

DATE IN <u>3.11.11</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>3.11.11</u>	TYPE <u>OLM</u>	APP NO. <u>1107055237</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

Blackjack 1 Fed #2

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-015-33383

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]

Blackjack 1 Fed #3  
 30-015-35797

[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

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 2011 MAR 11 A 11:05

Edly  
 Fed

[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

1-10-2011  
 Date

Melanie.Crawford@dmv.com  
 e-mail Address

OLM-44

  
devon

RECEIVED OCD

2011 MAR 11 A 11:05

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

January 6, 2011

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 and Off Lease Sales Approval  
Blackjack 1 Federal 2 & Black Jack 1 Federal 3  
API # 30-015-33383 & 30-015-35797  
Sec 1-T24S-R30E  
Lease NMNM-97133  
Sand Dunes; Delaware, South - Pool Code: 53818  
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for Off-Lease Gas Measurement & Sales. The working interest, royalty interest and overriding royalty interest owners in the lease is uniformed; no additional notification is required.

BLM sundry approval and BLM conditions of approval attached.

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

OPERATOR'S COPY

Form 3160-5  
(February 2005)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**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. NM-91733  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.  
See Below

2. Name of Operator  
Devon Energy Production Co., LP

9. API Well No. See Below

3a. Address  
20 North Broadway  
OKC, OK 73102

3b. Phone No. (include area code)  
(405)- 552-4524

10. Field and Pool or Exploratory Area  
53818 Sand Dunes; Delaware, South

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

11. Country or Parish, State  
Eddy County, NM

**12. CHECK THE 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 type="checkbox"/> Other CTB, Off-Lease Gas Measurement & Sales
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 Co., LLP respectfully requests permission for the Central Tank Battery, Off-Lease Gas Measurement & Sales for the following wells:  
Blackjack 1 Federal 2 API: 30-015-33383 Section 1-T24S-R30E  
Black Jack 1 Federal 3 API: 30-015-35797 Section 1-T24S-R30E

A central tank battery is located at the Blackjack 1 Federal 2 location. The production from both wells will come to a common production header with isolation lines to route each wells production. The header is located on the Southeast side of the facility at the Blackjack 1 Federal 2 wellsite. The produced gas will go to through a Halliburton Meter to test the gas at the battery for each well before going to the DCP CDP. The DCP CDP Gas Sales Meter # 13135309 for both wells is located approximately 1.5 miles southeast of the Blackjack 1 Federal 2 location and approximately 1 mile southeast of the Black Jack 1 Federal 3 location in Section 7-T24S-31E, Eddy County, New Mexico, Latitude 32.2323184 and Longitude -103.8128159.

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 in the lease is uniformed; no additional notification is required

ROW will or has already been obtained

FILE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Name (Printed/Typed)  
Melanie Crawford

Title Regulatory Analyst

Signature

Melanie Crawford

Date

January 10, 2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/s/ JD Whitlock Jr

Title

1PE7

Date

2/27/11

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.

(Instructions on page 2)



Ken Gray  
Senior Advisor, Land

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260  
Office: (405) 552-4633  
Fax: (405) 552-8113

December 20, 2010

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Off Lease Measurement and Sales  
Blackjack 1 Federal # 3 API: 30-015-35797  
Blackjack 1 Federal # 2 API: 30-015-33383  
Sec. 1-T24S-R30E  
Eddy County, New Mexico  
Pool – 53818 – Sand Dunes; Delaware, South

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding Devon's request for Off Lease Measurement and Sales for the referenced wells and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request for Off Lease Measurement and Sales.

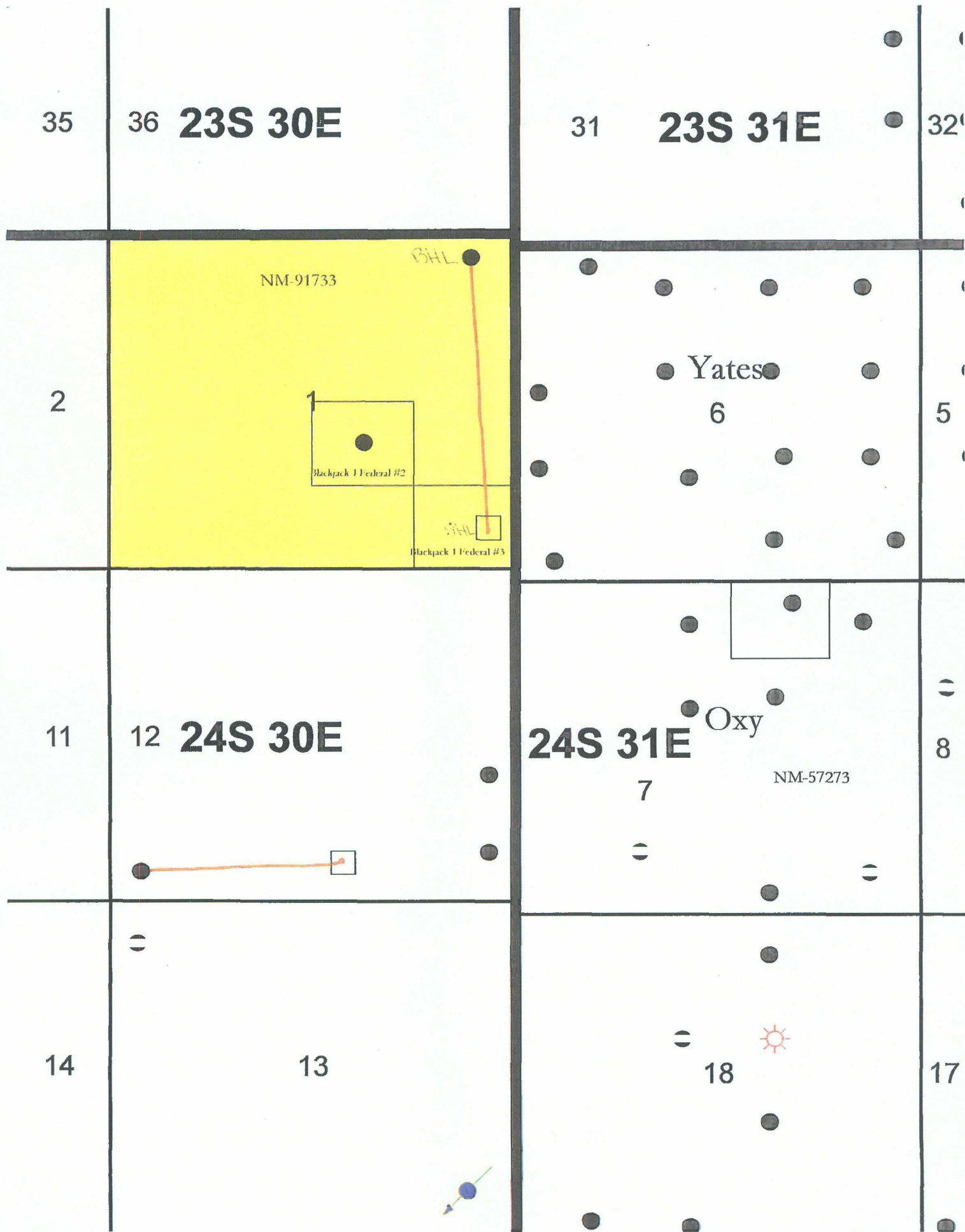
If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

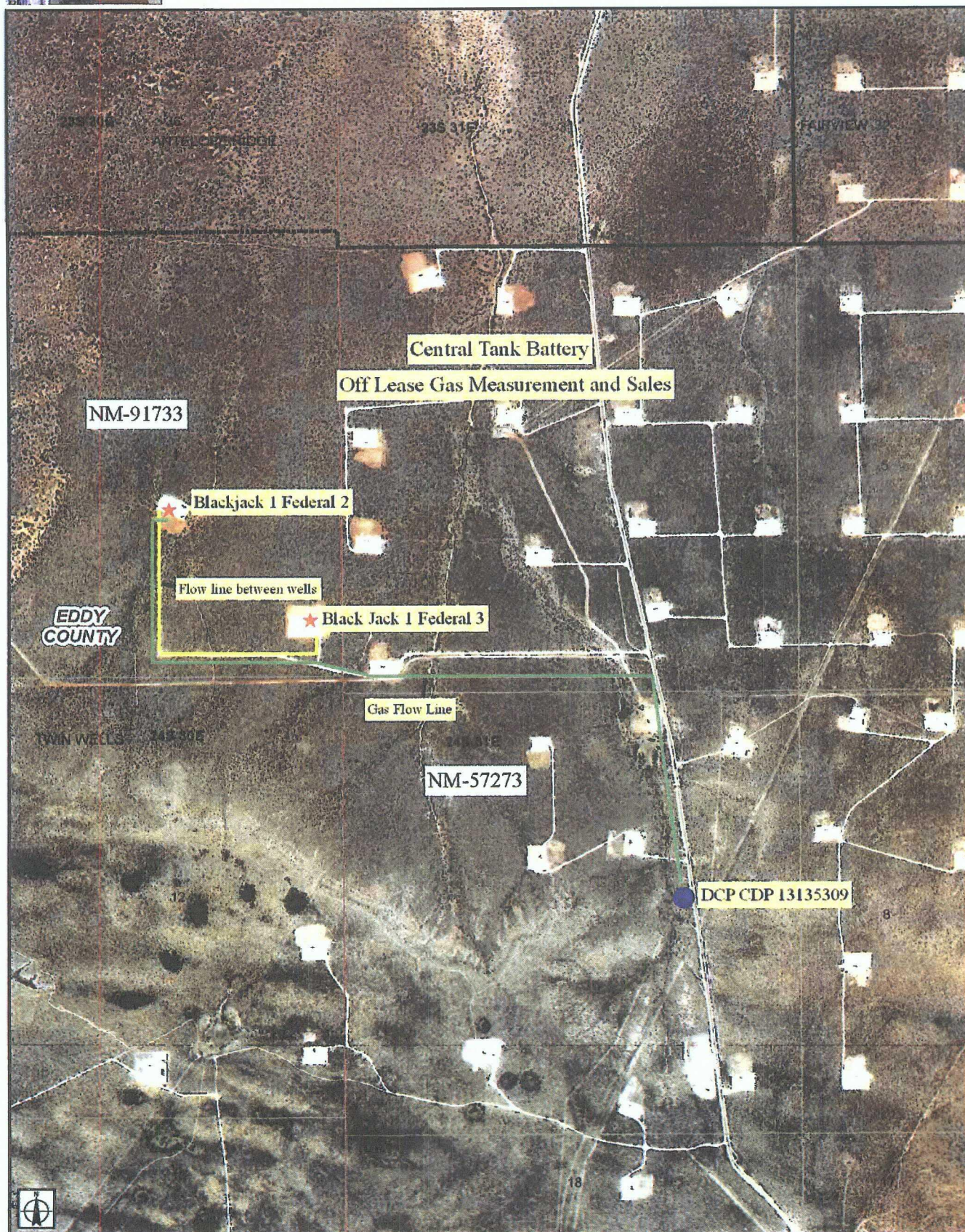
DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Ken Gray", written over a horizontal line.

Ken Gray  
Senior Advisor, Land









**API: 30-015-33383**

**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. 1

- (2) Valve 3 sealed closed. \_\_\_\_\_

- (3) Valve 4 sealed closed. 4

- (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: Equalizer Line

- Valve #4: Circ./Drain Line** \_\_\_\_\_

- Valve #5:
- Sales Line

- Valve #6:
- BS&W Load Line
- \_\_\_\_\_

**Buried Lines:** -----

**Firewall:**

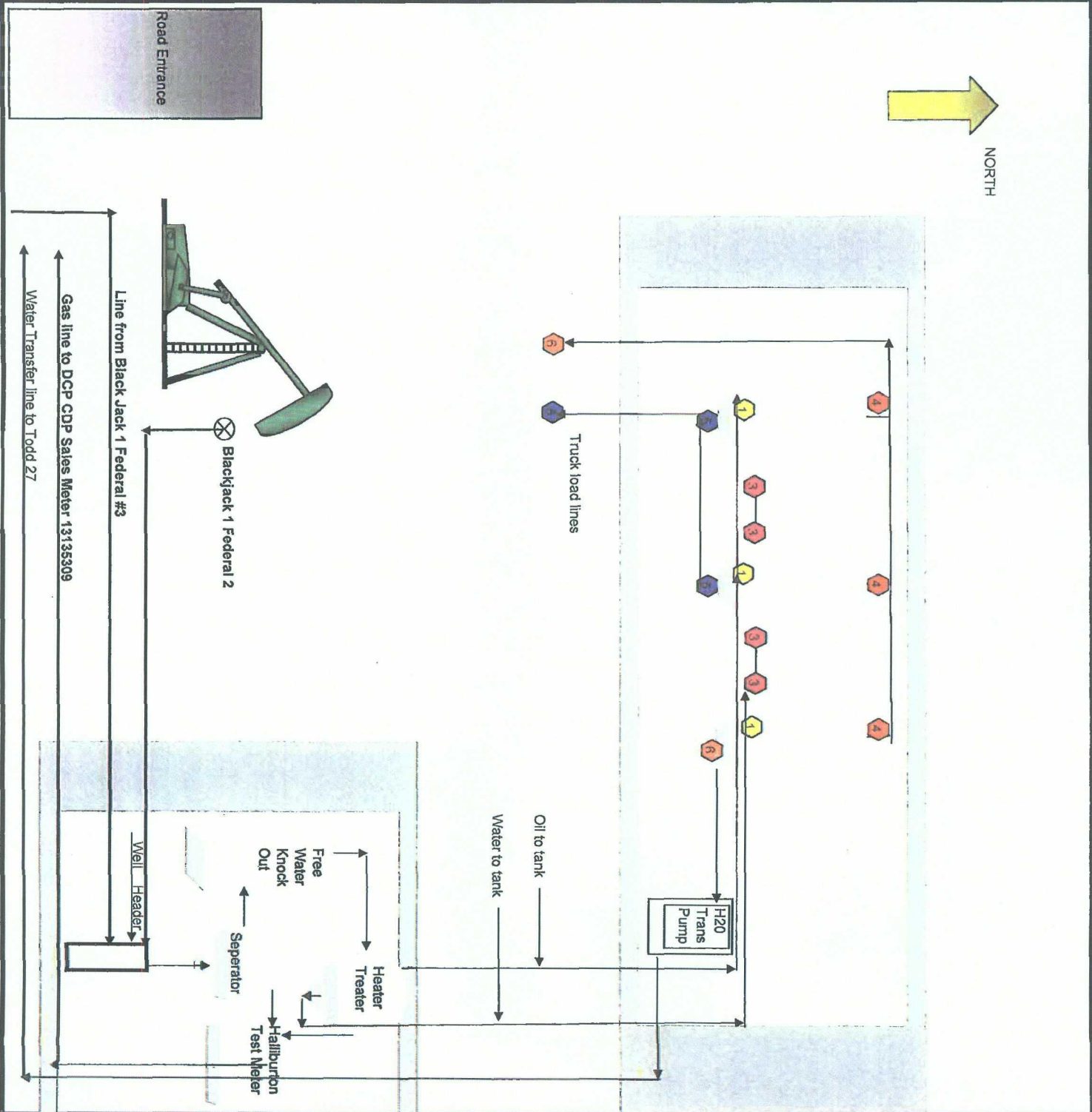
Wellhead:  $\otimes$ 

Stak-pak:

**Production line:** \_\_\_\_\_

**Water line:** - - - - -

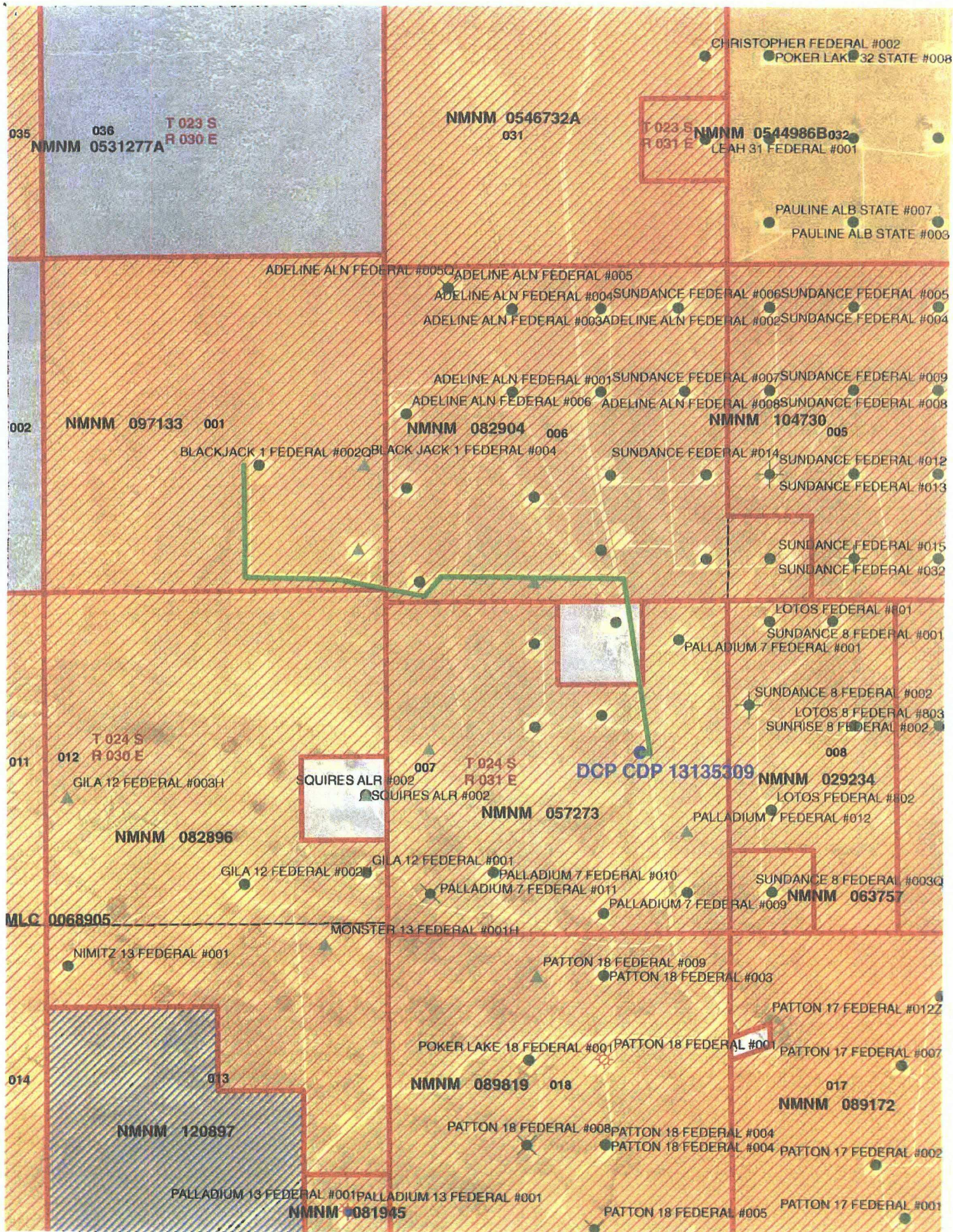
Gas Meter



# OFF LEASE PRODUCTION - EDDY COUNTY

	07/01/10	08/01/10	09/01/10	10/01/10	11/01/10	12/01/10	
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	
Blackjack 1 Federal 2	254.49	194.18	173.2	233.23	168.23	345.95	
Black Jack 1 Federal 3	5,361.03	5,112.84	4,737.68	3,246.37	2,028.79	5,020.49	







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

**Off-Lease Measurement**

**Conditions of Approval**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
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 is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. 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.
7. Approval for off-lease measurement 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.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.