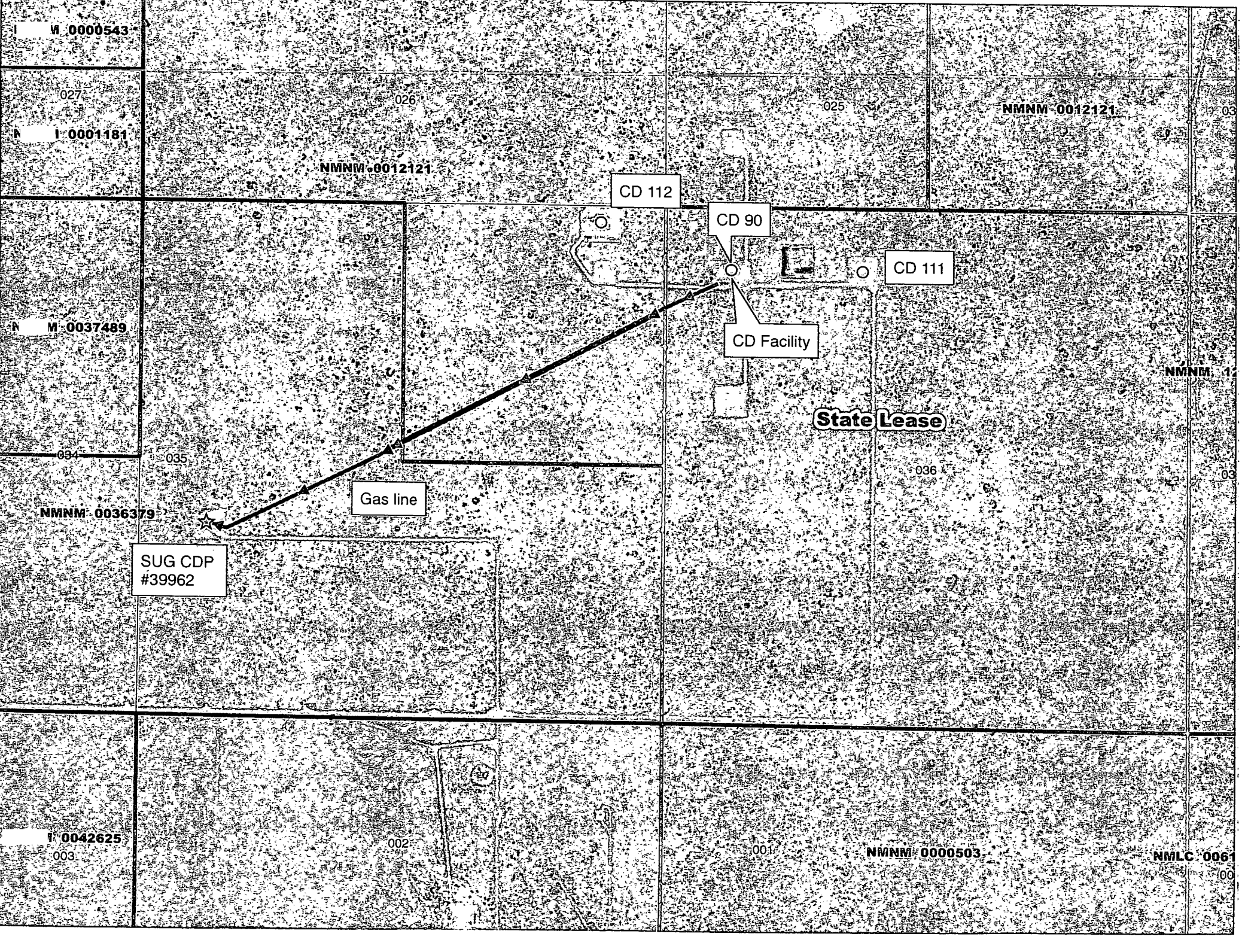
001

NMNM 0000503

NMLC 0061

00





N 0000543

N 0001181

N 0037489

NMNM 0036379

N 0042625  
003

NMNM 0012121

CD 112

CD 90

CD 111

CD Facility

State Lease

Gas line

SUG CDP  
#39962

NMNM 0000503

NMLC 0061



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

Run Time: 08:06 AM

Page 1 of 3

Run Date: 12/08/2013

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

1,280.000

NMNM-- 0 012121

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 0 012121

Name & Address			Int Rel	% Interest
BEARING SERVICE SUPPLY	PO BOX 100	ARTESIA NM 88211	OPERATING RIGHTS	0.0000000
CHASE RICHARD L	505 S BOLTON RD	ARTESIA NM 88210	OPERATING RIGHTS	0.0000000
CHEVRON USA HOLDINGS INC	11111 S WILCREST	HOUSTON TX 77099	OPERATING RIGHTS	0.0000000
CHEVRON USA INC	15 SMITH RD	MIDLAND TX 79705	OPERATING RIGHTS	0.0000000
CHEVRON USA INC	15 SMITH RD	MIDLAND TX 79705	LESSEE	50.0000000
COG OPERATING LLC	600 W ILLINOIS AVE, ONE CONCHO CENTE	MIDLAND TX 79701	OPERATING RIGHTS	0.0000000
CONCHO OIL & GAS LLC	600 W ILLINOIS AVE, ONE CONCHO CENTE	MIDLAND TX 797014882	OPERATING RIGHTS	0.0000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	50.0000000
HANAGAN HUGH E	PO BOX 329	ROSWELL NM 88202	OPERATING RIGHTS	0.0000000
HANAGAN PETROLEUM CORP	PO BOX 1737	ROSWELL CO 882021737	OPERATING RIGHTS	0.0000000
MARBOB ENERGY CORP	PO BOX 227	ARTESIA NM 882110227	OPERATING RIGHTS	0.0000000
XTO ENERGY INC	810 HOUSTON ST #2000	FT WORTH TX 761026298	OPERATING RIGHTS	0.0000000

Serial Number: NMNM-- 0 012121

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0240S 0310E 025	ALIQ		W2,SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0240S 0310E 026	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0240S 0310E 035	ALIQ		NE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 012121

Act Date	Code	Action	Action Remark	Pending Office
09/30/1949	387	CASE ESTABLISHED		
12/01/1950	496	FUND CODE	05;145003	
12/01/1950	530	RITY RATE - 12 1/2%		
12/01/1950	868	EFFECTIVE DATE		
07/16/1952	209	CASE CREATED BY SEGR	OUT OF NMNM0522;	
01/10/1956	235	EXTENDED	THRU 12/01/60;	
07/28/1958	232	LEASE COMMITTED TO UNIT	NMNM70928X;COTTON DRA	
10/16/1958	140	ASGN FILED	E PAULEY/PAULEY PETRO	
05/05/1959	139	ASGN APPROVED	EFF 11/01/58;	
08/31/1959	140	ASGN FILED	HARRISON/PAULEY PETRO	
09/18/1959	140	ASGN FILED	PAULEY PETRO/TEXACO	
01/28/1960	139	ASGN APPROVED	EFF 02/01/60;	
01/28/1960	139	ASGN APPROVED	EFF 11/01/59;	
12/21/1960	651	HELD BY PROD - ALLOCATED	COTTON DRAW UA	
01/25/1961	102	NOTICE SENT-PROD STATUS		
07/22/1969	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
07/22/1969	510	KMA CLASSIFIED		
05/20/1970	315	RENTAL RATE DET/ADJ	\$1.00;	
05/20/1970	500	GEOGRAPHIC NAME	COTTON DRAW FLD;	
05/20/1970	512	KMA EXPANDED		
09/28/1987	974	AUTOMATED RECORD VERIF	GEA/MLO	
11/17/1988	963	CASE MICROFILMED	CNUM 565,519	
08/06/1990	899	TRF OF ORR FILED		
03/27/1991	817	MERGER RECOGNIZED	HONDO/PAULEY	
03/27/1991	940	NAME CHANGE RECOGNIZED	PAULEY/HONDO O&G	
03/27/1991	974	AUTOMATED RECORD VERIF	GLC/MT	

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

January 31, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

**Re: Pool Commingle, Off Lease Gas Measurement, Sales, & Storage  
Cotton Draw 90, Cotton Draw 111, & Cotton Draw 112  
Sec 36-T24S, R31E  
NMNM E-9127 & NMNM012121  
API: #30-015-31889, 30-015-36197, & 30-015-36435  
Pool: 49460 Paduca; Delaware, 13370 Cotton Draw; Brushy Canyon, & 13370 Cotton Draw;  
Brushy Canyon  
Eddy 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 for an Off Lease Measurement, Sales, & Storage for the above mentioned wells.

A copy of our application submitted to the Division & the BLM's approval are 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, appearing to read "Erin Workman". The signature is stylized with a large, looped "E" and a cursive "Workman".

Erin Workman  
Regulatory Compliance Associate

Enclosure

**CERTIFIED MAILING LIST**Well Name: **Cotton Draw 90, 111H, 112H**

Date Mailed:

**Repondent Name/Address:****Certified Mailing Number:**

Ballard E. Spencer Trust Inc.

91 7199 9991 7030 9086 3684

PO Box 6

Artesia, NM 88211

Robert E Ferguson &amp; Rosemary Ferguson

91 7199 9991 7030 9086 3691

Trustees of the Ferguson Family Trust

713 Clayton Ave

Artesia, NM 77210

Jan Elise McWhirter Fescenmeyer

91 7199 9991 7030 9086 3707

7105 Battle Creek Rd.

Ft Worth, TX 76116

Leda Zelios

91 7199 9991 7030 9086 3714

618 Pecan Creek Dr.

Sunnyvale, TX 75182

Wells Fargo Bank, N.A. Trustee

91 7199 9991 7030 9086 3721

of Irene L. Southard Mangement Trust

PO Box 5383

Denver, CO 80217

Douglas A. Denton

91 7199 9991 7030 9086 3738

1501 Princeton Ave.

Midland, TX 79701

JADT Minerals, Ltd.

91 7199 9991 7030 9086 3745

PO Box 190229

Dallas, TX 75219-0229

Richard C. Gibson

91 7199 9991 7030 9086 3752

PO Box 3317

Midland, TX 79702

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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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

*Erin Workman*  
 Signature

Regulatory Compliance Associate  
 Title

01.31.14  
 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 (Coriolis Test 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 (Coriolis 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: 01.30.14

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

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

26

26

25

25

Cotton Draw Unit 90

24S 31E

Cotton Draw Unit 111

USA NMNM.012121

Cotton Draw Unit 112

ST of NM E-9127-6

25S 31E 1

2



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

**Cotton Draw 112, Lease: NM012121  
Devon Energy Production Co.**

December 15, 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. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
12. This approval grants authorization for any off lease storage, measurement, and sales which may be appropriate.