

McMillan, Michael, EMNRD

From: Workman, Erin <Erin.Workman@dvn.com>
Sent: Tuesday, May 7, 2019 10:40 AM
To: McMillan, Michael, EMNRD
Subject: [EXT] RE: [EXTERNAL] Devon Jayhawk 73 Federal Fee Com Well No. 8H

Good morning,

Sorry for the confusion, the Jayhawk 7 CTB 3 is located in NWSE. I did not review the engineers information. I apologize

Thanks,

Devon - Internal

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Tuesday, May 7, 2019 10:51 AM
To: Workman, Erin <Erin.Workman@dvn.com>
Subject: [EXTERNAL] Devon Jayhawk 73 Federal Fee Com Well No. 8H

Erin:
Can you verify the location of the surface facility
Your map shows it is in Unit J of Section 7.
Your writeup states it is in unit c of section 7

Mike

Michael McMillan
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Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us

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APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

Proposal for Jayhawk 7-6 Fed Fee Com 6H, 7H, 8H, & 16H

Devon Energy Production Company, LP is requesting approval for a CTB\OLM for the following wells:

Federal Lease: NMNM114990 & Fee (12.5%) CA PENDING

Well Name	Location	API #	Pool 41480	BOPD	OG	MCFPD	BTU
Jay Hawk 7-6 Fed Fee Com 6H	Sec. 7, SWSE, T26S, R34E	30-025-45532	Bobcat Draw; Upper WC	2719	45.6	2.81	1,357*
Jay Hawk 7-6 Fed Fee Com 7H	Sec. 7, SWSE, T26S, R34E	30-025-45538	Bobcat Draw; Upper WC	2719	45.6	2.81	1,357*

Federal Lease: NMNM114990 & Fee (12.5%) CA PENDING

Well Name	Location	API #	Pool 41480	BOPD	OG	MCFPD	BTU
Jayhawk 7-6 Fed Fee Com 8H	Sec. 7, SWSE, T26S, R34E	30-025-45539	Bobcat Draw; Upper WC	2719	45.6	2.81	1,357*
Jayhawk 7-6 Fed Fee Com 16H	Sec. 7, SWSE, T26S, R34E	30-025-45532	Bobcat Draw; Upper WC	2719	45.6	2.81	1,357*

*These are proposed number

Both CA's Have been submitted for these wells

Oil & Gas metering:

The central tank battery, Jayhawk 7 CTB 3, is located in NWSE, Sec 7-T26S-R34E in Lea County, New Mexico.

Each well is routed to its own 3-phase separator where the full well stream is separated into gas, oil, and water streams. For each well, after separation, gas is measured with an independent, designated orifice meter for allocation, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas sales meter(s). The oil from the 3-phase separator is measured with an independent, designated Micro Motion Coriolis Meter for allocation. It then combines with the oil production from the other wells, flows into the heater treater(s), then into the Ultra-Low Pressure Separator(s) (ULPS), and into one of the oil tanks. The oil is then pumped out of the common tanks to an oil sales meter (LACT unit). The water from the 3-phase separator is measured with an independent, designated Mag meter for allocation, combines with the water from the other wells, then flows into the gun barrel, and into one of the produced water tanks. Flash gas that exits the heater treater(s) and ULPS(s) flows to the Vapor Recovery Unit (VRU). After exiting the VRU, the gas will be measured through a designated orifice meter for allocation.

The central tank battery will have 2 oil tanks and 4 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on or directly adjacent to location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

Meter Owner / Serial Number:

Well Name	Gas Allocation Meter	Oil Allocation Meter	Gas FMP	Oil FMP	Water Allocation Meter	VRU Allocation Meter
JAYHAWK 7-6 FED FEE COM 16H	DVN /	DVN /	Lucid /	Andeavor /	DVN /	DVN /
JAYHAWK 7-6 FED FEE COM 6H	DVN /	DVN /	Lucid /	Andeavor /	DVN /	DVN /
JAYHAWK 7-6 FED FEE COM 7H	DVN /	DVN /			DVN /	DVN /
JAYHAWK 7-6 FED FEE COM 8H	DVN /	DVN /			DVN /	DVN /

* Meter serial numbers to be provided after construction of facility.

The total of all oil sales meters will be allocated to each well based on the oil allocation meter located downstream of each well's 3-phase separator. Devon will continue to operate and maintain the Micro Motion Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regard to proving the Micro Motion Coriolis Meter to meet applicable BLM standards. The total of all gas sales meters will be allocated to each well based on the gas allocation meter located downstream of each well's 3-phase separator and the VRU allocation meter. The VRU allocation meter volumes will be allocated to each well based on the oil allocation meter of each well. The BLM and OCD will be notified of any future changes to the facilities.

Process and Flow Descriptions:

The flow of produced fluids is described above and shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter.

The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. 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.

Working, royalty, and overriding interest owners are all identical, therefore no notification is necessary.

Date: 03/05/19