

DATE IN 12.20.10	SUSPENSE	ENGINEER RE	LOGGED IN 12.20.10	TYPE OLM	APP NO. 1035439455
------------------	----------	-------------	--------------------	----------	--------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Devon 6137

Grandi 22#3

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-33922

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]

Fee

Eddy

- [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 _____ Off Lease Gas Sales _____
- [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

Melanie Crawford
 Signature

Regulatory Analyst
 Title

12-13-10
 Date

Melanie.Crawford@dmv.com
 e-mail Address

OLM-29



Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dev.com

December 8, 2010

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

**Re: Off-Lease Gas Measurement & Sales Approval
Grandi 22 #3
API # 30-015-33922
Sec 22-T22S-R27E
Carlsbad; Morrow South (Gas) - Pool Code: 73960
Eddy County, New Mexico**

RECEIVED OCD
2010 DEC 14 P 2:19

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B, OCD Form C-103 Sundry Notice of Intent for Off-Lease Gas Measurement and Sales. The working interest, royalty interest and overriding royalty interest owners in both leases are not uniform; parties have been notified via certified mail.

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, Ste 1500

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 allowances? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(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 (Specify)

(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

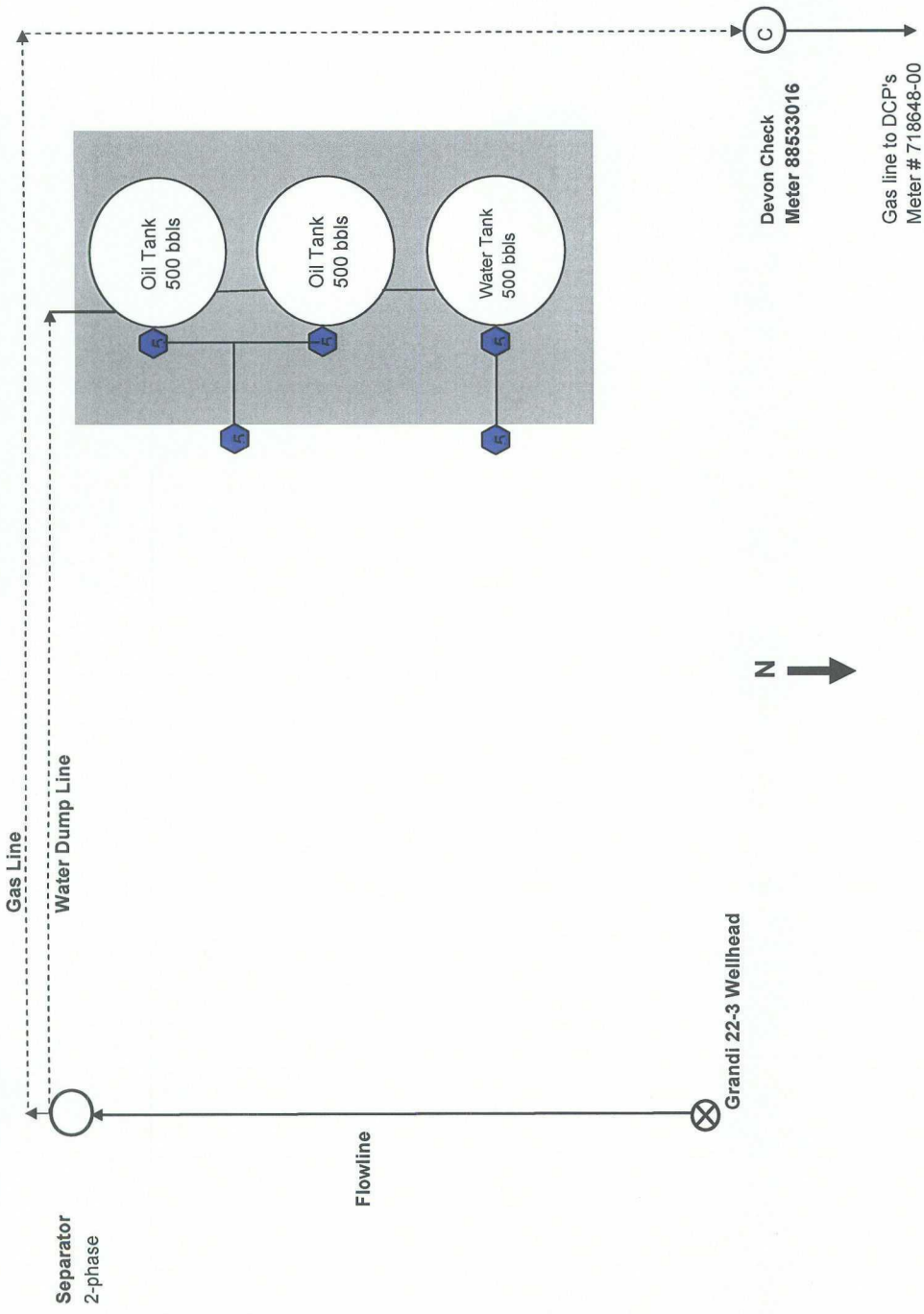
DATE: 12-10-10

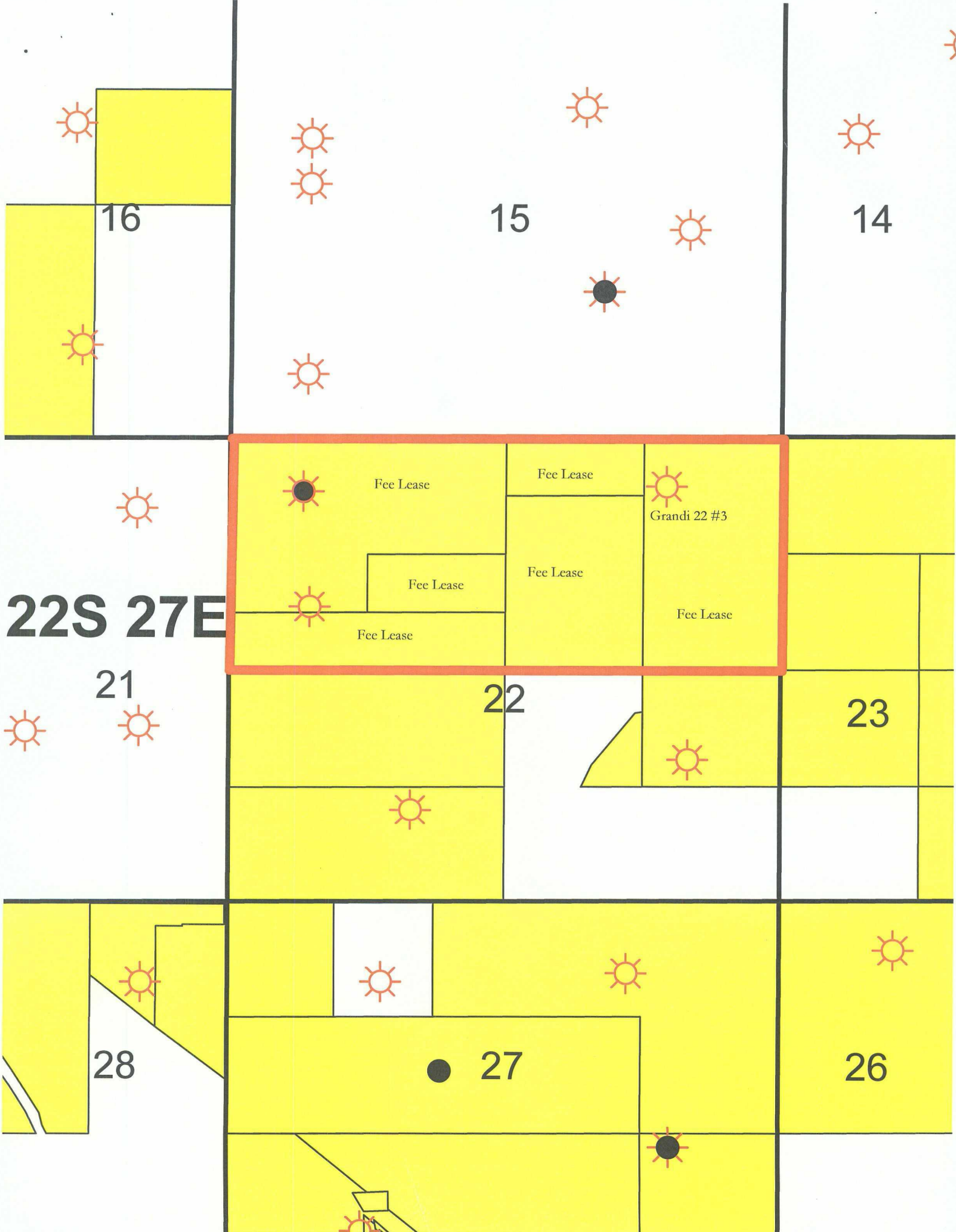
TYPE OR PRINT NAME Melanie Crawford

TELEPHONE NO.: (405)- 552-4524

E-MAIL ADDRESS: Melanie.Crawford@dmr.com

Grandi 22 - 3 Sec 22 R22S T27E 660' FNL and 1210' FEL Eddy County, NM	
Production System: _____	Closed
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.  _____	
Legend for Site Diagram	
Valve #1: <u>Production Line</u>	
Valve #2: <u>Test or Roll line</u>	
Valve #3: <u>Circ./Drain Line</u>	
Valve #4: <u>Equalizer Line</u>	
Valve #5: <u>Sles Line</u>	
Valve #6: <u>BS&W Load Line</u>	
Buried Lines: _____	-----
Firewall: _____	
Wellhead: _____	
Stak-pak: _____	
Production line: _____	_____
Water line: _____	-----
Gas Meter	  





Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

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

WELL API NO. 30-015-33922
5. Indicate Type of Lease FED <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Grandi 22
8. Well Number 3
9. OGRID Number 6137
10. Pool name or Wildcat 73960 Carlsbad; Morrow South (Gas)

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Devon Energy Production Company, LP	
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524	
4. Well Location Unit Letter Lot 9 : 660 feet from the North line and 1210 feet from the East line Section 22 Township 22S Range 27E NMPM Eddy County New Mexico	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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: Off-Lease Gas Measurement & Sales ☒

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., LLP respectfully requests permission for Off-Lease Gas Measurement & Sales for the Grandi 22 #3. Produced gas flows first through a Separator 2-phase and then a on location Devon Check Meter # 88533053 before metering at DCP CDP Sales Meter # 718648-00 which is located approximately 1 mile west in Section 21-T22S-R27E, Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes. These volumes are compared against the check meter volumes.

The Off Lease Gas Measurement & Sales is due to the Operator installed gathering systems. Waste is not induced and no correlative rights are impaired.

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 12-13-10

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

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



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

December 13, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Off-Lease Gas Measurement & Sales Application
Grandi 22 #3
Sec 22-T22S R27E
API # 30-015-33922
Pool 79390 - Carlsbad; Morrow South (Gas)
Eddy County, New Mexico

To Whom It May Concern:

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 Off-Lease Gas Measurement & Sales.

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

The Blanco Company
PO Box 25968
Albuquerque, NM 87125

Certified Mail Number: 7008 1830 0003 1986 7050

First Rowell Company
PO Box 1797
Roswell, NM 88202-1797

Certified Mail Number: 7008 1830 0003 1984 5416

Keohane Inc
Box 1120
Roswell, NM 88202-1120

Certified Mail Number: 7008 1830 0003 1986 7333

Kathleen A Phillips
PO Box 11313
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1986 7326

Catherine Shoemaker
3712 Naples NE
Albuquerque, NM 87111

Certified Mail Number: 7008 1830 0003 1986 7319

Elaine Myers
216 Northwind
El Paso, TX 79912

Certified Mail Number: 7008 1830 0003 1986 7302

Marian Crow
6941 E Night Glow Cir
Scottsdale, AZ 85266

Certified Mail Number: 7008 1830 0003 1986 7296

Ronald Maurice Grandi
4111 Grandi Rd
Carlsbad, NM 88220

Certified Mail Number: 7008 1830 0003 1986 7289

Darla J Ramsey-Wallace
255 Ivory Rd S E
Rio Rancho, NM 87124

Certified Mail Number: 7008 1830 0003 1986 7272

Cynthia Short
1626 N Guadalupe
Carlsbad, NM 88220

Certified Mail Number: 7008 1830 0003 1986 7265

Donald Finley
525 Castlerock
El Paso, TX 79912

Certified Mail Number: 7008 1830 0003 1986 7258

Charles Bingman
1213 Sam Corns Rd
Lawsonville, NM 27022

Certified Mail Number: 7008 1830 0003 1986 7241

Dwayne Bingman
6222 Nat Rd
Julian, NM 27283

Certified Mail Number: 7008 1830 0003 1986 7234

Steven Bingman
1143 Jewel Rd
Danbury, NM 27016

Certified Mail Number: 7008 1830 0003 1986 7227

Billy Bingman
2756 Tuttle Rd
Walnut Cove, NM

Certified Mail Number: 7008 1830 0003 1986 7210

(G)

Barbara Rennie
1501 Verdel Ave
Carlsbad, NM 88220

Certified Mail Number: 7008 1830 0003 1986 7203

Canaan Resources LLC
One Leadership Square
211 N Robinson N 1000
Oklahoma City, OK 73102

Certified Mail Number: 7008 1830 0003 1986 7197

Harold J Grandi & Elizabeth "Betty" Ann Grandi
Revocable Trust Agreement
1309 W Thomas Street
Carlsbad, NM 88220

Certified Mail Number: 7008 1830 0003 1986 7180

Charlotte Louise Bingman
2708 Tuttle Rd
Walnut Cove, NC 27052

Certified Mail Number: 7008 1830 0003 1986 7173

Betsy Casselman-Porter
PO Box 5541
Midland, TX 79704

Certified Mail Number: 7008 1830 0003 1986 7166

Norma Jean Kelley
1701 Mountain Shadow
Carlsbad, NM 88220

Certified Mail Number: 7008 1830 0003 1986 7159

Henry R Walterscheid & Katherine Delores Walterscheid
3226 Tidwell Rd
Carlsbad, NM 88220

Certified Mail Number: 7008 1830 0003 1986 7142

James E Kiehne
24103 US Highway 62/180
El Paso, TX 79938

Certified Mail Number: 7008 1830 0003 1986 7135

Fortune Natural Resources Corp
PO Box 678643
Dallas, TX 75267-8643

Certified Mail Number: 7008 1830 0003 1986 7128

William Wayne Gill Estate
Robert F Duke Personal Rep
PO Box 3729
Midland, TX 79702-3729

Certified Mail Number: 7008 1830 0003 1986 7111

Merle Gill
Community Property
PO Box 3729
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1986 7104

Sherry Guillaume
1410 W Sage Street
Tucson, AZ 85704

Certified Mail Number: 7009 3410 0000 3533 8387