

DATE IN 5/16/12	SUSPENSE	ENGINEER WVS RE	LOGGED IN 5/16/12	TYPE OLM	APP NO. 1213750555
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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



Devon 1137

Lea XA State 1,2,3,4

ADMINISTRATIVE APPLICATION CHECKLIST

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.

Melanie Crawford
 Print or Type Name

Signature

Melanie Crawford

Regulatory Analyst
 Title

5-14-12
 Date

Melanie.Crawford@dmv.com
 E-mail Address

7-185-34E
 30-025-28730
 11-16-28773
 11-16-28779
 15-16-28780



Devon Energy Production Company
333 W Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405)-552-4524
Melanie.Crawford@devon.com

May 14, 2012

Mr. Richard Ezeanyim
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Lease Commingle, Off Lease Measurement, Sales & Storage
Lea XA State 1, Lea XA State 2, Lea XA State 3, & Lea XA State 4
API: 30-025-28730, 30-025-28773, 30-025-28779, & 30-025-28780
Sec 7-18S-34E
Lease: BL 1929 & LG 4226
Mescalero Escarpe; Bone Spring Pool Code: 45793
Lea County, New Mexico**

RECEIVED OCD
2012 MAY 16 A 11:10

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and Form C-107B for Notice of Intent to Lease Commingle, Off Lease Measurement, Sales & Storage the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in are not identical; notifications have been sent via certified mail (see attached).

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Melanie Crawford
Regulatory Analyst

Enclosures

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

Form C-107-B
Revised June 10, 2003

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

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: 20 North Broadway, 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 ☐

(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. *Mescalero Escape, Bone Springs (45793)*

(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 ☒ Well Test

(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: *Melanie Crawford* TITLE: Regulatory Analyst

DATE: *5-14-12*

TYPE OR PRINT NAME: Melanie Crawford TELEPHONE NUMBER: 405-552-4524

E-MAIL ADDRESS: Melanic.Crawford@dmn.com

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

See Below

5. Indicate Type of Lease

FED ☐ STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

BL1929 & LG4226

7. Lease Name or Unit Agreement Name

See Below

8. Well Number

See Below

9. OGRID Number

6137

10. Pool name or Wildcat

45793 - Mescalero Escapre; Bone Spring

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Devon Energy Production Company, LP

3. Address of Operator

333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102 (405) 552-4524

4. Well Location

Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line

Section 7 Township 18S Range 34E NMPM Lea County New Mexico

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
n/a

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Lease Commingle, Off Lease Measurement, Sales & Storage ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LP respectfully requests to Lease Commingle, Off Lease Measurement, Sales & Storage the following wells:

Lea XA State 1 - 30-025-28730; Lea XA State 2 - 30-025-28773; Lea XA State 3 - 30-025-28779; Lea XA State 4 - 30-025-28780

There is a central tank battery located at the Lea XA State 4 location in Sec 7-T18S-R34E for the Lea XA State 1, 2, 3 & 4 wells and at this time they are the only wells utilizing production at the battery. The DCP CDP Gas Sales Meter is located approximately 300 yards west from the tank battery. The wells are allocated by monthly well tests for their production. No other wells are connected to the gas line.

(Well No. 1 DIFFERS FROM # 2, 3, 4)

The working interest, royalty interest and overriding royalty interest owners are not identical; parties have been notified via certified mail (see attached).

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE: Melanie Crawford TITLE: Regulatory Analyst DATE: 5-14-12

Type or print name Melanie Crawford E-mail address: Melanie.Crawford@dmn.com Telephone No. (405) 552-4524
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

**Lea XA Battery
Section 7,T18S,R34E**

**Lea County, N.M
API#**

Production System: Open

- 1) Oil sales by tank gauge to tank truck.
- 2) Seal requirements:


A. Production Phase: On all Tanks.

(1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed. 
- (2) Valve 3 sealed closed. 
- (3) Valve 4 sealed closed. 
- (4) Valve 5 sealed closed. 

{5} Misc. Valves: Plugged or otherwise unaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed. 

Ledger for Site Diagram

- Valve #1: Production Line 
- Valve #2: Test or Roll line 
- Valve #3: Equilizer Line 
- Valve #4: Circ./Drain Line 
- Valve #5: Sles Line 
- Valve #6: BS&W Load Line 

Buried Lines: -----

Firewall: 

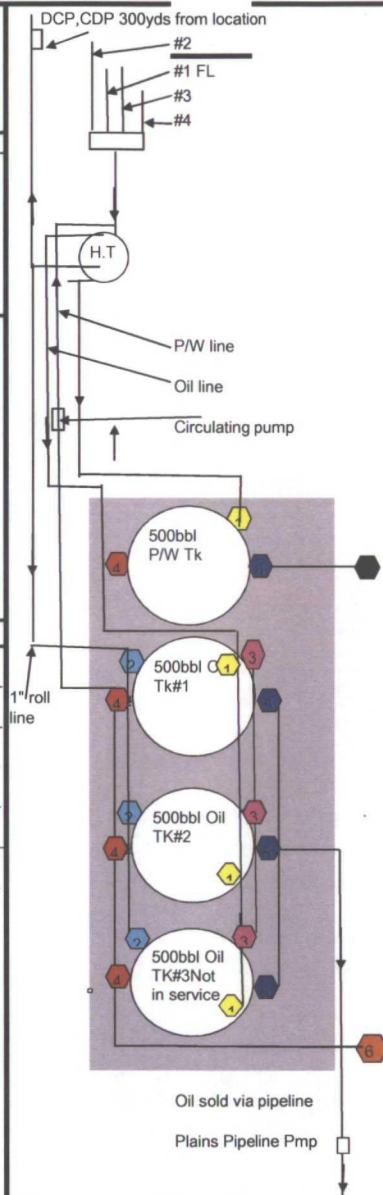
Wellhead: 

Stak-pak: 

Production line: -----

Water line: -----

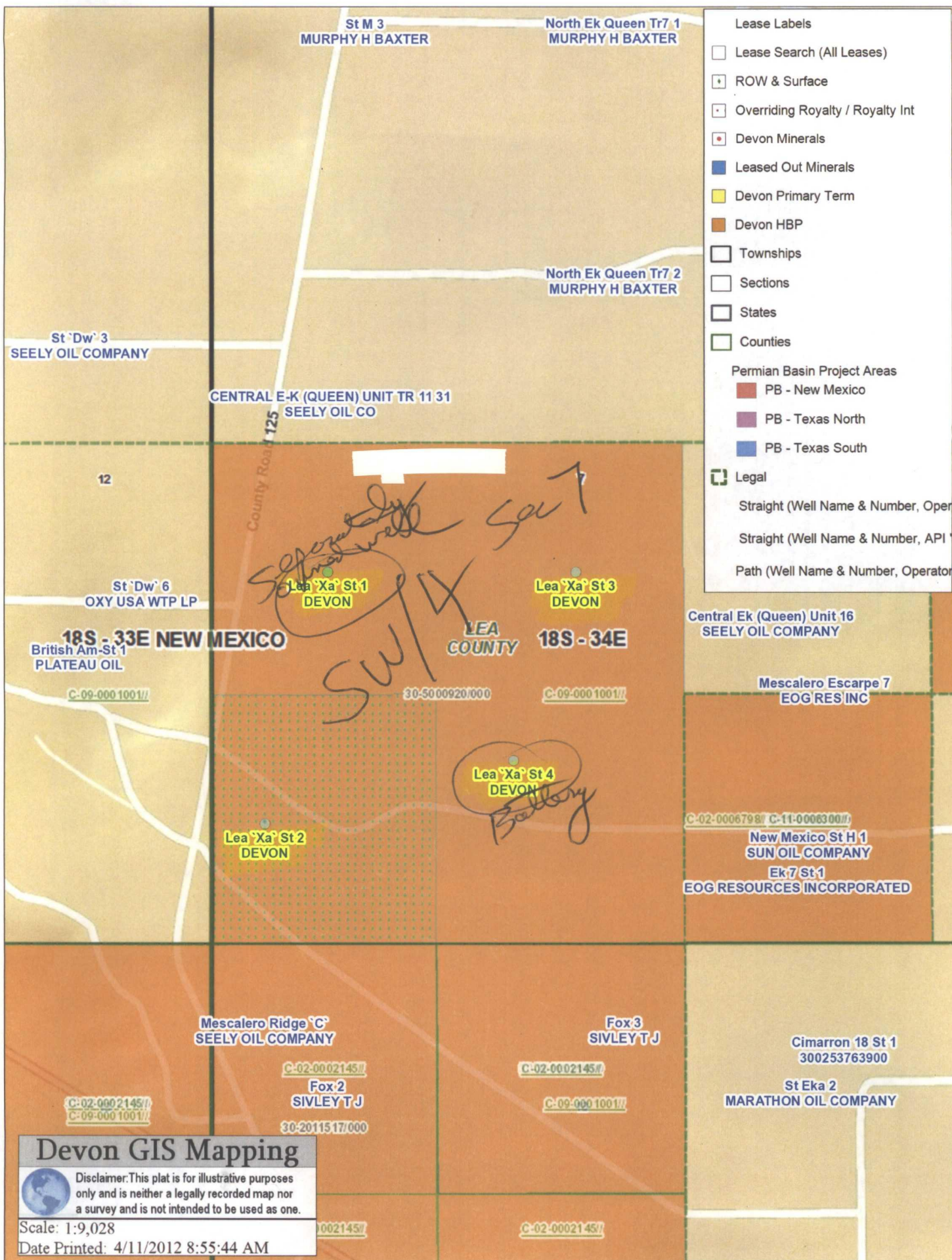
Gas Meter   



Devon Energy
Lea XA Battery
Section 7,T18S,R34E
Lea County, N.M
32.72564'
103.57106'

Drainage

North



Well Selection Criteria Quick Print

Field_No = 302229 and WH_SEC = 7 and WH_TWPN = 18 and WH_TWPD Like 'S' and WH_RNGN = 34 and WH_RNGD Like 'E'

API Well #	Well Name and No.		Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrnt	Lst Insp Dt
30-025-39173-00-00	LEA XA STATE	005	DEVON ENERGY PRODUCTION	O	N	Lea	S	I	7	18 S	34 E	1980 S	660 E		
30-025-28779-00-00	LEA XA STATE	003	DEVON ENERGY PRODUCTION	O	A	Lea	S	K	7	18 S	34 E	1980 S	1980 W		3/22/2005
30-025-28730-00-00	LEA XA STATE	001	DEVON ENERGY PRODUCTION	O	A	Lea	S	L	7	18 S	34 E	1980 S	660 W		3/22/2005
30-025-28773-00-00	LEA XA STATE	002	DEVON ENERGY PRODUCTION	O	A	Lea	S	M	7	18 S	34 E	660 S	330 W		10/19/2005
30-025-28780-00-00	LEA XA STATE	004	DEVON ENERGY PRODUCTION	O	A	Lea	S	N	7	18 S	34 E	990 S	1650 W		3/22/2005
30-025-39213-00-00	LEA XA STATE	006	DEVON ENERGY PRODUCTION	O	N	Lea	S	O	7	18 S	34 E	765 S	2230 E		

COMPANY, LP (6137)

Separate ownership than

#1) MESCALERO ESCARPE; Bone SPRINGS (45793) (40 acres)

#2) "

#3) "

#4) "

#5) New Planned wells; NOT in the SW/4

#6)



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

May 14, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for Lease Commingle, Off Lease Measurement, Sales & Storage
Lea XA State 1, Lea XA State 2, Lea XA State 3, & Lea XA State 3
Sec 7 T18S R34E
API # 30-025-28730, 30-025-28773, 30-025-28779, & 30-025-28780
Pool 45793 Mescalero Escarpe; Bone Spring
Lea County, New Mexico

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 to permit lease commingling, off lease measurement, sales & storage for the above wells.

A copy of our application submitted to the Division is 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) 552-4524 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in black ink that reads "Melanie Crawford". The signature is written in a cursive, flowing style.

Melanie Crawford
Regulatory Analyst

Enclosure

Energen 1994 Pennzoil
20 North Broadway
Oklahoma City, OK 73102

Certified Mailing
Number: 7010 1060
0000 0923 2865

State of New Mexico
Commission of Public Lands
PO Box 1148
Santa Fe, NM 87504-1148

Certified Mailing
Number: 7010 1060
0000 0923 2872

Energen 1994 Pennzoil
20 North Broadway
Oklahoma City, OK 73102

State of New Mexico
Commission of Public Lands
PO Box 1148
Santa Fe, NM 87504-1148

Certified Mailing
Number: 7010 1060
0000 0923 2865

Page 1/1
Lea XA State

Certified Mailing
Number: 7010 1060
0000 0923 2872

1, 2, 3, 4

(Mailed 5/14/12)

Falcon 32 State 4
Falcon 32 State 5HY

DCB 1998 Trust, Ben J Fortson Jr Trustee
Falcon 32 State 1
Falcon 32 State 3
Falcon 32 State 4
Falcon 32 State 5HY

MWB 1198 Trust, Ben J Fortson Jr Trustee
Falcon 32 State 1
Falcon 32 State 3
Falcon 32 State 4
Falcon 32 State 5HY

Here are the Lea Wells, the percentages of ownership are all different.

Devon Energy Production Co LP

Lea XA State 3
Lea XA State 4
Lea XA State 2
Lea XA State 1

Energex 1194 Pennzoil

Lea XA State 3
Lea XA State 4
Lea XA State 2
Lea XA State 1

State of New Mexico, Commission of Public Lands

Lea XA State 4
Lea XA State 3
Lea XA State 2
Lea XA State 1

*Sent To OCD
8/27/12*

Thanks
Mel

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Tuesday, August 21, 2012 3:58 PM
To: Crawford, Melanie
Subject: Lea and Falcon commingle applications from Devon

Hey Melanie,

In these two applications,
For example, In the Lea lease, you state in your application that these wells do NOT have identical ownership. I am just asking if any combination of these wells DO have identical ownership and if so, which wells could be grouped together, or are all four wells diversely owned?

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, August 21, 2012 2:58 PM
To: 'Crawford, Melanie'
Subject: Lea and Falcon commingle applications from Devon

Hey Melanie,

In these two applications,

For example, In the Lea lease, you state in your application that these wells do NOT have identical ownership. I am just asking if any combination of these wells DO have identical ownership and if so, which wells could be grouped together, or are all four wells diversely owned?

For the wells with diverse ownership being combined prior to sales with the other wells, will you have continuous oil and gas meters? Or does Devon want to use "well testing" to allocate production of oil and gas EVEN between diversely owned wells?

Hope this helps,

Will

From: Crawford, Melanie [<mailto:Melanie.Crawford@dvn.com>]
Sent: Tuesday, August 21, 2012 2:43 PM
To: Jones, William V., EMNRD
Subject: RE: Approved Off Lease Measurement for Devon: Travis 23K State Com #1 30-015-27894

I sent you are decks that we use to determine the ownership. It has the ownership listed on those decks, I think I may be confused on what you are needing. Please advise.

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Tuesday, August 21, 2012 2:30 PM
To: Crawford, Melanie
Subject: RE: Approved Off Lease Measurement for Devon: Travis 23K State Com #1 30-015-27894

Melanie,

I got a list of parties noticed, but did you send me the groupings of identically owned wells to be involved with those commingles?

Will

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, August 27, 2012 11:27 AM
To: 'Crawford, Melanie'
Subject: RE: Lea and Falcon commingle applications from Devon

Melanie,
Working now on the four Lea XA State Wells located in the SW/4 of Section 7.
My records show they all produce from the same Pool – so no Pool commingling would be involved.

As far as whether these four wells can be considered separate leases:
Your list of owners show only the following owners: Devon, Energen, and the State Land Office.
And each of these entities own interests in each of the four wells.

I assume that the State Land Office owns the same interests in all four wells.

Does Devon own the same Working Interest percentage in each of these four wells?

Thanks

From: Crawford, Melanie [<mailto:Melanie.Crawford@dvn.com>]
Sent: Monday, August 27, 2012 7:40 AM
To: Jones, William V., EMNRD
Subject: RE: Lea and Falcon commingle applications from Devon

Here are the Lea Wells, the percentages of ownership are all different.

Devon Energy Production Co LP

- Lea XA State 3
- Lea XA State 4
- Lea XA State 2
- Lea XA State 1

Energen 1194 Pennzoil

- Lea XA State 3
- Lea XA State 4
- Lea XA State 2
- Lea XA State 1

State of New Mexico, Commission of Public Lands

- Lea XA State 4
- Lea XA State 3
- Lea XA State 2
- Lea XA State 1

Thanks

Jones, William V., EMNRD

To: Crawford, Melanie
Subject: RE: Lea and Falcon commingle applications from Devon

Thank You...

From: Crawford, Melanie [<mailto:Melanie.Crawford@dvn.com>]
Sent: Monday, August 27, 2012 12:01 PM
To: Jones, William V., EMNRD
Subject: RE: Lea and Falcon commingle applications from Devon

I do not show that I have Pool Commingle listed, I only show Lease Commingle, Off Lease Measurement.

Yes those State Land Office looks to own the same interest in all four wells. Devon also looks to own the same Working Interest percentage in three of the four wells. The State 1 well looks like there is additional ownership.

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Monday, August 27, 2012 12:26 PM
To: Crawford, Melanie
Subject: RE: Lea and Falcon commingle applications from Devon

Melanie,
Working now on the four Lea XA State Wells located in the SW/4 of Section 7.
My records show they all produce from the same Pool – so no Pool commingling would be involved.

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Thanks

From: Crawford, Melanie [<mailto:Melanie.Crawford@dvn.com>]
Sent: Monday, August 27, 2012 7:40 AM
To: Jones, William V., EMNRD
Subject: RE: Lea and Falcon commingle applications from Devon

Here are the Lea Wells, the percentages of ownership are all different.

Devon Energy Production Co LP
Lea XA State 3
Lea XA State 4

Lea XA State 2
Lea XA State 1

Energen 1194 Pennzoil
Lea XA State 3
Lea XA State 4
Lea XA State 2
Lea XA State 1

State of New Mexico, Commission of Public Lands
Lea XA State 4
Lea XA State 3
Lea XA State 2
Lea XA State 1

Thanks
Mel

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.