

DATE IN <u>1/10/11</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>1/10/11</u>	TYPE <u>OLM</u>	APP NO. <u>1101053268</u>
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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 6137

Eddy, FV State Comb

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-33294

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]**

state

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

12-28-10
 Date

OLM - 37

Melanie.Crawford@dnr.com
 e-mail Address



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@devn.com

December 28, 2010

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

RECEIVED OCD
2011 JAN - 5 A 11:09

**Re: Off-Lease Gas Measurement & Sales Approval
Eddy FV State Com 6
API # 30-015-33294
Section 25-T20S-R27E
Lease Number: VC-0012
Burton Flat; Morrow (Gas) - Pool Code: 73280
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B and 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 are not identical; 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 allowables? ☐ 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: 12-28-10

TYPE OR PRINT NAME: Melanie Crawford

TELEPHONE NO.: (405)-552-4524

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

Devon Energy Corp
 Eddy FV State Com 6
 NW/4 S25 T20S R27E
 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 unaccessible.

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: Production Line

Valve #2: Test or Roll line

Valve #3: Circ./Drain Line

Valve #4: Equalizer Line

Valve #5: Sles Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

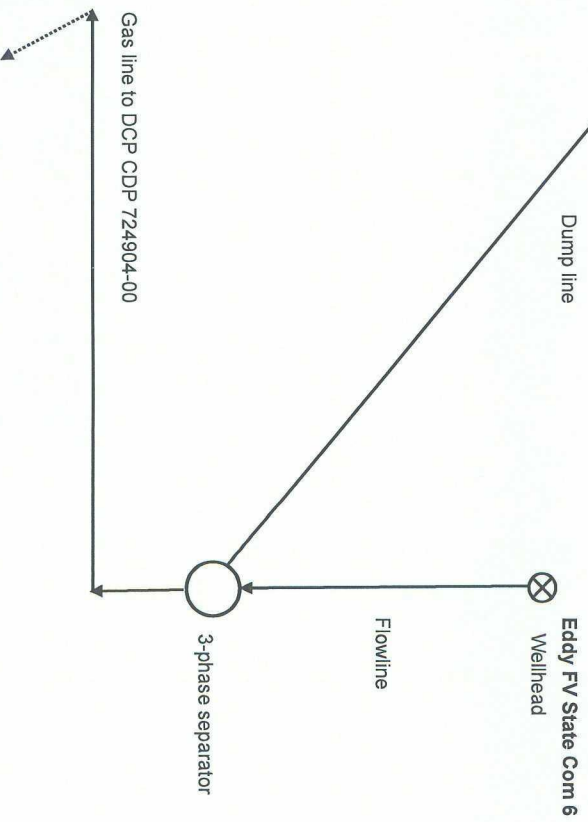
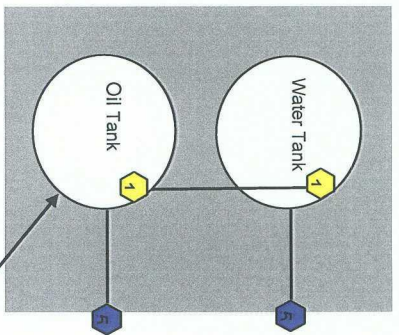
Wellhead:

Stak-pak:

Production line:

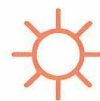
Water line:

Gas Meter



23

24



VC-0012



Eddy FV State Com #6

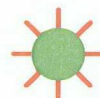
26

25 **20S 27E**

KO-6527



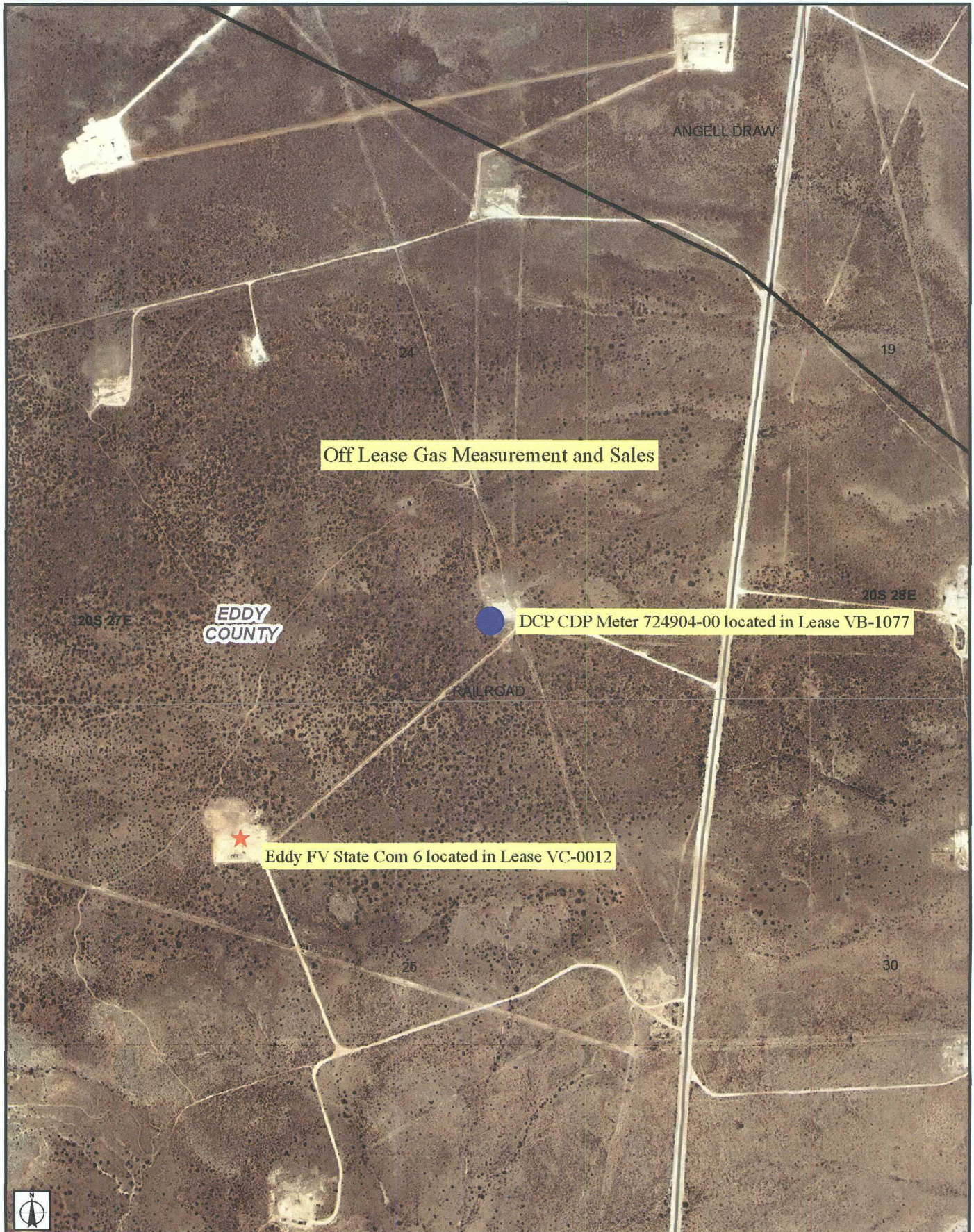
LO-4758



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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. 30-015-33294
5. Indicate Type of Lease FED <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-0012
7. Lease Name or Unit Agreement Name Eddy FV State Com
8. Well Number 6
9. OGRID Number 6137
10. Pool name or Wildcat 73280 - Burton Flat; Morrow (Gas)

11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
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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 _____

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 C : 900 feet from the North line and 1600 feet from the West line Section 25 Township 20S 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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Off Lease Gas Measurement & Sales <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 Measurement & Gas Sales for Eddy FV State Com 6. Produced gas flows through a 3-Phase Separator before going to the DCP CDP Sales Meter #724904-00 located approximately 1/2 mile northeast in Section 24, T20S, R27E in Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales 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.

ROW will or has already been obtained.

The working interest, royalty interest and overriding royalty interest owners in the lease are not identical; notification has been sent (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 12-28-10

Type or print name Melanie Crawford E-mail address: Melanie.Crawford@dmr.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 28, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Off Lease Gas Measurement & Sales
Eddy FV State Com 6
Sec 25-T20S-R27E
API # 30-015-33294
Pool 73280 - Burton Flat, Morrow (Pro 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 cursive script that reads "Melanie Crawford".

Melanie Crawford
Regulatory Analyst

Enclosure

(FV located on card)

Marbob Energy Corporation
PO Drawer 227
Artesia, NM 88211-0227

Certified Mail Number: 7008 1830 0003 1984 6178

Nortex Corporation
1415 Louisiana Ste 3100
Houston, TX 77002

Certified Mail Number: 7008 1830 0003 1984 6116

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

Certified Mail Number: 7008 1830 0003 1984 6109

Premier Oil & Gas Inc
PO Box 1246
Artesia, NM 88210

Certified Mail Number: 7008 1830 0003 1984 6093

Cimarex Energy Company
600 N. Marienfeld, Suite 600,
Midland, TX 79701

Certified Mail Number: 7008 1830 0003 1984 6079