

DATE IN 4/01/2015	SUSPENSE	ENGINEER mam	LOGGED IN 4/01/2015	TYPE CTB	APP NO. pma1501157832
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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



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.

Erin Workman		Regulatory Compliance Professional	03.30.15
Print or Type Name	Signature	Title	Date
		Erin.Workman@dvn.com	
		E-mail Address	



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 552-7970 Phone
Erin.workman@dvn.com

RECEIVED OCD

2015 APR -1 P 1: 24

March 30, 2015

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

Re: Central Tank Battery
Cotton Draw 111 & Cotton Draw 112
Sec. 35-T24S-R31E & Sec. 26-T24S-R31E
Leases: NM E-9127 & NMNM012121
API: 30-015-36197 & 30-015-36435
Pool: 13370 Cotton Draw; Brushy Canyon
Eddy County, New Mexico

Dear Mr. Ezeanyim:

Please find attached the OCD C-107B Sundry Notice of Intent for a Central Tank Battery for the aforementioned wells.

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

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7970.

Sincerely,



Erin Workman
Regulatory Compliance Professional

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: 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: ☐ Fcc ☐ 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 allowances? ☐ 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 (Tank gauging & Coriolis 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:  TITLE: Regulatory Compliance Prof. DATE: 03.30.15

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

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

APPLICATION FOR A CENTRAL TANK BATTERY

Proposal for the Cotton Draw 111, & 112 leases:

Devon Energy Production Company, LP is requesting approval for A Central Tank Battery for the following wells. These wells were deemed non-commercial under lease #NM709286G.

State Lease: NM E-9127

Well Name	Location	API #	Pool 13370	BOPD	Oil Gravity	Mcfpd	BTU
Cotton Draw #111	NENW, Sec. 36-24S-31E	30-015-36197	Cotton Draw; Brushy Canyon	9.910	39.8	43.04	1235.8

Federal Lease: NMNM012121 Royalty Rate 12.5

Well Name	Location	API #	Pool 13370	BOPD	Oil Gravity	Mcfpd	BTU
Cotton Draw #112	NENE, Sec. 35-24S-31E	30-015-36435	Cotton Draw; Brushy Canyon	8.520	40	22.36	1302.9

These Cotton Draw Unit wells were deemed non-commercial and was placed back to the appropriate single lease.

A map is enclosed showing the Federal Leases and well locations in Sec. 35 & 36-24S-31E. The Cotton Draw 90 well has been plugged and abandoned, but we are utilizing the battery at that location for the Cotton Draw 111 & 112.

Oil & Gas metering:

The Cotton Draw 90 Facility has separate production facilities for each well and they have a common SUG CDP #39962 which is located in Sec. 35-NWSW-T24S-R31E in Eddy County, New Mexico. Gas volumes from the Cotton Draw 111 will be determined by using gas allocation meter # 390-33-075. The Cotton Draw #112 will be producing into its own separator/heater treater. Oil production will go into one of two tanks that will be utilized by the Cotton Draw 112 only. Gas for the Cotton Draw 112 will be allocated using allocation meter #390-33-259. The oil will be measured by tank gauging to obtain daily production volumes. Gas Production will be allocated on a daily basis utilizing the subtraction method from the SUG CDP meter #39962 and the allocation meters #390-33-075 & #390-33-259. The gas production from the wells listed above will be measured, commingled, and sold off lease.

These meters, including the Cotton Draw 111 allocation meter 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 a map which shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on category 3 of the BLM's guidance in IM 2013-152. The proposed commingling is the only economical way that Devon can sell the gas due to low volume gas production by the Cotton Draw 112. SUG will not install another meter and it is not economical in order to produce approximately 600 MCF per month from the Cotton Draw 112. This proposal 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 approved on January 4, 2008 #NM-119479 approved Feb. 21, 2008 #NM-11989, for gas sales SUG line #39962.**

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

Signed:

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 03.30.15



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 552-7970 Phone
Erin.workman@dvn.com

March 30, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Cotton Draw 111 & Cotton Draw 112
Sec. 35-T24S-R31E & Sec. 26-T24S-R31E
Leases: NM E-9127 & NMNM012121
API: 30-015-36197 & 30-015-36435
Pool: 13370 Cotton Draw; Brushy Canyon
Eddy 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 for a Central Tank Battery of Cotton Draw 111H and Cotton Draw 112H.

A copy of our approval from the BLM and the 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.

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 552-7970.

Sincerely,

A handwritten signature in black ink, appearing to read "Erin Workman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Erin Workman
Regulatory Compliance Professional

Enclosures

CERTIFIED MAILING LIST

Well Name: Cotton Draw 111H & 112H

Date Mailed: 03.30.15

Repondent Name/Address:

Certified Mailing Number:

**Ballard E. Spencer Trust Inc.
PO Box 6
Artesia, NM 88211**

91 7199 9991 7035 6397 5340

**Robert E Ferguson & Rosemary Ferguson
Trustees of the Ferguson Family Trust
713 Clayton Ave
Artesia, NM 77210**

91 7199 9991 7035 6397 5357

**Jan Elise McWhirter Fescenmeyer
7105 Battle Creek Rd.
Ft Worth, TX 76116**

91 7199 9991 7035 6397 5364

**Leda Zelios
618 Pecan Creek Dr.
Sunnyvale, TX 75182**

91 7199 9991 7035 6397 5371

**Wells Fargo Bank, N.A. Trustee
of Irene L. Southard Management Trust
PO Box 5383
Denver, CO 80217**

91 7199 9991 7035 6397 5388

**Douglas A. Denton
1501 Princeton Ave.
Midland, TX 79701**

91 7199 9991 7035 6397 5395

**JADT Minerals, Ltd.
PO Box 190229
Dallas, TX 75219-0229**

91 7199 9991 7035 6397 5401

**Richard C. Gibson
PO Box 3317
Midland, TX 79702**

91 7199 9991 7035 6397 5418

**Mr. Pete Martinez
State Land Office
Oil & Gas Division
310 Old Santa Fe Trail
Santa Fe, NM 87501**

91 7199 9991 7035 6397 5425

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., 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-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36197	Pool Code 13370	Pool Name Cotton Draw; Brushy Canyon
Property Code 300635	Cotton Draw	Well Number 111
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3503'

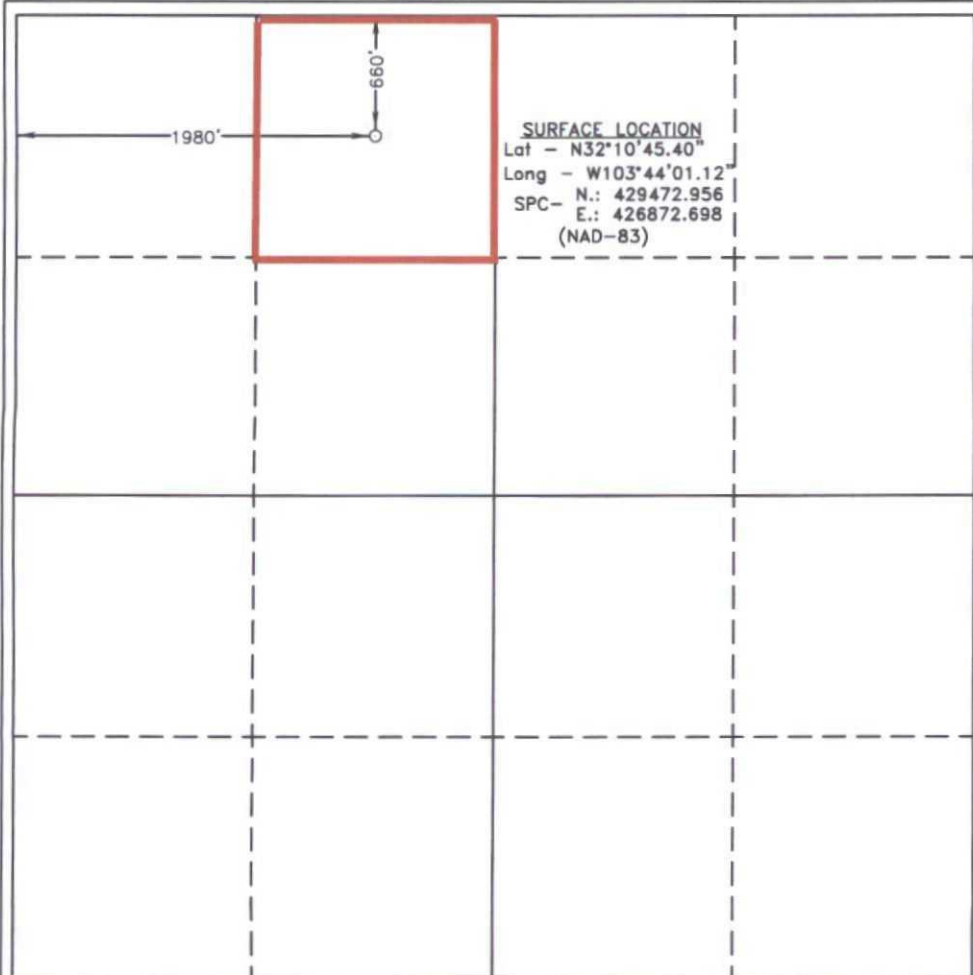


Surface Location

UL or lot No. C	Section 36	Township 24 S	Range 31 E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 1980	East/West line WEST	County EDDY
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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
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

 <p>SURFACE LOCATION Lat - N32°10'45.40" Long - W103°44'01.12" SPC- N.: 429472.956 E.: 426872.698 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p> 02/16/15 Signature Date Erin Workman, Reg Com. Prof. Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 7 2008 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>
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DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36435	Pool Code 13370	Pool Name Cotton Draw; Brushy Canyon
Property Code 300635	Property Name Cotton Draw	Well Number 112
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3497'

Surface Location

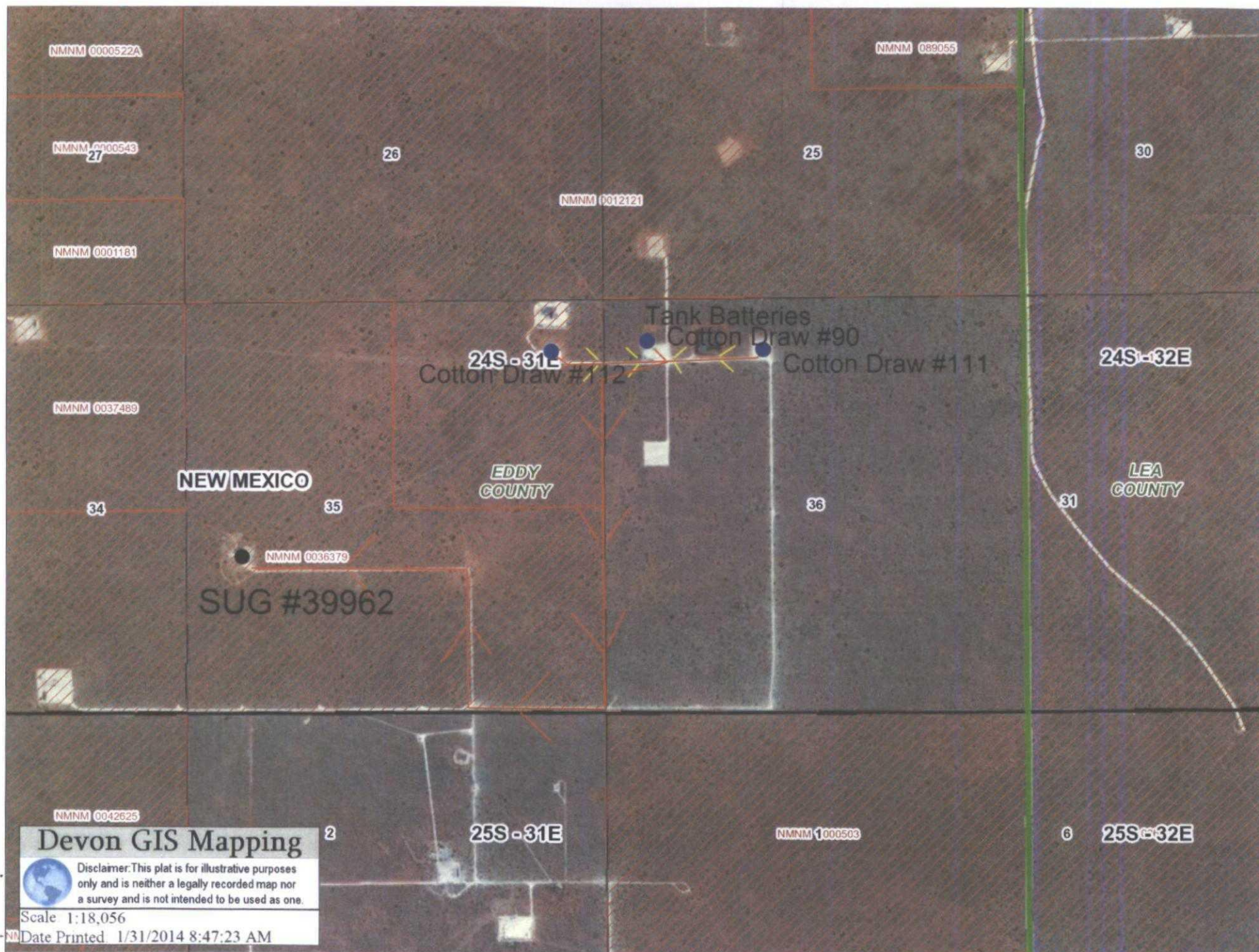
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	24 S	31 E		660	NORTH	660	EAST	EDDY

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION <i>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 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.</i> Signature: <u>Erin Workman</u> Date: <u>02.16.15</u> Erin Workman, Regulatory Comp. Prof. Printed Name: _____	
	SURVEYOR CERTIFICATION <i>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.</i> Date Surveyed: <u>FEBRUARY 7, 2008</u> Signature & Seal: <u>GARY L. JONES</u> Professional Surveyor No. <u>7977</u> Certificate No. <u>10063</u> Certificate No. Gary L. Jones 7977	
	BASIN SURVEYS	





Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 552-7970 Phone
Erin.workman@dvn.com

March 30, 2014

Mr. Pete Martinez
State Land Office
Oil & Gas Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

**Re: Central Tank Battery
Cotton Draw 111 & Cotton Draw 112
Sec. 35-T24S-R31E & Sec. 26-T24S-R31E
Leases: NM E-9127 & NMNM012121
API: 30-015-36197 & 30-015-36435
Pool: 13370 Cotton Draw; Brushy Canyon
Eddy County, New Mexico**

Dear Mr. Jones:

Please find enclosed the SLO Commingle Pre-Application, our \$30.00 application fee, and a copy of the application with the C-107B Sundry Notice of Intent for a Central Tank Battery of the aforementioned wells that was submitted for approval. A copy of that approval will be submitted upon receipt. Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Should you require any additional information or assistance, please do not hesitate to contact me at (405) 552-7970

Sincerely,


Erin Workman
Regulatory Compliance Professional

Enclosures

NEW MEXICO STATE LAND OFFICE
Commingle PRE-Application ONLINE Version

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: Erin Workman Company: Devon Energy Production Co., LP
Address: 333 West Sheridan Ave City: OKC
Telephone: (405) 552-7970 Fax: _____ State OK Zip 73102

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

1. Briefly describe what you propose to do. The Cotton Draw 90 Facility has separate production facilities for each well and has a common SUG

CDP #39962 which is located in Sec. 35-NWSW-T24S-R31E in Eddy County, New Mexico. Gas volumes from the Cotton Draw 111 will be determined by using gas allocation meter

390-33-075. The Cotton Draw #112 will be producing into its own separator/heater treater. Oil production will go into one of two tanks that will be utilized by the Cotton Draw 112 only.

Gas for the Cotton Draw 112 will be allocated using allocation meter #390-33-259. The oil will be measure by tang gauging to obtain daily production volumes. Gas Production will be allocated on a daily basis utilizing the subtraction method from the SUG CDP meter #39962 and the allocation meters #390-33-075 & #390-33-259.

2. Fill in the following information for each well. *[Attach additional pages if needed.]*

Well name & number Cotton Draw 111 Lease # NM E-9127

Lessee of Record Devon Energy Production Company, LP.

Legal land description: Subdivisions _____

Sect 36 T 24S R 31E NMPM Eddy County NM

Pool 13370 Cotton Draw; Brushy Canyon

Well name & number Cotton Draw 112 Lease # NMNM012121

Lessee of Record Devon Energy Production Company, LP

Legal land description: Subdivisions _____

Sect 35 T 24S R 31E NMPM Eddy County NM

Pool 13370 Cotton Draw; Brushy Canyon

Well name & number _____ Lease # _____

Lessee of Record _____

Legal land description: Subdivisions _____

Sect _____ T _____ R _____ NMPM _____ County NM

Pool _____

CDU#90
Sec-36,T24S, R31E
660FNL&660FWL
Eddy, N.M
API# 30-015-31889

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 inaccessible.


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: Sales Line 

Valve #6: BS&W Load Line 

Buried Lines: -----




Firewall: 

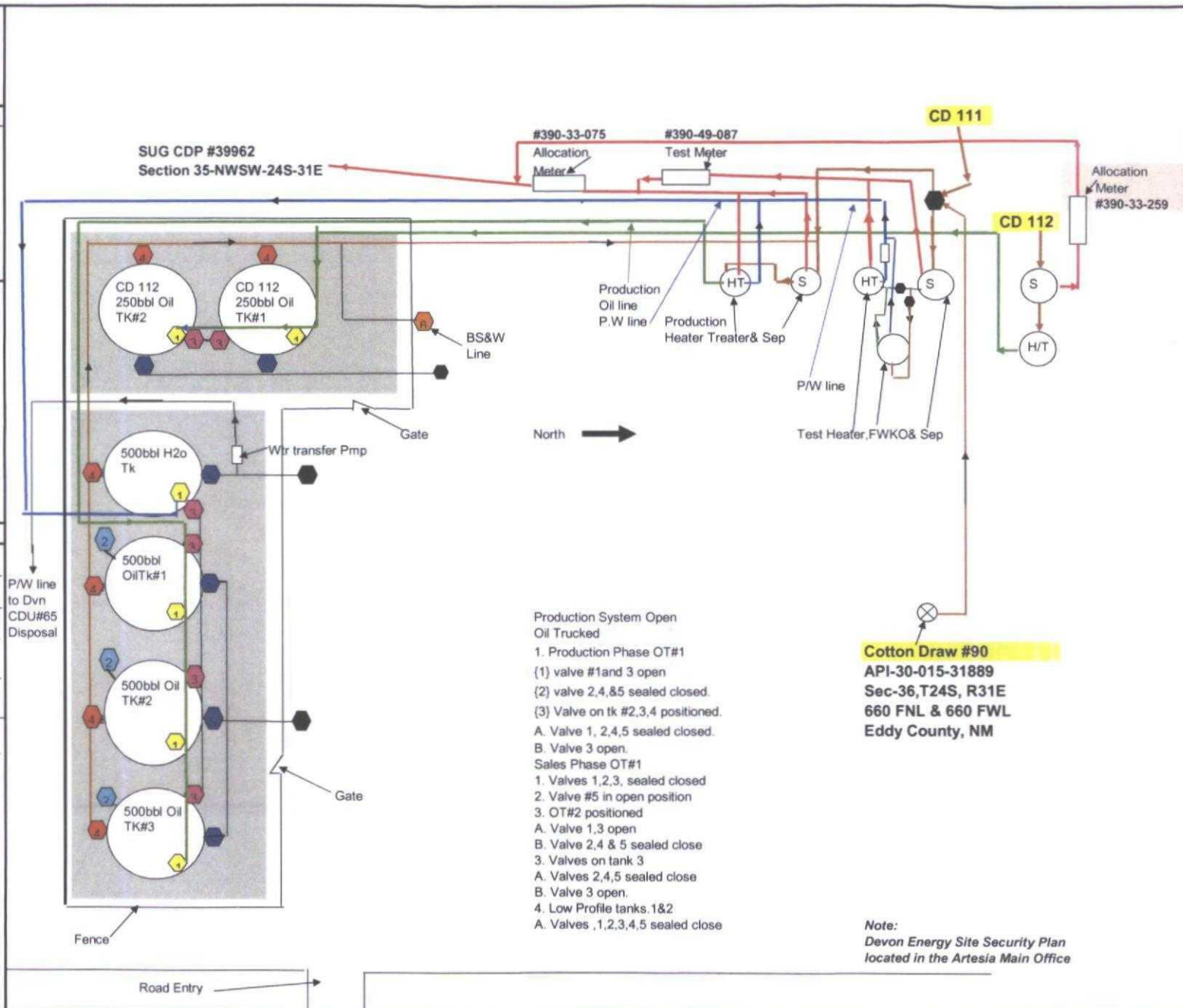
Wellhead: 

Stak-pak: 

Production line: -----

Water line: -----

Gas Meter   



Cotton Draw 111 Gas Production

Well ID	WC ID	WC Name	Well API	Year	Month	Prod
10466	1	COTTON DRAW UN 111	300153619700	2014	07	449
10466	1	COTTON DRAW UN 111	300153619700	2014	08	249
10466	1	COTTON DRAW UN 111	300153619700	2014	09	285
10466	1	COTTON DRAW UN 111	300153619700	2014	10	86
10466	1	COTTON DRAW UN 111	300153619700	2014	11	0
10466	1	COTTON DRAW UN 111	300153619700	2014	12	0

Cotton Draw 112 Gas Production

Well ID	WC ID	WC Name	Well API	Year	Month	Theo	Prod	Prod HV	Flare
9218	1	COTTON DRAW UN 112	300153643500	2014	07	805	779	1,254	0
9218	1	COTTON DRAW UN 112	300153643500	2014	08	762	679	1,244	0
9218	1	COTTON DRAW UN 112	300153643500	2014	09	432	400	1,268	0
9218	1	COTTON DRAW UN 112	300153643500	2014	10	65	339	1,062	0
9218	1	COTTON DRAW UN 112	300153643500	2014	11	300	300	1,000	0
9218	1	COTTON DRAW UN 112	300153643500	2014	12	310	310	1,000	0

Cotton Draw 111 Water

[illegible]

Well ID	WC ID	WC Name	Alt WC Key	Well API	Year	Month	Wtr Prod
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	07	2,813.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	08	2,482.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	09	2,019.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	10	2,078.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	11	2,429.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	12	2,316.00

14,137.00

Cotton Draw 111 - OIL

Well ID	WC ID	WC Name	Well API	Month	Year	Prod	Wtr Prod
10466	1	COTTON DRAW UN 111	300153619700	07	2014	251.24	1,872.25
10466	1	COTTON DRAW UN 111	300153619700	08	2014	213.95	2,168.28
10466	1	COTTON DRAW UN 111	300153619700	09	2014	244.74	1,946.27
10466	1	COTTON DRAW UN 111	300153619700	10	2014	180.43	2,237.67
10466	1	COTTON DRAW UN 111	300153619700	11	2014	129.82	1,749.43
10466	1	COTTON DRAW UN 111	300153619700	12	2014	128.71	1,676.65

1148.89

Cotton Draw 112 - Oil

Well ID	WC	WC Name	Month	Year	Prod	Loss	Wtr Prod
9218	1	COTTON DRAW UN 112	07	2014	343.2	0	2,813.00
9218	1	COTTON DRAW UN 112	08	2014	407.8	0	2,482.00
9218	1	COTTON DRAW UN 112	09	2014	286	0	2,019.00
9218	1	COTTON DRAW UN 112	10	2014	285.9	0	2,078.00
9218	1	COTTON DRAW UN 112	11	2014	270.1	0	2,429.00
9218	1	COTTON DRAW UN 112	12	2014	202.6	0	2,316.00

OPERATOR'S COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM012121

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
COTTON DRAW 112

2. Name of Operator
DEVON ENERGY PRODUCTION CO LP
Contact: ERIN L WORKMAN
Email: ERIN.WORKMAN@DVN.COM

9. API Well No.
30-015-36435-00-S1

3a. Address
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-552-7970

10. Field and Pool, or Exploratory
PADUCA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 35 T24S R31E NENE 660FNL 660FEL

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measuremen
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	t

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 an Off-Lease Measurement, Sales, & Storage for the following wells:

Cotton Draw 90

30-015-31889

NWNW Sec. 36, T24S, R31E

49460 Paduca; Delaware

STATEWELL
THIS WELL PLUGGED

Cotton Draw 111

30-015-36197

NENW Sec. 36-24S-31E

13370 Cotton Draw; Brushy Canyon

STATEWELL

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #234216 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by MEIGHAN SALAS on 04/30/2014 (14MMS0040SE)

Name (Printed/Typed) ERIN L WORKMAN

Title REGULATORY COMPLIANCE ASSOC.

Signature (Electronic Submission)

Date 01/31/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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 #234216 that would not fit on the form

32. Additional remarks, continued

Cotton Draw 112

30-015-36435

NENW Sec. 36-24S-31E *N 10 12 12 1*

13370 Cotton Draw; Brushy Canyon

Facility
The Cotton Draw #90 has separate production facilities for each well and they have a common SUG CDP #39962 which is located in Sec. 35-T24S-R31E in Eddy County, New Mexico. Oil, gas, and water volumes from the Cotton Draw ~~90 &~~ 111 will be determined by using the Well Test Method. ~~The Cotton~~ Draw #112 will be producing into its own tank utilizing the tank gauge strapping method for well test. Well tests for these wells will be conducted at least once per month for a minimum of 24 hours. Gas Production will be allocated on a daily basis utilizing the subtraction method from ~~the~~ SUG CDP meter #39962 and the allocation meters #390-33-075, 390-49-087, & #390-33-259. The gas production from the wells listed above will be commingled, measured, and sold off lease.

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

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

**Guidelines for Off-Lease Measurement,
Storage and Surface Commingling Approvals**

At a minimum the following information must be included with any application to combine, store or measure production off-lease:

1. A formal request (Sundry Notice Form 3160-5 or letter) for approval to combine, store, or measure production off-lease with an appropriate explanation and diagram(s) describing the proposed operation in detail.
2. A map showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling, off-lease measurement, and/or storage facility. All lease numbers, unitized or communitized areas, producing zones or pools must be clearly illustrated or detailed by suitable means. Any wells or leases proposed to be added to an approved commingling and off-lease storage and or measurement facility must be approved by the Authorized Officer prior to their being included in the facility.
3. An updated facility diagram which clearly identifies and places all equipment that will be utilized. A diagram which identifies all flow lines, sales points and give location of gas sales (transfer point) meter if it is not at this facility. Include gas sales and/or allocation meter station name and number and location of meter to include $\frac{1}{4}$ $\frac{1}{4}$, Section, Township and Range.
4. Estimated monthly production from each contributing well, including type of product, gravity, and/or BTU content.
5. Details of the proposed method for measuring and allocating production for each lease involved. Include calculated "beneficial use" volumes both on and off-lease.
6. A statement that all interest owners have been notified of the proposal.
7. Evidence that Federal or Indian royalties will not be reduced through approval of the application, and the proposed commingling of production is in the interest of conservation and will not result in improper measurement of production.
8. Detailed economic justification, when the application to combine production is based on economic necessity, i.e., that approval is necessary to extend the economic life of the Federal or Indian Lease(s). Commingling with State or Fee wells will be on a very limited basis and will have to prove this is the only economical way to keep that well/lease from being plugged.

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.