

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS ARTESIA DISTRICT
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

31 2016

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

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 NMNM14768
2. Name of Operator DEVON ENERGY PRODUCTION CO LP Contact: ERIN WORKMAN Email: Erin.workman@dvn.com		7. If Unit or CA/Agreement, Name and/or No. NMNM133040
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory AVALON-DELAWARE CEDAR HILL
		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 Surface Commingling
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<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 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 shall 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 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 approval for a Central Tank Battery/Off Lease Measurement for the following wells:

Cerf 10 Fed 3H
NENE, Sec 9, T21S, R27E
NMNM14768 (12.5%)
30-015- 41058
Avalon; Bone Spring, East

Cerf 10 Fed 4H
SENE, Sec 9, T21S, R27E
NMNM14768, NMNM017097, CA- NMNM133040 (12.5%)

14. I hereby certify that the foregoing is true and correct. Electronic Submission #331561 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad Committed to AFMSS for processing by DUNCAN WHITLOCK on 02/18/2016 (16DW0012SE)	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 02/16/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>J.D. Whitlock</u>	Title <u>TLPET</u>	Date <u>10/20/16</u>
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 <u>CFO</u>

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #331561 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM14768	NMNM14768	CERF 10 FEDERAL 3H	30-015-41058-00-S1	Sec 9 T21S R27E NENE 1275FNL 300FEL
NMNM133040	NMNM14768	CERF 10 FEDERAL COM 4H	30-015-41059-00-S1	Sec 9 T21S R27E SENE 1325FNL 300FEL

32. Additional remarks, continued

30-015- 41059

Avalon; Bone Spring, East

The Central tank battery is located at the Cerf 10 Fed 3H & Cerf 10 Fed Com 4H Battery, in Sec 9, T21S, R27E, in Eddy County, New Mexico. The production from the Cerf 10 Fed 3H & 4H will come into a common production header with isolation lines to route each wells production. From this point one will be on test and its production routed through the test equipment. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Cerf 10 Fed Com 4H Battery will have three oil tanks that both wells will utilize and they have a common Federal Measurement Point #885-33-192 on location in the northwest corner. Oil, gas, and water volumes from these two wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Oil will be sold through a common Smith LACT Meter SNP50198.

ROW has been obtained, RW-NM 129519 & 129520.

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

ATTACHMENT: Deliverables

APPLICATION FOR SURFACE COMMINGLING\OFF-LEASE MEASUREMENT, SALES, & STORAGE

Proposal for the Cerf 10 Fed Com 3H & 4H:

Devon Energy Production Company, LP is requesting approval for a Surface Commingling\Off-Lease Measurement of the following wells:

Federal Lease NMNM14768 (12.5%)

Well Name	Location	API #	Pool 3713	BOPD	Oil Gravities	MCFPD	BTU
Cerf 10 Fed 3H	NENE, Sec 9, T21S, R27E	30-015- 41058	Avalon; Bone Spring, East	192.5	40.3	458	1211.9

Federal Lease NMNM14768 (12.5%) & NMNM017097 (12.5%) CA- NMNM133040 (12/5%)

Well Name	Location	API #	Pool 3713	BOPD	Oil Gravities	MCFPD	BTU
Cerf 10 Fed Com 4H	SENE, Sec 9, T21S, R27E	30-015- 41059	Avalon; Bone Spring, East	165.4	40.1	1109.45	1165.7

Attached is a map displays the federal leases and well locations in Section 9, T21S, R27E.

The BLM's interest in these wells are the same.

Oil & Gas metering:

The central tank battery is located at the Cerf 10 Fed 3H & Cerf 10 Fed Com 4H Battery, in Sec 9, T21S, R27E, in Eddy County, New Mexico. The production from the Cerf 10 Fed 3H & 4H will come into a common production header with isolation lines to route each wells production. The Cerf 10 Fed Com 4H will be continuously metered, while the Cerf 10 Fed 3H will be measured through the subtraction method. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Cerf 10 Fed 3H & Fed Com 4H Battery will have three oil tanks that both wells will utilize and they have a common gas Federal Measurement Point #885-33-192 on location in the northwest corner. Oil will be sold through a common Smith LACT Meter P655654332.

The production from these wells will come into a common production header with isolation lines to route each wells production. From this point, the Cerf 10 Fed Com 4H will be continuously metered. Production from the Cerf 10 Fed Com 4H flows into the inlet separator. Gas from the separator flows through the Cerf Fed Com 4H gas meter #885-49-191. Liquids flow from the inlet separator to the FWKO. Oil from the FWKO flows to the Cerf Fed Com 4H heater treater, while water flows through a turbine meter to two 500 bbl. fiberglass water tanks. Oil exiting the Cerf Fed Com 4H heater treater is measured by the Micro Motion Coriolis Meter #14373043 before entering the ULPS and finally the 500 bbl oil tanks.

Production from the Cerf 10 Fed 3H will be measured utilizing the subtraction method. Production will flow into the header and then into the inlet separator. Gas will flow out of the separator and combine with the Cerf 10 Fed Com 4H gas after the 4H gas meter (#885-49191). The combined gas stream flows to another 2 phase separator prior to the Federal Measurement Point #885-33-192. Liquids from this vent gas separator dumps to the water tanks. Oil and water from the Cerf 10 Fed 3H production stream will flow into its own heater treater. Following the heater treater, the oil will combine with the Cerf 10 Fed Com 4H oil stream (after the coriolis meter) and the combined oil stream will flow into the ULPS before the oil tanks. The water from the Cerf 10 Fed 3H heater treater is goes to the water tanks. Gas from the Cerf 10 Fed 3H heater treater also goes to the ULPS and eventually the VRUs. Gas from the VRU is measured with meter #885-00-190 prior to being combined with the other produced gas stream in the vent gas separator.

Oil production for the Cerf 10 fed com 4H will be allocated utilizing the Micro Motion Coriolis Meter #14373043, the production from the Cerf 10 Fed 3H will be allocated based on the subtraction method. Gas volumes will also be allocated based on the subtraction method for the Cerf 10 Fed 3H. The Cerf 10 Fed Com 4H gas production will be allocated back utilizing gas meter #885-49-191. Gas from the VRUs will be allocated back based on each wells monthly oil production. All 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 facility diagram, along with a description of each vessel and map which shows the lease boundaries, communization agreement boundaries, and location of 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.

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 has been obtained, RWNM-129519 & 129520.

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

Signed: Erin Workman

Printed Name: Erin Workman

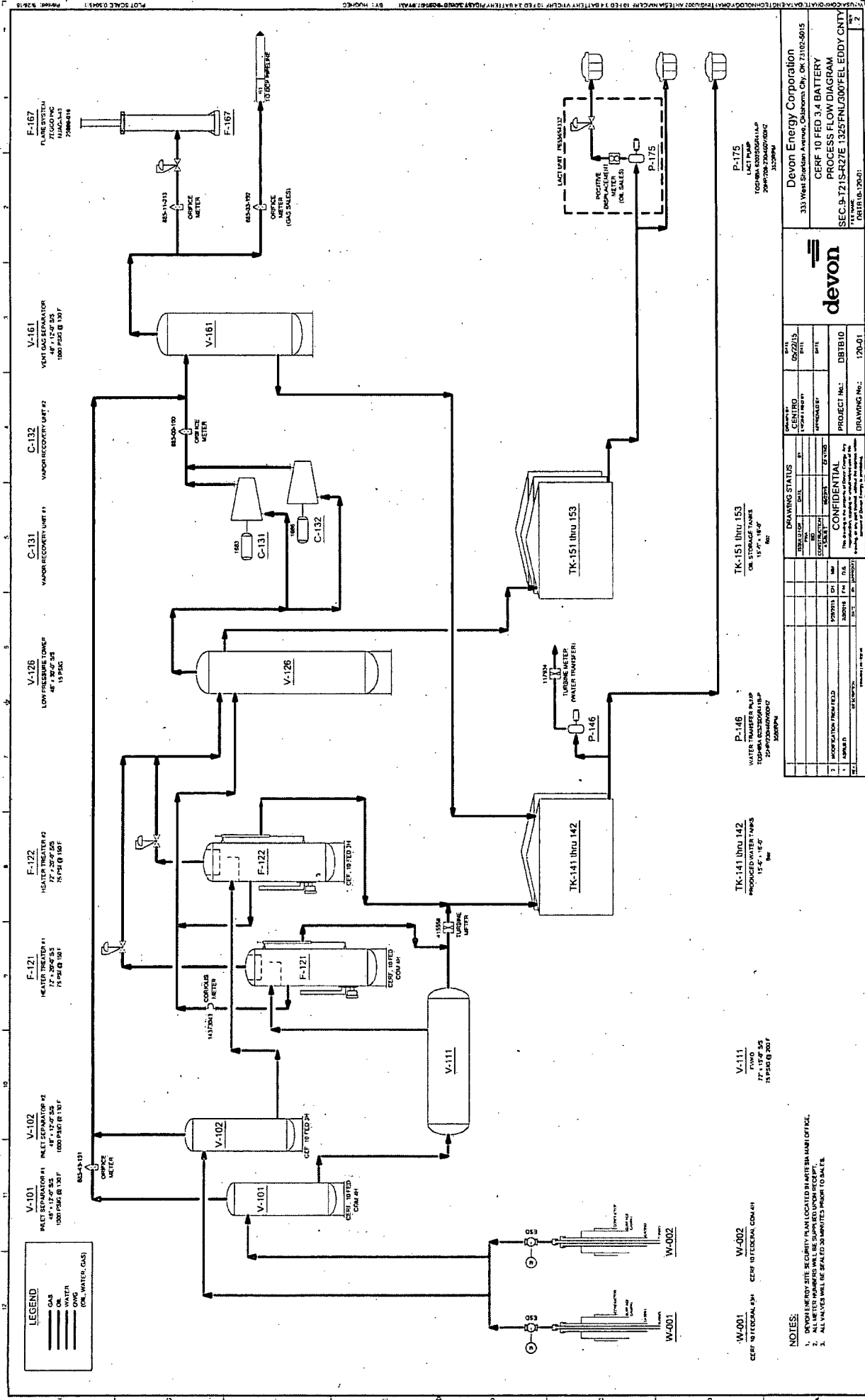
Title: Regulatory Compliance Professional

Date: 02.12.16

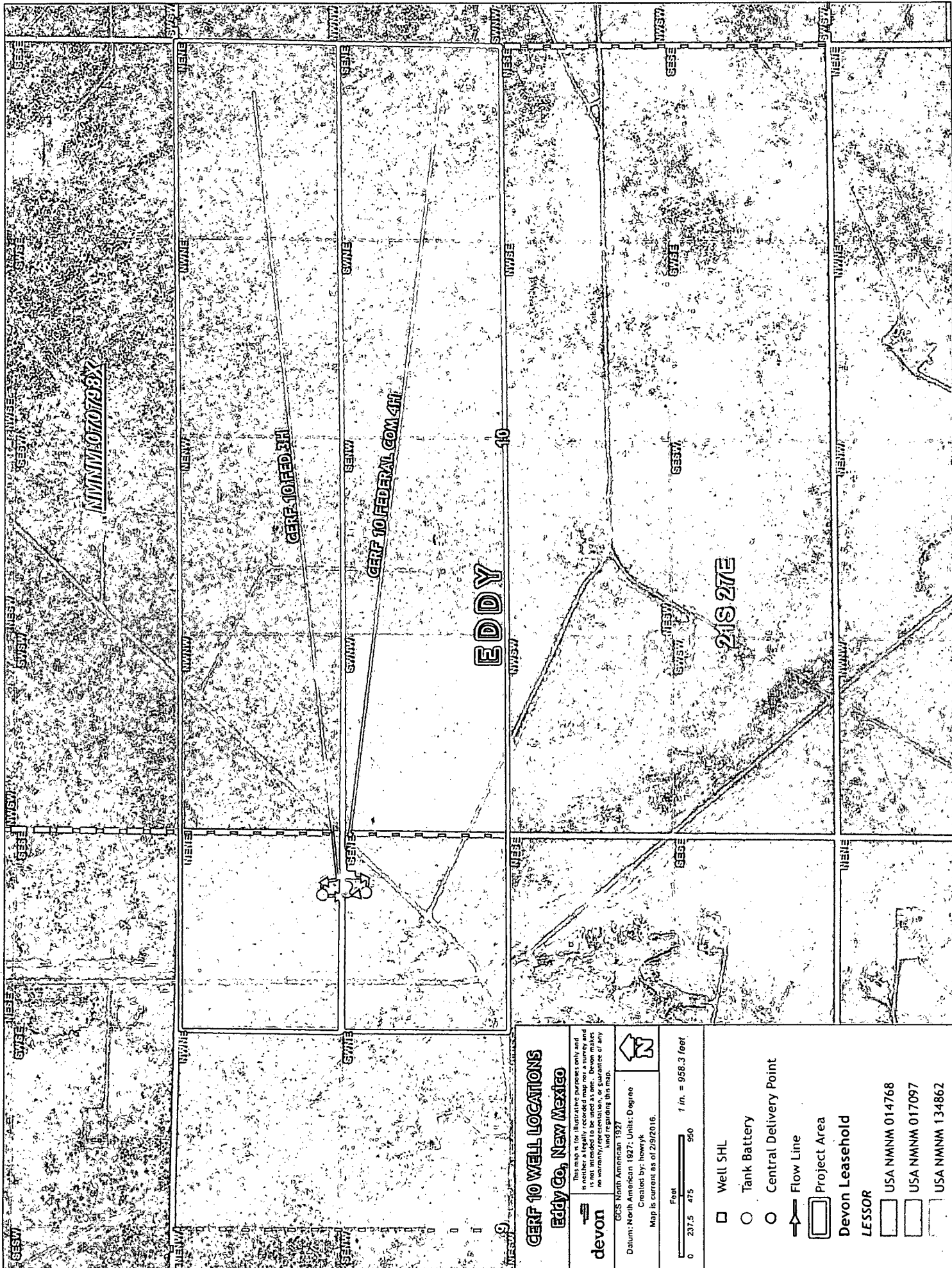
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V-NM te



NOTES: 1. DEVON ENERGY SITE IN CUNY PLAN LOCATED IN ANTI-SHA HAZI OFFICE. 2. ALL WATER PUMPS WILL BE SUPPLIED WITH RECEIPT. 3. ALL VALVES WILL BE SUPPLIED IN ANTI-SHA HAZI OFFICE.				DEVON ENERGY CORPORATION 333 West Sheridan Avenue, Oklahoma City, OK 73102-6015 CERF 10 FED 3.4 BATTERY PROCESS FLOW DIAGRAM SEC. 9-121S-R27E 1325FNL/300FEL EDDY CUNY DATE: 08/18/06 17:00:01			
DEVON				CONFIDENTIAL			
DRAWING STATUS				PROJECT INFORMATION			
DESIGNED BY	DATE	APPROVED BY	DATE	PROJECT NO.	DRAWING NO.		
CENTRO	05/22/15	APPROVED BY	DATE	DBTB10	1700-01		
DESIGNED BY	DATE	APPROVED BY	DATE	PROJECT NO.	DRAWING NO.		
CENTRO	05/22/15	APPROVED BY	DATE	DBTB10	1700-01		
DESIGNED BY	DATE	APPROVED BY	DATE	PROJECT NO.	DRAWING NO.		
CENTRO	05/22/15	APPROVED BY	DATE	DBTB10	1700-01		



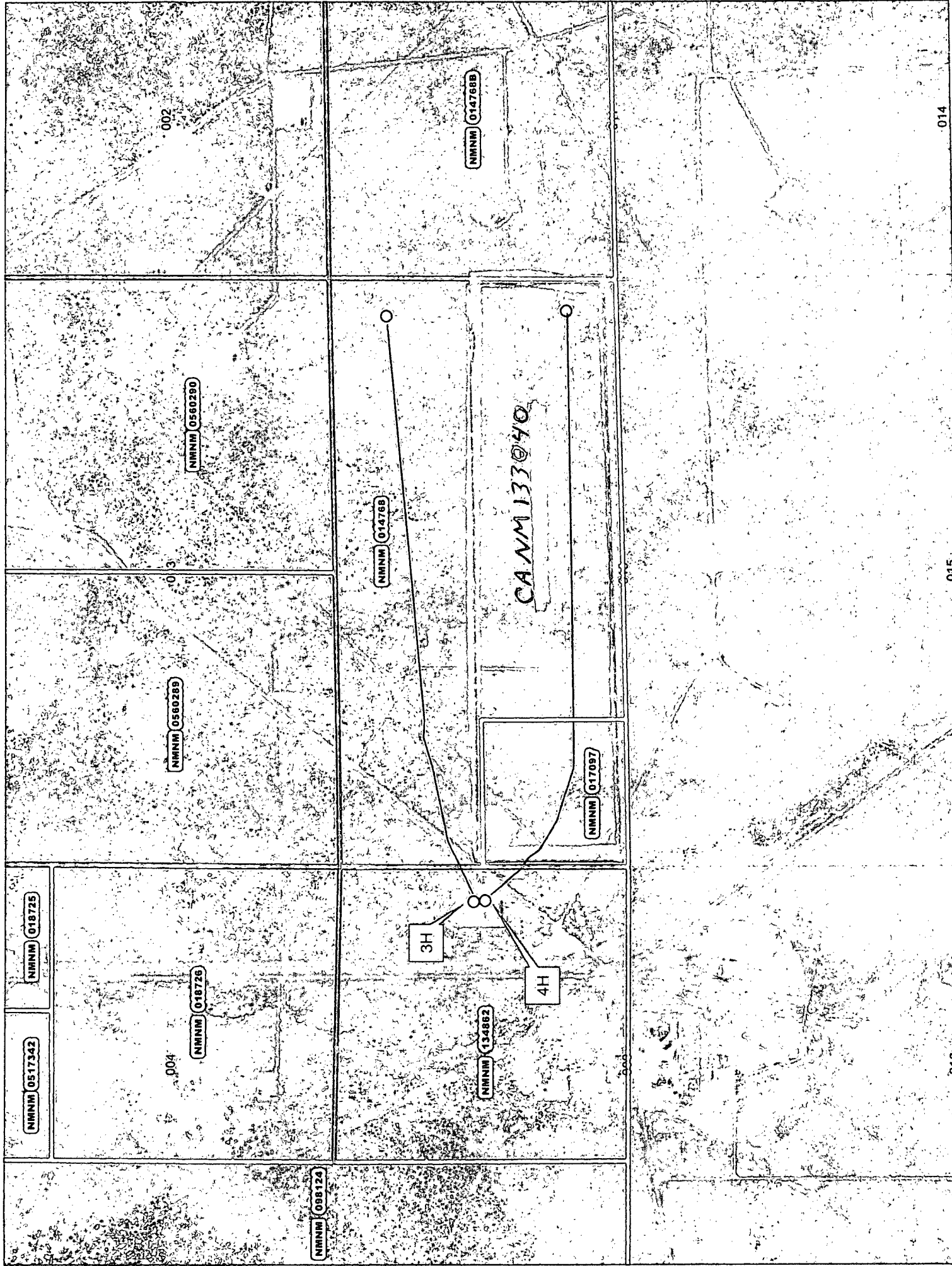
CERF 10 WELL LOCATIONS **Eddy Co, New Mexico**

This map is for illustrative purposes only and is not intended to be used as a legal document. It is not a warranty, representation, or guarantee of any kind regarding this map.

GCS North American 1927
 Datum: North American 1927; Units: Degree
 Created by: howryk
 Map is current as of 2/9/2016.

Foot
 0 237.5 475 950
 1 in. = 958.3 feet

- Well SHL
 - Tank Battery
 - Central Delivery Point
 - Flow Line
 - Project Area
- Devon Leasehold
- LESSOR
- USA NMNM 014768
- USA NMNM 017097
- USA NMNM 134862



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

Run Time: 01:15 PM

Page 1 of 2

Run Date: 02/14/2014

01 02-25-1920;041STAT0437;30USC181ETSEQ	Total Acres	Serial Number
Case Type 311211: O&G LSE SIMO PUBLIC LAND	280.000	NMNM-- - 014768
Commodity 459: OIL & GAS L		
Case Disposition: AUTHORIZED		

Serial Number: NMNM-- - 014768

Name & Address	Int Rel	% Interest
DEVON ENERGY PROD CO LP ENERGEN RESOURCES CO	333 W SHERIDAN AVE 605 RICHARD ARRINGTON JR BLVD OKLAHOMA CITY OK 731025010 BIRMINGHAM AL 352032707	LESSEE LESSEE 90.783898000 9.216102000

Serial Number: NMNM-- - 014768

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0210S 0270E 010	ALIQ		NE,E2NW,NWNW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 014768

23 0210S 0270E 724	FF	NW,W2SW,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0210S 0270E 711	FF	N2,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0210S 0270E 726	FF	NENE,W2NE,E2NW,NWSE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0210S 0270E 734	FF	S2SE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0210S 0270E 735	FF	N2,W2SW,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0210S 0270E 725	FF	NWNW,NESW,SWSE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 014768

Act Date	Code	Action	Action Remark	Pending Office
10/25/1971	387	CASE ESTABLISHED	SPAR67;	
10/26/1971	888	DRAWING HELD		
01/27/1972	237	LEASE ISSUED		
02/01/1972	496	FUND CODE	05;145003	
02/01/1972	530	RLTY RATE - 12 1/2%		
02/01/1972	868	EFFECTIVE DATE		
03/01/1972	570	CASE SEGREGATED BY ASGN	INTO NMNM14768-A;	
03/03/1973	500	GEOGRAPHIC NAME	BURTON FLAT FLD;	
03/03/1973	510	KMA CLASSIFIED		
03/16/1973	315	RENTAL RATE DET/ADJ	\$2.00;	
08/22/1973	660	MEMO OF 1ST PROD-ALLOC	SW-804	
08/23/1973	650	HELD BY PROD - ACTUAL		
08/23/1973	660	MEMO OF 1ST PROD-ALLOC	SW-805	
10/11/1973	102	NOTICE SENT-PROD STATUS		
12/20/1973	246	LEASE COMMITTED TO CA	SW-804 EFF 08/15/1973	
12/20/1973	246	LEASE COMMITTED TO CA	SW-805 EFF 08/15/1973	
09/24/1984	140	ASGN FILED		
10/10/1984	570	CASE SEGREGATED BY ASGN	INTO NMNM14768-B;	
12/06/1984	600	RECORDS NOTED		DMG
12/27/1984	963	CASE MICROFILMED	CNUM 106,844	
11/20/1985	140	ASGN FILED	MONSANTA CO/OIL CO	
12/13/1985	139	ASGN APPROVED	EFF 12/01/85;	
07/15/1986	917	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
01/15/1988	974	AUTOMATED RECORD VERIF		CB/CB
09/12/1991	140	ASGN FILED	BHP PETRO/BHP AMERICA	
12/04/1991	139	ASGN APPROVED	EFF 10/01/91;	
12/04/1991	974	AUTOMATED RECORD VERIF		SSP/VHG
10/02/1992	140	ASGN FILED	CHEVRON/CHEVRON PBC	
01/04/1993	139	ASGN APPROVED	EFF 06/01/93;	

**NM OIL CONSERVATION
ARTESIA DISTRICT**

OCT 31 2016

RECEIVED

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

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

Run Time: 12:37 PM

Page 1 of 2

Run Date: 02/11/2014

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

160.470

NMNM-- - 017097

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 017097

Name & Address	Int Rel	% Interest
DEVON ENERGY PROD CO LP ENERGEN RESOURCES CO	LESSEE	0.00000000
333 W SHERIDAN AVE 605 RICHARD ARRINGTON JR BLVD	LESSEE	0.00000000
OKLAHOMA CITY OK 731025010 BIRMINGHAM AL 352032707		

Serial Number: NMNM-- - 017097

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0210S 0260E 001	LOTS		17,18,19,20;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0210S 0270E 010	ALIQ		SWNW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 017097

23 0210S 0260E 701	FF	1-4,RESUR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
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Serial Number: NMNM-- - 017097

Act Date	Code	Action	Action Remark	Pending Office
08/31/1962	387	CASE ESTABLISHED		
09/01/1962	496	FUND CODE	05;145003	
09/01/1962	530	RLTY RATE - 12 1/2%		
09/01/1962	868	EFFECTIVE DATE		
08/29/1972	209	CASE CREATED BY SEGR	OUT OF NMNM0560289;	
01/07/1973	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
01/07/1973	510	KMA CLASSIFIED		
03/03/1973	500	GEOGRAPHIC NAME	BURTON FLAT FLD;	
03/03/1973	512	KMA EXPANDED		
03/16/1973	315	RENTAL RATE DET/ADJ	\$2.00;	
08/15/1973	246	LEASE COMMITTED TO CA	SW804	
08/15/1973	246	LEASE COMMITTED TO CA	SW805	
08/22/1973	651	HELD BY PROD - ALLOCATED	SW-804	
08/22/1973	660	MEMO OF 1ST PROD-ALLOC	SW-804	
08/23/1973	660	MEMO OF 1ST PROD-ALLOC	SW-805	
05/31/1974	102	NOTICE SENT-PROD STATUS		
07/22/1974	246	LEASE COMMITTED TO CA	SW-918	
07/15/1976	246	LEASE COMMITTED TO CA	SRM-1118	
07/31/1976	235	EXTENDED	THRU 07/31/78;	
07/31/1976	522	CA TERMINATED	SW-918	
08/28/1978	500	GEOGRAPHIC NAME	CATCLAW DRAW FLD;	
05/12/1982	660	MEMO OF 1ST PROD-ALLOC	SCR-431	
05/27/1982	246	LEASE COMMITTED TO CA	SCR-431	
06/15/1984	913	CONFORMED TO SRVY/RESRVY	RESURVEYED	
07/13/1984	600	RECORDS NOTED		
07/15/1986	817	MERGER RECOGNIZED	CHEVRON USA/GULF OIL	
07/15/1986	940	NAME CHANGE RECOGNIZED	GULF OIL/CHEVRON USA	
06/05/1987	963	CASE MICROFILMED	CNUM 107,194 NAT	
08/28/1987	660	MEMO OF 1ST PROD-ALLOC	NM061P35-88C322	
01/13/1988	974	AUTOMATED RECORD VERIF	CB/CB	
06/03/1992	974	AUTOMATED RECORD VERIF	DGT/VHG	
10/02/1992	140	ASGN FILED	CHEVRON/CHEVRON PBC	
01/04/1993	139	ASGN APPROVED	BFF 11/01/92;	
01/04/1993	974	AUTOMATED RECORD VERIF	ANN/JS	

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

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

Run Time: 01:52 PM

Page 1 of 1

Run Date: 02/11/2016

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 133040

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 133040

Name & Address	Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220
DEVON ENERGY CORP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010
	OFFICE OF RECORD	0.000000000
	OPERATOR	100.000000000

Serial Number: NMNM-- - 133040

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 02105 0270E 010	ALIQ		S2N2:	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 133040

Act Date	Code	Action	Action Remark	Pending Office
01/01/2013	387	CASE ESTABLISHED		
01/01/2013	516	FORMATION	BONE SPRING	
01/01/2013	526	ACRES-FED INT 100%	160; 100%	
01/01/2013	868	EFFECTIVE DATE	3001541059	
10/24/2013	654	AGRMT PRODUCING	/1/	
07/31/2014	643	PRODUCTION DETERMINATION	/1/	
07/31/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ 3001541059	

Serial Number: NMNM-- - 133040

Line Nr	Remarks
0001	RECAPITULATION EFFECTIVE 01/01/2013
0002	TR# LEASE# AC COMMITTED % INT
0003	1 NMNM17097 40 25
0004	2 NMNM14768 120 75
0005	TOTAL 160 100

OCT 31 2016

RECEIVED



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

February 11, 2016

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Cerf 10 Fed 3H & Cerf 10 Fed Com 4H
Sec 9, T21S, R27E
Lease: NMNM14768 & NMNM017097
API: #30-015-41058 & 30-015-41059
Pool: Avalon; Bone Spring, East

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 a Central Tank Battery 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 that reads "Erin Workman". The signature is written in a cursive, flowing style.

Erin Workman
Regulatory Compliance Professional

Enclosure

E-CERTIFIED MAILING LIST

Mailing Reference: **Cerf 10 Fed 3H & 4H**

<u>Repondent Name/Address:</u>	<u>E-Certified Mailing Number:</u>
Energen 1994 Pennzoil 605 Richard Arrington Jr. Blvd. North Birmingham, AL 35203-2707	91 7199 9991 7032 9625 7096
Elizabeth L. Kaderli Trust Elizabeth L. Kaderli Trustee 4718 Hallmark Drive, Apt. 304 Houston, TX 77056	91 7199 9991 7032 9625 7010
Casa Grande Royalty Co., Inc. P.O. Box 2305 Midland, TX 79702	91 7199 9991 7032 9625 7027
Clifton Wilderspin P.O.Box 50088 Midland, TX 79710	91 7199 9991 7032 9625 7034
Travis Reeves Estate Mable Claire Reeves Ind. Executive Presbyterian Village North 8600 Skyline Drive, Apt. 2205 Dallas, TX 75243-4171	91 7199 9991 7032 9625 7041
Bernard Lee House, Jr. P.O.Box 51707 Midland, TX 79710-1707	91 7199 9991 7032 9625 7058
John W. Gates, LLC 706 West Grand Avenue Artesia, NM 88210	91 7199 9991 7032 9625 7065
McCaw Family Trust Nora Helen McCaw Trustee 210 Crossbow Road Artesia, NM 88210	91 7199 9991 7032 9625 7072
Lloyd Co, a Partnership P.O. Box 1588 Tulsa, OK 74010-1588	91 7199 9991 7032 9625 7089

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



NM OIL CONSERVATION
 ARTESIA DISTRICT

OCT 31 2016

ADMINISTRATIVE APPLICATION CHECKLIST

RECEIVED

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

Signature

Regulatory Compliance Professional 02.11.16
 Title Date

Erin.Workman@dvn.com
 E-mail Address

NM OIL CONSERVATION

ARTESIA DISTRICT

Form C-107-B

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

OCT 31 2016

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

RECEIVED

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 (Subtraction 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: Erin Workman TITLE: Regulatory Compliance Prof. DATE: 02.11.16

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

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

NM OIL CONSERVATION ARTESIA DISTRICT

OCT 31 2016

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41058	² Pool Code 3713	³ Pool Name Avalon; Bone Spring, East
⁴ Property Code 39694	⁵ Property Name CERF 10 FEDERAL	⁶ Well Number 3H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3211.8

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	21 S	27 E		1275	NORTH	300	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	10	21 S	27 E		594	NORTH	330	EAST	EDDY

¹² Dedicated Acres 160 ac	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

PP: 1223 FNL & 299 FEL Sec. 9-21S-27E
Project Area:
Producing Area:

SECTION 9
N/4 CORNER SEC. 9
LAT. = 32.5020964°N
LONG. = 104.184747°W
N/4 CORNER SEC. 10
LAT. = 32.5019474°N
LONG. = 104.1778174°W
1/4 CORNER SEC. 9
LAT. = 32.4946588°N
LONG. = 104.1863247°W
1/4 CORNER SEC. 10
LAT. = 32.4947873°N
LONG. = 104.1691234°W

WELL LOCATION
LAT. = 32.5020964°N
LONG. = 104.184747°W
N/4 CORNER SEC. 9
LAT. = 32.5020964°N
LONG. = 104.184747°W
N/4 CORNER SEC. 10
LAT. = 32.5019474°N
LONG. = 104.1778174°W
1/4 CORNER SEC. 9
LAT. = 32.4946588°N
LONG. = 104.1863247°W
1/4 CORNER SEC. 10
LAT. = 32.4947873°N
LONG. = 104.1691234°W

BOTTOM OF HOLE
LAT. = 32.5001963°N
LONG. = 104.1700979°W
N/4 CORNER SEC. 9
LAT. = 32.5020964°N
LONG. = 104.184747°W
N/4 CORNER SEC. 10
LAT. = 32.5019474°N
LONG. = 104.1778174°W
1/4 CORNER SEC. 9
LAT. = 32.4946588°N
LONG. = 104.1863247°W
1/4 CORNER SEC. 10
LAT. = 32.4947873°N
LONG. = 104.1691234°W

"OPERATOR CERTIFICATION"
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or an undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Trina C. Couch 11-17-13
Signature Date
Trina C. Couch, Regulatory Associate
Printed Name
trina.couch@dm.com
E-mail Address

"SURVEYOR CERTIFICATION"
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 12, 2012, 2W A
Date of Survey
[Signature]
Signature and Seal
Certificate Number: PL 1001-1001-1001, PLS 12797
SURVEY NO. 1001A

NM OIL CONSERVATION ARTESIA DISTRICT

OCT 31 2016

District I
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41059		² Pool Code 3713		³ Pool Name Avalon; Bone Spring, East	
⁴ Property Code 39695		⁵ Property Name CERF 10 FEDERAL COM			⁶ Well Number 4H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3211.2
¹⁰ Surface Location					
UL or lot no. H	Section 9	Township 21 S	Range 27 E	Lot Ida 1325	Feet from the NORTH
Feet from the 300		East/West line EAST		County EDDY	
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. H	Section 10	Township 21 S	Range 27 E	Lot Ida 2099	Feet from the NORTH
Feet from the 330		East/West line EAST		County EDDY	
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code	
				¹⁵ Order No.	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

PP: 1223 FNL & 364 FEL Sec 9-21S-27E

Project Area: _____

Producing Area: _____

N/4 CORNER SEC. 9
LAT. = 32.5020984°N
LONG. = 104.1940747°W
NMSP EAST (FT)
N = 546421.14
E = 584072.49

SECTION CORNER
LAT. = 32.5019101°N
LONG. = 104.1882429°W
NMSP EAST (FT)
N = 546356.91
E = 586683.66

N/4 CORNER SEC. 10
LAT. = 32.5019574°N
LONG. = 104.1776174°W
NMSP EAST (FT)
N = 546381.54
E = 589342.77

NE CORNER SEC. 10
LAT. = 32.5020163°N
LONG. = 104.1683954°W
NMSP EAST (FT)
N = 546403.31
E = 587000.82

CERF 10 FEDERAL COM 4H
ELEV. = 3211.2
LAT. = 32.4982894°N (NAD83)
LONG. = 104.1872567°W
NMSP EAST (FT)
N = 545038.31
E = 586372.92

BOTTOM OF HOLE
LAT. = 32.4986063°N
LONG. = 104.1701621°W
NMSP EAST (FT)
N = 544420.80
E = 591844.10

1/4 CORNER
LAT. = 32.4946588°N
LONG. = 104.1863247°W
NMSP EAST (FT)
N = 543718.88
E = 586082.09

E/4 CORNER SEC. 10
LAT. = 32.4947873°N
LONG. = 104.1691234°W
NMSP EAST (FT)
N = 543773.38
E = 591982.39

¹² OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Trina C. Couch 10-23-13
Signature Date

Trina C. Couch, Regulatory Associate
Printed Name
trina.couch@dmv.com
E-mail Address

¹³ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was platted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 12, 2016
Date of Survey

William F. Jaramila
Signature and Seal of Professional Surveyor
Certificate Number 10000 F. JARAMILA REG. 12797
EXPIRATION DATE 10/02/2024

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

Devon Energy Production Co.

October 20, 2016

Condition of Approval

Surface commingling, off lease storage measurement and sales, and alternate method of measurement.

Cerf 10 Fed 3H & Cerf 10 Fed Com 4H

3001541058 & 3001541059

Lease NM14768 & NM017097 and CA NM133040

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. Gas measurement for allocation must be measured as per Onshore Order #5 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.
11. Approval for alternate method of measurement for oil production. Coriolis meters will be used off 3 phase separators for allocation of oil production and oil will be sold through a common LACT meter at facility.