

DATE IN 11/24/2016	SUSPENSE	ENGINEER MAM	LOGGED IN 4/20/2016	TYPE CTB	APP NO PMA 6335518
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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 _____

Ashtwell b/c Not used reason null
Devon Energy Production Company, LD 6137

Levy - CCF 10 Fed #34

30-015-41058

-CCF 10 Fed Com #44

[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

30-015-40159

Pod - Avian Bone Springs East

3713

[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
 Print or Type Name

Erin Workman
 Signature

Regulatory Compliance Professional 11/22/16
 Title Date

Erin.Workman@dvnm.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

November 22, 2016

2016 NOV 23 PM 4:29

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

Re: Central Tank Battery
Cerf 10 Fed 3H & Cerf 10 Fed Com 4H
Sec 9, T21S, R27E
Lease: NMNM14768, NMNM017097, & NMNM133040
API: #30-015-41058 & #30-015-38613
Pool: Avalon; Bone Spring, East

Dear Mr. McMillan:

Please find attached the OCD Form C-107B & BLM 3160-5 Sundry Notice of Intent for a Central Tank Battery for the aforementioned wells.

A copy of our application submitted to the Division & BLM's Approval is attached.

The working interest, royalty interest and overriding royalty interest owners are not identical; notification has been sent via certified mail (see attached).

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Should you have any questions or need further 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: ☐ 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 ☐ 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 (Subtraction method)

(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.

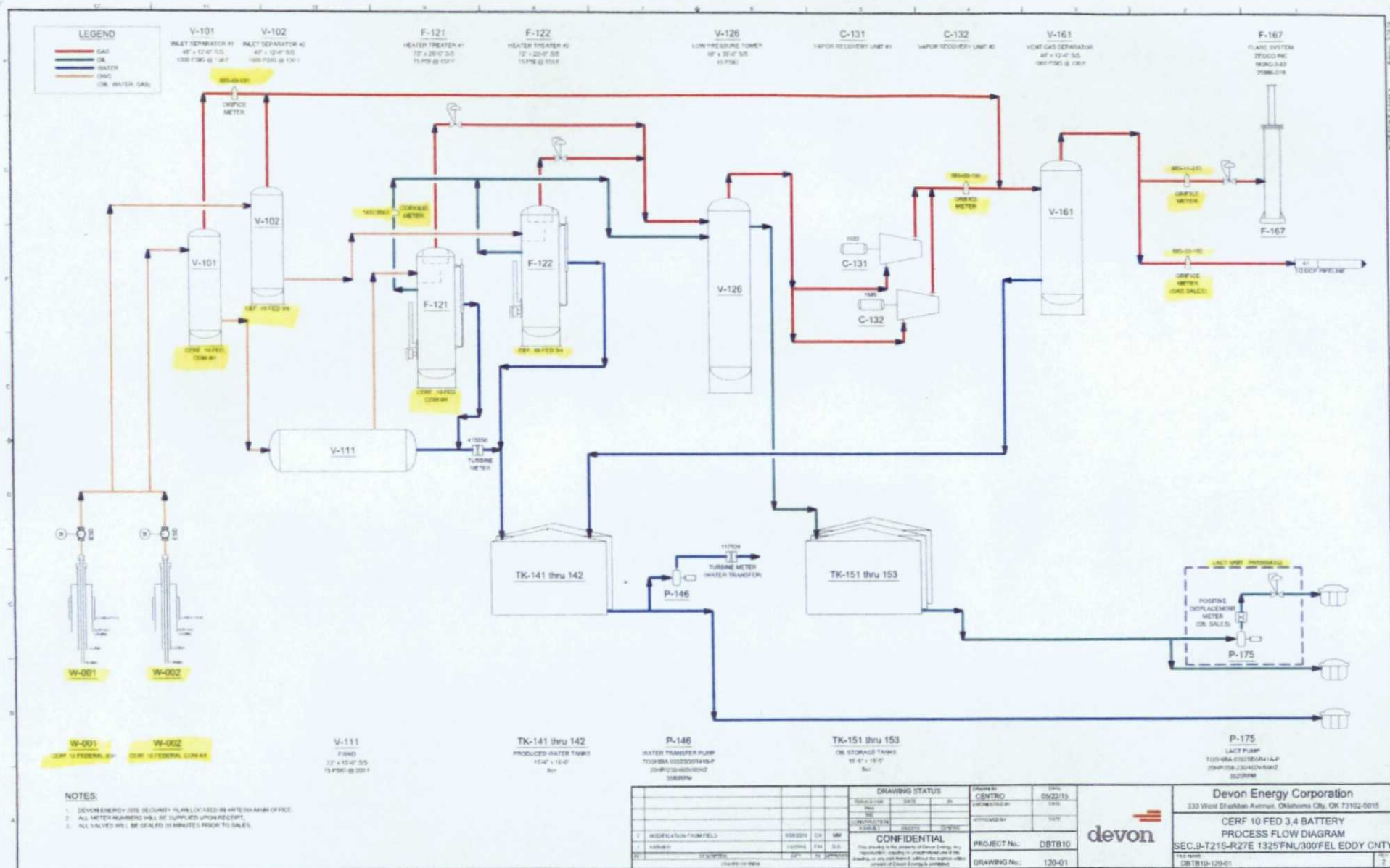
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Erin Workman TITLE: Regulatory Compliance Prof. DATE: 11.22.16

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

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



APPLICATION FOR SURFACE COMMINGLING\OFF-LEASE MEASUREMENT, SALES, & STORAGE

Proposal for the Cerf 10 Fed Com 3H & 4H:

Devon Energy Production Company, LP is requesting approval for a Surface Commingling\Off-Lease Measurement of the following wells:

Federal Lease NMNM14768 (12.5%)				Oil			
Well Name	Location	API #	Pool 3713	BOPD	Gravities	MCFPD	BTU
Cerf 10 Fed 3H	NENE, Sec 9, T21S, R27E	30-015- 41058	Avalon; Bone Spring, East	192.5	40.3	458	1211.9
Federal Lease NMNM14768 (12.5%) & NMNM017097 (12.5%)				Oil			
Well Name	Location	API #	Pool 3713	BOPD	Gravities	MCFPD	BTU
Cerf 10 Fed Com 4H	SENE, Sec 9, T21S, R27E	30-015- 41059	Avalon; Bone Spring, East	165.4	40.1	1109.45	1165.7

Attached is a map displays the federal leases and well locations in Section 9, T21S, R27E.

The BLM's interest in these wells are the same.

Oil & Gas metering:

The central tank battery is located at the Cerf 10 Fed 3H & Cerf 10 Fed Com 4H Battery, in Sec 9, T21S, R27E, in Eddy County, New Mexico. The production from the Cerf 10 Fed 3H & 4H will come into a common production header with isolation lines to route each wells production. The Cerf 10 Fed Com 4H will be continuously metered, while the Cerf 10 Fed 3H will be measured through the subtraction method. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Cerf 10 Fed 3H & Fed Com 4H Battery will have three oil tanks that both wells will utilize and they have a common gas Federal Measurement Point #885-33-192 on location in the northwest corner. Oil will be sold through a common Smith LACT Meter P655654332.

The production from these wells will come into a common production header with isolation lines to route each wells production. From this point, the Cerf 10 Fed Com 4H will be continuously metered. Production from the Cerf 10 Fed Com 4H flows into the inlet separator. Gas from the separator flows through the Cerf Fed Com 4H gas meter #885-49-191. Liquids flow from the inlet separator to the FWKO. Oil from the FWKO flows to the Cerf Fed Com 4H heater treater, while water flows through a turbine meter to two 500 bbl. fiberglass water tanks. Oil exiting the Cerf Fed Com 4H heater treater is measured by the Micro Motion Coriolis Meter #14373043 before entering the ULPS and finally the 500 bbl oil tanks.

Production from the Cerf 10 Fed 3H will be measured utilizing the subtraction method. Production will flow into the header and then into the inlet separator. Gas will flow out of the separator and combine with the Cerf 10 Fed Com 4H gas after the 4H gas meter (#885-49191). The combined gas stream flows to another 2 phase separator prior to the Federal Measurement Point #885-33-192. Liquids from this vent gas separator dumps to the water tanks. Oil and water from the Cerf 10 Fed 3H production stream will flow into its own heater treater. Following the heater treater, the oil will combine with the Cerf 10 Fed Com 4H oil stream (after the coriolis meter) and the combined oil stream will flow into the ULPS before the oil tanks. The water from the Cerf 10 Fed 3H heater treater is goes to the water tanks. Gas from the Cerf 10 Fed 3H heater treater also goes to the ULPS and eventually the VRUs. Gas from the VRU is measured with meter #885-00-190 prior to being combined with the other produced gas stream in the vent gas separator.

Oil production for the Cerf 10 fed com 4H will be allocated utilizing the Micro Motion Coriolis Meter #14373043, the production from the Cerf 10 Fed 3H will be allocated based on the subtraction method. Gas volumes will also be allocated based on the subtraction method for the Cerf 10 Fed 3H. The Cerf 10 Fed Com 4H gas production will be allocated back utilizing gas meter #885-49-191. Gas from the VRUs will be allocated back based on each wells monthly oil production. All meters 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 map which shows the lease boundaries, communization agreement boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. 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. ROW has been obtained, RW-NM 129519 & 129520.

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

WC Name	Well API	Date	Cost Ctr	Oil Prod	Gas Prod	Wtr Prod
CERF 10 FED 4H	300154105900	4/30/2016	1090035301	1,197.00	5,682	7,771.00
CERF 10 FED 3H	300154105800	4/30/2016	1006950401	1,331.00	6,434	5,651.00
		4/30/2016		2,528.00	12,116	13,422.00
CERF 10 FED 4H	300154105900	5/31/2016	1090035301	1,215.00	2,898	2,294.00
CERF 10 FED 3H	300154105800	5/31/2016	1006950401	968.00	10,815	12,071.00
		5/31/2016		2,183.00	13,713	14,365.00
CERF 10 FED 4H	300154105900	6/30/2016	1090035301	1,075.00	3,643	1,776.00
CERF 10 FED 3H	300154105800	6/30/2016	1006950401	1,049.00	10,142	9,416.00
		6/30/2016		2,124.00	13,785	11,192.00
CERF 10 FED 4H	300154105900	7/31/2016	1090035301	1,005.00	5,070	4,814.00
CERF 10 FED 3H	300154105800	7/31/2016	1006950401	971.00	8,496	6,452.00
		7/31/2016		1,976.00	13,566	11,266.00
CERF 10 FED 4H	300154105900	8/31/2016	1090035301	1,170.00	5,674	5,503.00
CERF 10 FED 3H	300154105800	8/31/2016	1006950401	852.00	12,794	5,429.00
		8/31/2016		2,022.00	18,468	10,932.00
CERF 10 FED 4H	300154105900	9/30/2016	1090035301	878.00	2,958	4,677.00
CERF 10 FED 3H	300154105800	9/30/2016	1006950401	546.00	6,083	3,682.00
		9/30/2016		1,424.00	9,041	8,359.00
				12,257.00	80,689	69,536.00

3) "31"

126
30

129
30

129
129

126
121 "26"

3H

83250 BO
708138 MCF

4H Cum = 1,2474 BO

+

1758072 MCF

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.
NMNM14768

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.
NMNM133040

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Multiple--See Attached

2. Name of Operator

DEVON ENERGY PRODUCTION CO

Contact: ERIN WORKMAN

Email: Erin.workman@dvn.com

9. API Well No.
Multiple--See Attached

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
AVALON-DELAWARE
CEDAR HILL

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

Multiple--See Attached

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	Surface Commingling
	<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 recomplete 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 recompletion 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 approval for a Central Tank Battery/Off Lease Measurement for the following wells:

Cerf 10 Fed 3H
NENE, Sec 9, T21S, R27E
NMNM14768 (12.5%)
30-015- 41058
Avalon; Bone Spring, East

Cerf 10 Fed 4H
SENE, Sec 9, T21S, R27E
NMNM14768, NMNM017097, CA- NMNM133040 (12.5%)

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

**Electronic Submission #331561 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by DUNCAN WHITLOCK on 02/18/2016 (16DW0012SE)**

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 02/16/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

J.D. Whitlock

Title

TLPET

Date

10/20/16

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

CFO

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 #331561 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM14768	NMNM14768	CERF 10 FEDERAL 3H	30-015-41058-00-S1	Sec 9 T21S R27E NENE 1275FNL 300FEL
NMNM133040	NMNM14768	CERF 10 FEDERAL COM 4H	30-015-41059-00-S1	Sec 9 T21S R27E SENE 1325FNL 300FEL

32. Additional remarks, continued

30-015- 41059

Avalon; Bone Spring, East

The Central tank battery is located at the Cerf 10 Fed 3H & Cerf 10 Fed Com 4H Battery, in Sec 9, T21S, R27E, in Eddy County, New Mexico. The production from the Cerf 10 Fed 3H & 4H will come into a common production header with isolation lines to route each well's production. From this point one will be on test and its production routed through the test equipment. VRU will be allocated back to each well utilizing a percentage of each well's monthly oil production.

The Cerf 10 Fed Com 4H Battery will have three oil tanks that both wells will utilize and they have a common Federal Measurement Point #885-33-192 on location in the northwest corner. Oil, gas, and water volumes from these two wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Oil will be sold through a common Smith LACT Meter SNP50198.

ROW has been obtained, RW-NM 129519 & 129520.

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

ATTACHMENT: Deliverables

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41058		² Pool Code 3713		³ Pool Name Avalon; Bone Spring, East	
⁴ Property Code 39694		⁵ Property Name CERF 10 FEDERAL			⁶ Well Number 3H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3211.8

¹⁰ Surface Location

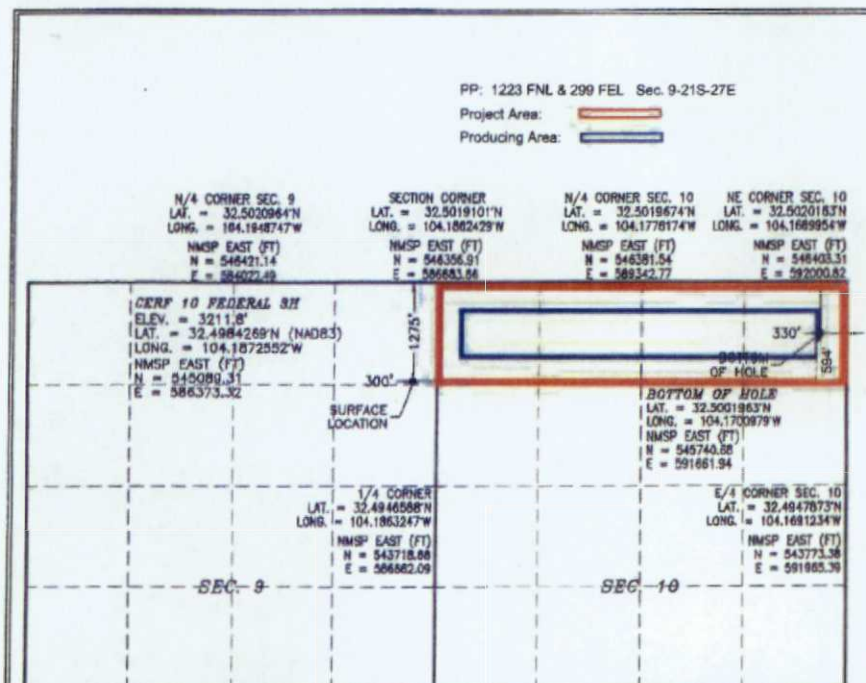
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	21 S	27 E		1275	NORTH	300	EAST	EDDY

¹¹ 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
A	10	21 S	27 E		594	NORTH	330	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160 ac			

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.



¹⁷ OPERATOR CERTIFICATION

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 or has a right to drill this well at this 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.

Trina C. Couch 11-17-13
Signature Date

Trina C. Couch, Regulatory Associate

Printed Name

trina.couch@dvn.com

E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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.

OCTOBER 12, 2012

Date of Survey

Robert J. Aramillo
Signature and Seal of Registered Professional Surveyor
Certificate Number: PL 12405-PL ARAMILLO, PLS 12797
SURVEY NO. 1061A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
511 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41059		² Pool Code 3713	³ Pool Name Avalon; Bone Spring, East
⁴ Property Code 39695	⁵ Property Name CERF 10 FEDERAL COM		⁶ Well Number 4H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3211.2

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	9	21 S	27 E		1325	NORTH	300	EAST	EDDY

¹¹ 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
H	10	21 S	27 E		2099	NORTH	330	EAST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

PP: 1223 FNL & 364 FEL Sec. 9-21S-27E

Project Area:

Producing Area:

¹⁷ OPERATOR CERTIFICATION

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 or has a right to drill this well at this 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.

Trina C. Couch 10-23-13
Signature Date

Trina C. Couch, Regulatory Associate
Printed Name
trina.couch@dmn.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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.

OCTOBER 12, 2012
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor
Certificate Number 12797
F. JARAMILLO NO. 1062A

E-CERTIFIED MAILING LIST

Mailing Reference: **Cerf 10 Fed 3H & 4H**

<u>Repondent Name/Address:</u>	<u>E-Certified Mailing Number:</u>
Energen 1994 Pennzoil 605 Richard Arrington Jr. Blvd. North Birmingham, AL 35203-2707	91 7199 9991 7032 9625 7096
Elizabeth L. Kaderli Trust Elizabeth L. Kaderli Trustee 4718 Hallmark Drive, Apt. 304 Houston, TX 77056	91 7199 9991 7032 9625 7010
Casa Grande Royalty Co., Inc. P.O. Box 2305 Midland, TX 79702	91 7199 9991 7032 9625 7027
Clifton Wilderspin P.O.Box 50088 Midland, TX 79710	91 7199 9991 7032 9625 7034
Travis Reeves Estate Miable Claire Reeves Ind. Executive Presbyterian Village Nort 8600Skyline Drive, Apt. 2205 Dallas, TX 75243-4171	91 7199 9991 7032 9625 7041
Bernard Lee House, Jr. P.O.Box 51707 Midland, TX 79710-1707	91 7199 9991 7032 9625 7058
John W. Gates, LLC 706 West Grand Avenue Artesia, NM 88210	91 7199 9991 7032 9625 7065
McCaw Family Trust Nora Helen McCaw Trustee 210 Crossbow Road Artesia, NM 88210	91 7199 9991 7032 9625 7072
Lloyd Co, a Partnership P.O. Box 1588 Tulsa, OK 74010-1588	91 7199 9991 7032 9625 7089



Devon Energy Production Company
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102
Phone: (405)-552-7970
Erin.Workman@dvn.com

November 22, 2016

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Cerf 10 Fed 3H & Cerf 10 Fed Com 4H
Sec 9, T21S, R27E
Lease: NMNM14768 & NMNM017097
API: #30-015-41058 & 30-015-41059
Pool: Avalon; Bone Spring, East

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 for the above mentioned wells.

A copy of our application submitted to the Division & the BLM's approval are 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.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Please contact the undersigned at (405) 552-7970 should you have any questions or need anything further.

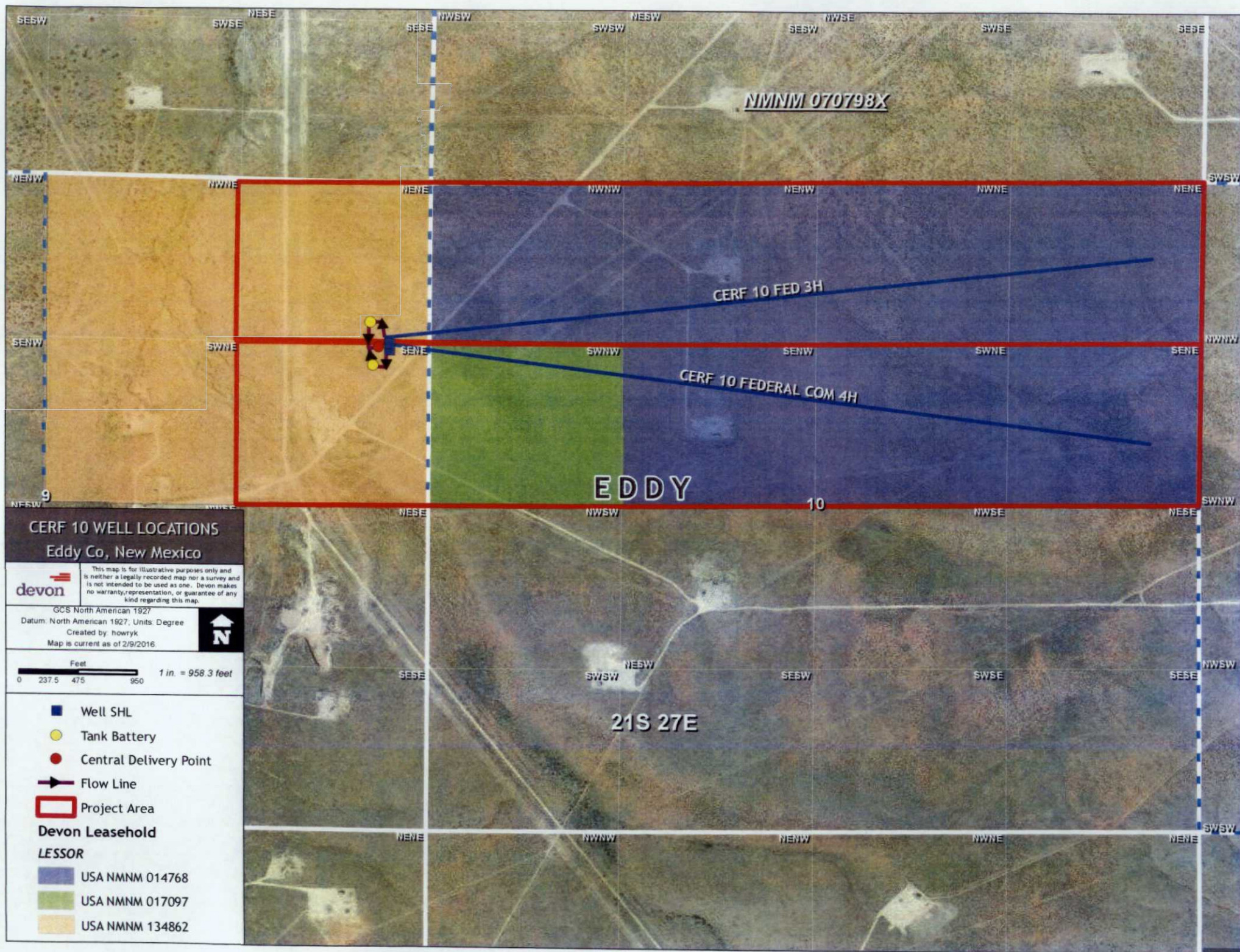
Sincerely,

Devon Energy Production Company, L.P.

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

Erin Workman
Regulatory Compliance Professional

Enclosure



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

Devon Energy Production Co.

October 20, 2016

Condition of Approval

Surface commingling, off lease storage measurement and sales, and alternate method of measurement.

Cerf 10 Fed 3H & Cerf 10 Fed Com 4H

3001541058 & 3001541059

Lease NM14768 & NM017097 and CA NM133040

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. 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.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Approval for alternate method of measurement for oil production. Coriolis meters will be used off 3 phase separators for allocation of oil production and oil will be sold through a common LACT meter at facility.

Signed: Erin Workman

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 11.22.16

[Wells](#) [Operator Data](#) [OCD Review](#) [OCD Only](#) [Administration](#)

OCD Permitting

[Home](#) [Land Searches](#) [Land Details](#)

Section : 09-21S-27E

Type: Normal

Total Acres: 640

County: Eddy (15)

D (D) Federal ¹ Federal ² (15) 40	C (C) Federal ¹ Federal ² (15) 40	B (B) Federal ¹ Federal ² (15) 40	A (A) Federal ¹ Federal ² (15) 40
E (E) Federal ¹ Federal ² (15) 40	F (F) Federal ¹ Federal ² (15) 40	G (G) Federal ¹ Federal ² (15) 40	H (H) Federal ¹ Federal ² (15) 40
L (L) Federal ¹ State ² (15) 40	K (K) Federal ¹ State ² (15) 40	J (J) Federal ¹ State ² (15) 40	I (I) Federal ¹ State ² (15) 40
M (M) Federal ¹ State ² (15) 40	N (N) Federal ¹ State ² (15) 40	O (O) Federal ¹ State ² (15) 40	P (P) Federal ¹ State ² (15) 40

Note ¹ = Surface Owner RightsNote ² = Sub-Surface Mineral Rights

Land Restrictions

No land restrictions found for this section.

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