

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>1101053730</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 FT State Com 3*  
*30-015-33293*

**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]**

*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

2011 JAN 11 10:07  
RECEIVED OCM

**[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

12-29-10  
Date

Melanie.Crawford@dvn.com  
e-mail Address

*OLM - 38*



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](mailto:Melanie.Crawford@dev.com)

December 29, 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  
Eddy FT State Com 3  
API # 30-015-33293  
Sec 26-T20S-R27E  
Lease L-6865  
Burton Flat; Morrow (Gas) - Pool Code: 73280  
Eddy County, New Mexico**

RECEIVED OCD  
2011 JAN -5 A 11:09

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: 12-29-10

TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405)-552-4524

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



**Eddy "FT" State Com 3**  
 Sec 26 R20S T27E  
 1570' FNL and 660' FWL  
 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: 

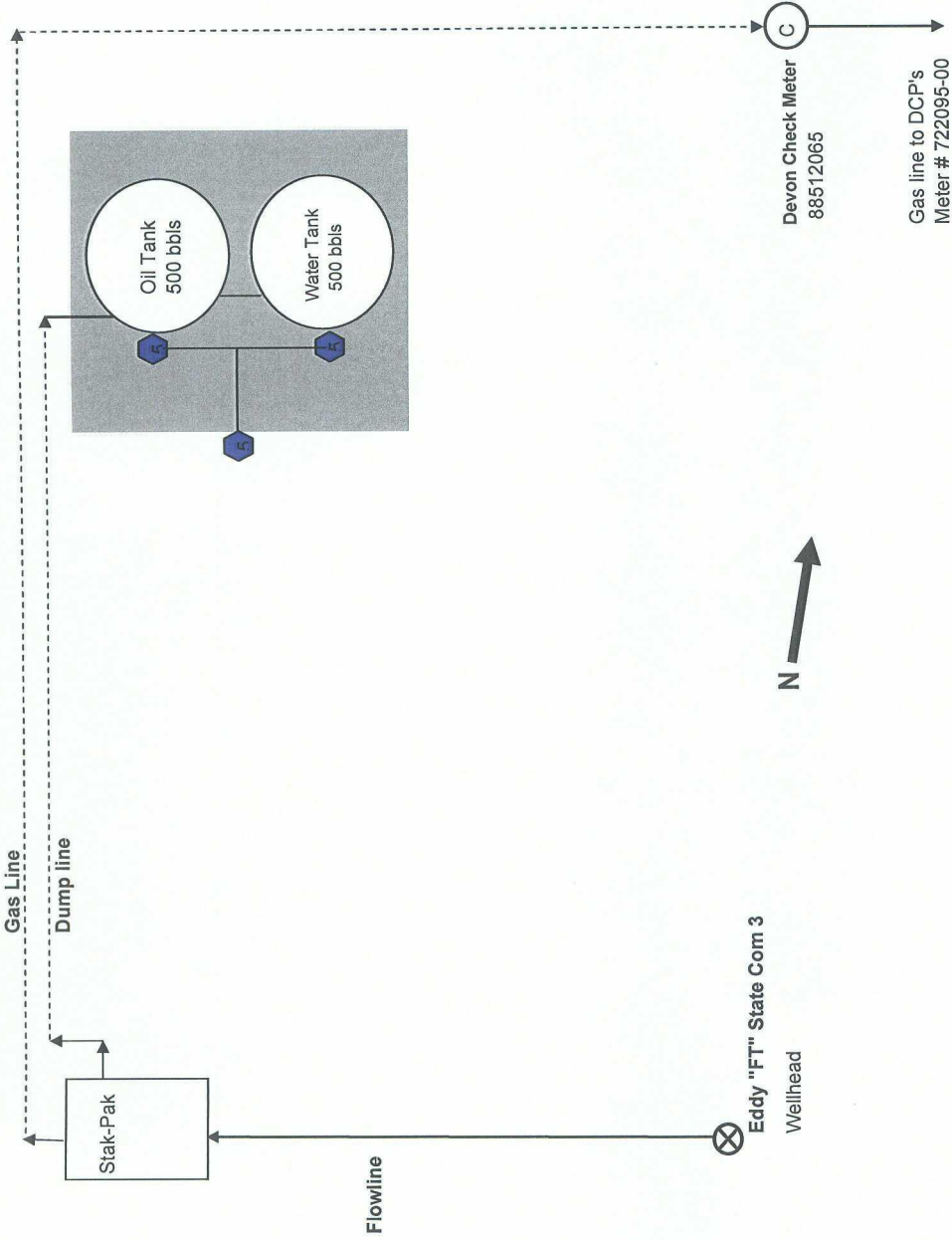
Wellhead: 

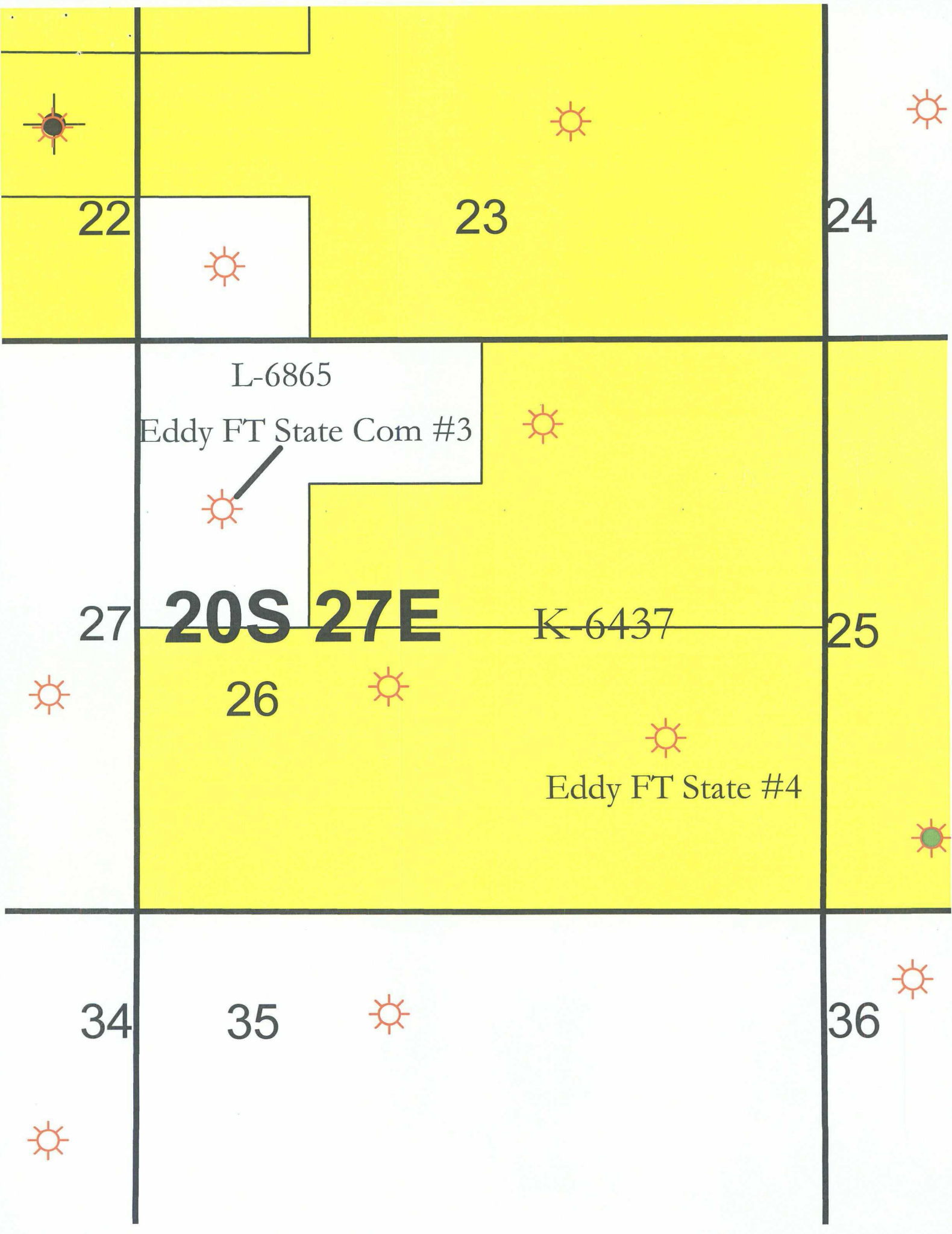
Stak-pak: 

Production line:         

Water line:         

Gas Meter   





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23

24

L-6865

Eddy FT State Com #3

27

**20S 27E**

K-6437

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Eddy FT State #4

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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. 30-015-33293
5. Indicate Type of Lease FED <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-6865

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.)		7. Lease Name or Unit Agreement Name Eddy FT State Com
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		8. Well Number 3
2. Name of Operator Devon Energy Production Company, LP		9. OGRID Number 6137
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524		10. Pool name or Wildcat 73280 Burton Flat; Morrow (gas)
4. Well Location Unit Letter <u>E</u> : <u>1570</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>26</u> Township <u>20S</u> Range <u>27E</u> 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 Sales for Eddy FT State Com 3. Produced gas flows 1<sup>st</sup> through a Stak-Pak then to the Devon Check Meter #88512065 on location before metering at the DCP CDP Gas Sales Meter #722095-00 located approximately 1/2 a mile east in section 26 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. 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.

ROW will or has already been obtained

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 12-29-10

Type or print name Melanie Crawford E-mail-address: Melanie.Crawford@devn.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](http://www.devonenergy.com)

December 29, 2010

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

Re: Off Lease Gas Measurement & Sales Application  
Eddy FT State Com 3  
Sec 26-T20S-R27E  
API # 30-015-33293  
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 black ink that reads "Melanie Crawford". The signature is written in a cursive, flowing style.

Melanie Crawford  
Regulatory Analyst

Enclosure



(FT 3)

Fasken Oil & Ranch Ltd  
303 West Wall Avenue, Ste 1800  
Midland, TX 79701-5116

Certified Mail Number: 7008 1830 0003 1984 6123

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

Certified Mail Number: 7008 1830 0003 1984 6130

Brooks Oil & Gas Interests, Ltd  
PO Box 23314  
Santa Fe, NM 87502

Certified Mail Number: 7008 1830 0003 1984 6147

Energen Resources Corporation  
605 Richard Arrington Jr Bvd N  
Birmingham, AL 35203-2707

Certified Mail Number: 7008 1830 0003 1984 6154