

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY DEVON ENERGY PRODUCTION
COMPANY, LP**

ORDER NO. CTB-957

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Devon Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. Applicant did not give adequate notice that it sought authorization to add pools, leases, or wells as required by 19.15.12.10(C)(4)(g) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.
3. No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.
4. Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B.
5. The oil and gas production from each well shall be separated and metered prior to commingling.
6. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.

7. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
9. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10(C)(4)(g) NMAC is denied.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 6/18/2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-957

Operator: Devon Energy Production Company, LP (6137)

Central Tank Battery: Chincoteague 8 CTB 1

Central Tank Battery Location (NMPM): NW/4 Section 8, Township 25 South, Range 32 East

Gas Custody Transfer Meter Location (NMPM): NW/4 Section 8, Township 25 South, Range 32 East

Pools

Pool Name	Pool Code
WC-025 G-06 S253206M; BONE SPRING	97899

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
NMLC 061863A	W/2 W/2	Sec 5-T25S-R32E
NMLC 061873B	W/2 NW/4	Sec 8-T25S-R32E
NMNM 108969	NE/4 NE/4	Sec 5-T25S-R32E
NMLC 061863A	SE/4 NE/4, E/2 SE/4	Sec 5-T25S-R32E
NMLC 061873B	E/2 NE/4	Sec 8-T25S-R32E
NMLC 061873B	W/2 SE/4 Sec 8, W/2 NE/4 Sec 17	T25S-R32E
NMLC 061869	W/2 SE/4	Sec 17-T25S-R32E
NMLC 061873B	E/2 SE/4 Sec 8, E/2 NE/4 Sec 17	T25S-R32E
NMLC 061869	E/2 SE/4 Sec 17, E/2 E/2 Sec 20	T25S-R32E
NMLC 062300	E/2 NE/4	Sec 29-T25S-R32E
NMLC 061863A	E/2 W/2	Sec 5-T25S-R32E
NMLC 061873B	E/2 NW/4	Sec 8-T25S-R32E
NMLC 061863A	W/2 E/2	Sec 5-T25S-R32E
NMLC 061873B	W/2 NE/4	Sec 8-T25S-R32E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-45699	Chincoteague 8-5 Fed Com 231H	E-08-25S-32E	97899	
30-025-45700	Chincoteague 8-5 Fed Com 232H	E-08-25S-32E	97899	
30-025-45701	Chincoteague 8-5 Fed Com 233H	G-08-25S-32E	97899	
30-025-45702	Chincoteague 8-5 Fed Com 234H	G-08-25S-32E	97899	
30-025-46431	Mustang 8-17 Fed Com 235H	F-08-25S-32E	97899	
30-025-46413	Mustang 8-17 Fed Com 236H	F-08-25S-32E	97899	
30-025-46414	Mustang 8-17 Fed Com 237H	H-08-25S-32E	97899	
30-025-46415	Mustang 8-29 Fed Com 238H	H-08-25S-32E	97899	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **CTB-957**

Operator: **Devon Energy Production Company, LP (6137)**

Pooled Areas

Pooled Area	Location (NMPM)		Acres	Pooled Area ID
CA BS BLM	W/2 W/2 Sec 5, W/2 NW/4 Sec 8	T25S-R32E	240.53	A
CA BS BLM	E/2 E/2 Sec 5, E/2 NE/4 Sec 8	T25S-R32E	240.39	B
CA BS BLM	W/2 SE/4 Sec 8, W/2 E/2 Sec 17	T25S-R32E	240	C
CA BS BLM	E/2 SE/4 Sec 8, E/2 E/2 Sec 17	T25S-R32E		
	E/2 E/2 Sec 20, E/2 NE/4 Sec 29	T25S-R32E	480	D
CA BS BLM	E/2 W/2 Sec 5, E/2 NW/4 Sec 8	T25S-R32E	240.48	E
CA BS BLM	W/2 E/2 Sec 5, W/2 NE/4 Sec 8	T25S-R32E	240.44	F

Leases Comprising Pooled Areas

Lease	Location (NMPM)		Acres	Pooled Area ID
NMLC 061863A	W/2 W/2	Sec 5-T25S-R32E	160.53	A
NMLC 061873B	W/2 NW/4	Sec 8-T25S-R32E	80	A
NMNM 108969	NE/4 NE/4	Sec 5-T25S-R32E	40.39	B
NMLC 061863A	SE/4 NE/4, E/2 SE/4	Sec 5-T25S-R32E	120	B
NMLC 061873B	E/2 NE/4	Sec 8-T25S-R32E	80	B
NMLC 061873B	W/2 SE/4 Sec 8, W/2 NE/4 Sec 17	T25S-R32E	160	C
NMLC 061869	W/2 SE/4	Sec 17-T25S-R32E	80	C
NMLC 061873B	E/2 SE/4 Sec 8, E/2 NE/4 Sec 17	T25S-R32E	160	D
NMLC 061869	E/2 SE/4 Sec 17, E/2 E/2 Sec 20	T25S-R32E	240	D
NMLC 062300	E/2 NE/4	Sec 29-T25S-R32E	80	D
NMLC 061863A	E/2 W/2	Sec 5-T25S-R32E	160.48	E
NMLC 061873B	E/2 NW/4	Sec 8-T25S-R32E	80	E
NMLC 061863A	W/2 E/2	Sec 5-T25S-R32E	160.44	F
NMLC 061873B	W/2 NE/4	Sec 8-T25S-R32E	80	F