

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**5. Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
89101239108. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool, or Exploratory
AVALON-DELAWARE
E AVALON11. County or Parish, and State
EDDY COUNTY, NM1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY
Contact: ERIN WORKMAN
E-Mail: Erin.workman@dvn.com3a. Address
6488 SEVEN RIVERS HIGHWAY
ARTESIA, NM 882113b. Phone No. (include area code)
Ph: 405-552-79704. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached

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	Venting and/or Flaring
	<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 recompleat 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 recompleat 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 a 90 day Flare Permit for the Burton Flat Deep Unit 52H/56H Battery. Beginning 10.25.16 to 01.16.17. DCP is curtailing production to replace the discharge line at their Burton Flat Compressor Stations. The following will contribute to the overall flared volumes:

Burton Flat Deep Unit 49H (30-015-40707)
Burton Flat Deep Unit 54H (30-015-40503)
Burton Flat Deep Unit 50H (30-015-40758)
Burton Flat Deep Unit 56H (30-015-40683)
Burton Flat Deep Unit 51H (30-015-40681)
Burton Flat Deep Unit 58H (30-015-41057)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #355469 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY LP, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 10/20/2016 (17PP0072SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 10/20/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHARLES NIMMER

Title PETROLEUM ENGINEER

Date 11/07/2016

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 Carlsbad

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 ****

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, L.P.

whose address is 333 West Sheridan Avenue, Oklahoma City, OK 73102

hereby requests an exception to Rule 19.15.18.12 for 90 days or until

N/A, Yr N/A, for the following described tank battery (or LACT):

Name of Lease NMNM 0560290 & NMNM70798D Name of Pool Avalon; Bone Spring, East

Location of Battery: Unit Letter 16 Section 3 Township 21S Range 31E

Number of wells producing into battery 8 Wells; Burton Flat Deep Unit 49H 30-015-40707,
Burton Flat Deep Unit 50H 30-015-40758
Burton Flat Deep Unit 51H 30-015-40681
Burton Flat Deep Unit 52H 30-015-40693
Burton Flat Deep Unit 54H 30-015-40503
Burton Flat Deep Unit 55H 30-015-40682
Burton Flat Deep Unit 56H 30-015-40683
Burton Flat Deep Unit 58H 30-015-41057

B. Based upon oil production of 174 barrels per day, the estimated * volume

of gas to be flared is 1813 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

DCP

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Devon requests flare exception due to DCP DCP is
Curtailling production to replace the discharge line at their Burton Flat Compressor Stations. We are
requesting 90 days to start 10.25.16 and end on 01.16.17.

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 Analyst

E-mail Address Erin.workman@dvn.com

Date 10/20/16 Telephone No. 405-552-7970

OIL CONSERVATION DIVISION

Approved Until _____

By _____

Title _____

Date _____

* 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
Burton Flat Deep Unit Battery
NMNM0560290

11/7/2016

Pursuant to **NTL-4A III**, Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. Emergencies. During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.
- B. Well Purging and Evaluation Tests. During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.
- C. Initial Production Tests. During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.
- D. Routine or Special Well Tests. During routine or special well tests, other than those cited in NTL-4A III.B and C above, only after approval by the Supervisor.

If a flaring event conforms with the requirements listed above as per NTL-4A III., the flared volumes are not royalty bearing and the operator does not need to submit a Sundry Notice. Report flared volumes as unavoidably lost on OGOR B.

Condition of Approval to Flare Gas

1. The first 24 hours of a temporary emergency flare* is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). NTL-4A specifies no more than 24 hours per incident and no more 144 hours cumulative for the lease during any calendar month. These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
2. Flared volumes considered to be "avoidably lost":
 - Exceeding the first 24 hours for each temporary emergency flare event (144 hours cumulative for the lease per month), well purging and evaluation test.
 - During initial well evaluation tests, exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first
 - Scheduled flaring operations

These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in NTL-4A are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with NTL-4A.IV.B.. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08". If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with NTL-4A.IV.B.. As an

alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.

3. Approval not to exceed 90 days, (from 10/25/2016 to 01/16/2017), if flaring is still required past 90 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). Include method for volume determination and duration. Report unavoidably lost (first 24 hrs of unexpected event) and avoidably lost (exceeding the first 24 hrs or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.
5. In determining the volumes of gas to be reported in accordance with NTL-4A the BLM CFO requires 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 Notice (Form 3160-5).
 - If installation of an approved gas meter is not economically feasible for continued operations. Submit Notice of Intent - Sundry Notice (Form 3160-5) to request an alternate method of determining gas volumes with a valid justification. Alternate methods are listed in NTL-4A. The Authorized Officer may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.
6. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
7. This approval does not authorize any additional surface disturbance.
8. Subject to like approval from NMOCD

Regulations and Definitions

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.

NTL-4A.IV.B. Oil Well Gas. Except as provided in II.C and III above, oil well gas may not be vented or flared unless approved in writing by the Supervisor. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of **(1)** an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or **(2)** an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

*Temporary Emergency Flaring is defined as an unexpected situation requiring immediate action. A flaring event is considered an emergency if the occurrence is out of the operators control and the operator had less than 24 hrs notification of the event. Scheduled or routine flare events will not be considered an emergency.

Additional data for EC transaction #355469 that would not fit on the form

5. Lease Serial No., continued

NMNM0560289
NMNM0560290
NMNM0560295
STATE

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM70798D	NMNM0560290	BURTON FLAT DEEP UNIT 52H	30-015-40693-00-S1	Sec 3 T21S R27E Lot 16 4000FNL 50FEL
NMNM70798D	NMNM0560290	BURTON FLAT DEEP UNIT 49H	30-015-40707-00-S1	Sec 3 T21S R27E Lot 8 1875FNL 535FEL
NMNM70798D	NMNM0560290	BURTON FLAT DEEP UNIT 50H	30-015-40758-00-S1	Sec 3 T21S R27E Lot 8 1925FNL 535FEL
NMNM70798D	NMNM0560290	BURTON FLAT DEEP UNIT 51H	30-015-40681-00-S1	Sec 3 T21S R27E Lot 9 3125FNL 50FEL
NMNM70798D	STATE	BURTON FLAT DEEP UNIT 54H	30-015-40503-00-S1	Sec 2 T21S R27E SWSW 1570FSL 50FWL
NMNM70798D	NMNM0560295	BURTON FLAT DEEP UNIT 55H	30-015-40682-00-S1	Sec 3 T21S R27E Lot 9 3175FNL 50FEL
NMNM70798D	NMNM0560289	BURTON FLAT DEEP UNIT 56H	30-015-40683-00-S1	Sec 3 T21S R27E Lot 16 4050FNL 50FEL
NMNM70798D	NMNM0560289	BURTON FLAT DEEP UNIT 58H	30-015-41057-00-S1	Sec 2 T21S R27E NWSW 1520FSL 50FWL

32. Additional remarks, continued

Burton Flat Deep Unit 52H (30-015-40693)
Burton Flat Deep Unit 55H (30-015-40682)

BOPD 174 MCFPD 1813

Attachment: C-129