

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Devon Energy Production Company, LP,
whose address is 333 West Sheridan Avenue, OKC, OK 73102,
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
6/30/16, Yr 2016, for the following described tank battery (or LACT):
Name of Lease NMNM0503 Name of Pool Cotton Draw; Delaware, south
Location of Battery: Unit Letter P Section 11 Township 25S Range 31E
Number of wells producing into battery 4 Wells: Cotton Draw Unit 158H (30-015-39729),
162H (30-015-39730) 164H (30-015-39376), Cotton Draw 11 Fed 2H ((30-015-39375)
- B. Based upon oil production of 184 barrels per day, the estimated * volume
of gas to be flared is 287 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility: Currently tied into DCP Midstream
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: _____
Devon requesting flare due to upcoming Zia Maintenance on Tuesday March 22nd. We are requesting a
flare extension for 90 days, starting March 21, 2016 to June 20, 2016, Received Verbal from Charles
Nimmer (BLM) on 03.21.16

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature Erin Workman

Printed Name
& Title Erin Workman, Regulatory Compliance Prof.

E-mail Address Erin.workman@dvn.com

Date 03.21.16 Telephone No. (405) 552-7970

OIL CONSERVATION DIVISION

Approved Until 6-30-2016

By Amelia Bustamante

Title _____

Date 4/4/2016

* See attached C.O.A.'s

* Gas-Oil ratio test may be required to verify estimated gas volume.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Devon Energy Production Co LP
Cotton Draw Unit 158H/162H/164H & Cotton Draw 11 Federal 2H
NMNM0503/70928G/70928H/70928X

03/22/2016

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, (from 03/21/2016 to 06/20/2016), if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulfur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.