

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 _____

- CTB 765
 - Devon Energy
 Production Company
 LP
 6137

W24
 - Tin Cup 36
 State Com #24
 30-025-4042
 - Butter Cup 36
 State Com #37
 30-025-42367
 POO1
 - Airstrip's Bone
 460

- [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.

Erin Workman
 Print or Type Name

Signature

Regulatory Compliance Prof
 Title

08.31.15
 Date

Erin.Workman@dvn.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 OCD

August 31, 2015

2015 SEP -2 P 1: 46

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

Re: Request for Central Tank Battery
Tin Cup 36 State Com 2H & Buttercup 36 State Com 3H
Sec 35, T18S, R34E & Sec. 36, T18S, R34E
API #30-025-40422, #30-025-42367
Pool 960 Airstrip; Bone Spring
Lease Numbers: NM VB 1889, NM LO 4883 0003, NM VB 1210, & NM VB 1199
Lea County, New Mexico

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B application for a Central Tank Battery for the
aforementioned wells.

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

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 Well Test Method & Tank Gauging
(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 (Tank Gauging)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

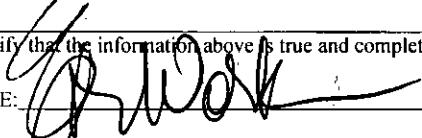
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(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:  TITLE: Regulatory Compliance Professional DATE: 08.31.15

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

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

APPLICATION FOR A CENTRAL TANK BATTERY

Proposal for the Tin Cup 36 State Com 2H & Buttercup 36 State Com 3H:

Devon Energy Production Company, LP is requesting approval for a Central Tank Battery for the following wells:

State Lease: ST OF NM VB 1199 & VB 1210

Well Name	Location	API #	Pool 960	BOPD	OG	MCFPD	BTU
Tin Cup 36 State Com 2H	Sec 36, T18S, R34E	30-025-40422	Airstrip: Bone Spring	21	37.0	2	1279.9

State Lease: ST OF NM VB 1889 & NM LO 4883 0003

Well Name	Location	API #	Pool 960	BOPD	OG	MCFPD	BTU
Buttercup 36 State Com 3H	Sec 35, T18S, R34E	30-025- 42367	Airstrip: Bone Spring	676	41	159	1344

Communization Agreements have been submitted for each well.

*These are proposed totals for this well; once the well is drilled the production information will be amended.

Attached is a map displays the federal leases and well locations in Section 35, T18S, R34E.

The BLM's interest these wells are the same.

Oil & Gas metering:

The central tank battery is located at the Tin Cup 36 State Com 2H, located in Sec. 36, T18S, R34E, in Lea County, New Mexico. The Tin Cup 36 State Com 2H production will flow into a production header, then through its own two phase separator, and into a heater/treater with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. The Buttercup 36 State Com 3H production will flow through its own three phase separator with a Micro Motion Coriolis to meter the oil, turbine meter to meter the water, and gas allocation meter to meter the gas.

The Tin Cup 36 State Com 2H Battery will have three oil tanks that both wells will utilize and they have a common Targa Central Delivery Point #67733069, which is located on the north side of the facility. Oil, gas, and water volumes from the both wells producing to this battery will be determined by using a test separator/heater treater at the proposed facility. Oil will be trucked from this location.

The Tin Cup 36 State Com 1H flows into a production header, then to a 2 phase separator, where after separation gas is routed to the gas allocation meter #677-49-175, then to the Targa CDP #67733069 on location. After separation, produced water and oil flow into a heater/treater are separated, the oil is then metered with a Micro Motion Coriolis Meter S/N 14312627 and water is metered utilizing a turbine meter. The oil then flows into an oil production line where it is combined with the Butter Cup 36 State Com 1H and then flows to one of the 500 bbl. After measurement, the water flows into one of the 500 bbl. produced water tanks, along with the water from the other well.

The Butter Cup 36 State Com 1H flows into a a three phase separator, where after separation gas is routed to the gas allocation meter #677-49-199 then to the Targa CDP #67733069 on location. The produced oil is then metered with a Micro Motion Coriolis Meter #14470292 and water is metered utilizing a turbine meter. The oil then flows into a heater/treater, then into an oil production line where it is combined with the Tin Cup 36 State Com 2H and to one of the 500 bbl. oil tanks. Once measured, the water flows into one of the 500 bbl. produced water tanks, along with the water from the other well.

Oil production will be allocated on a daily basis based on the Micro Motion Coriolis Meter for each well. These meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production for these wells will be allocated on a daily basis using the gas allocation meters. The gas production from each allocation meter will commingle and flow through the Targa CDP #67733069 on the north side of the facility. These 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.

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

Signed:

Printed Name:

Erin Workman

Title: Regulatory Compliance Professional

Date: 08.31.15

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OGD
AUG 16 2012

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 October 15, 2009
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELLS LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40422		Pool Code 960	Pool Name Airstrip; Bone Spring
Property Code 38953	Property Name TIN CUP 36 STATE COM		Well Number 2H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		Elevation 3968.4

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	18 S	34 E		2130	NORTH	990	WEST	LEA

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
E	35	18 S	34 E		2049	NORTH	4952	EAST	LEA

Dedicated Acres 200	Joint or Infill	Consolidation Code	Order No.
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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.

NW CORNER SEC. 35
LAT. = 32.7114802°N
LONG. = 103.5395768°W
NMSP EAST (FT)
N = 623481.83
E = 785476.85

SEC CORNER
LAT. = 32.7114887°N
LONG. = 103.5223814°W
NMSP EAST (FT)
N = 623524.95
E = 790765.84

NE CORNER SEC. 36
LAT. = 32.7115362°N
LONG. = 103.5052535°W
NMSP EAST (FT)
N = 623582.97
E = 796033.97

SW CORNER SEC. 35
LAT. = 32.6969578°N
LONG. = 103.5395462°W
NMSP EAST (FT)
N = 618198.32
E = 785525.82

SEC CORNER
LAT. = 32.6969675°N
LONG. = 103.5223797°W
NMSP EAST (FT)
N = 618241.79
E = 790806.78

SE CORNER SEC. 36
LAT. = 32.6969836°N
LONG. = 103.5052241°W
NMSP EAST (FT)
N = 618288.44
E = 796084.36

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 released mineral interest in the land including the proposed bottom hole location or has a right to drill this well in 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.

Patti Riechers 8/7/2012
Signature Date
Printed Name
Patti Riechers, Operations Technician

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.

Frank J. Aravillo
Date of Survey
Signature and Seal of Professional Surveyor
Certificate Number: 12797
REGISTERED LAND SURVEYOR
SURVEY NO 366A

AUG 29 2012

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 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 30-025-42367		² Pool Code 960		³ Pool Name Airstrip; Bone Spring					
⁴ Property Code 39295		⁵ Property Name BUTTER CUP 36 STATE COM						⁶ Well Number 3H	
⁷ OGRID NO. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, LP						⁹ Elevation 3972'	
¹⁰ Surface Location									
UL or lot no. H	Section 35	Township 18S	Range 34E	Lot Idn	Feet from the 1855	North/South line NORTH	Feet From the 210	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 36	Township 18S	Range 34E	Lot Idn	Feet from the 1855	North/South line NORTH	Feet from the 355	East/West line EAST	County LEA
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

			<p>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.</p> <p><i>Megan Moravec</i> 6/23/2015 Signature Date Megan Moravec; Regulatory Analyst Printed Name Megan.Moravec@dmv.com E-mail Address</p>					
<p>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.</p> <p>11-17-2014 Date of Survey Signature and Seal of Professional Surveyor <i>Richard E Brooks</i> 20451 Certificate Number</p>			<p>GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N 621668.3 - E 790570.5.3 LAT: 32.70638995° N LONG: 103.52306269° W BOTTOM LOCATION N 621724.5 - E 795721.7 LAT: 32.70643518° N LONG: 103.50631575° W</p>			<p>CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1913" N 618198.4 - E 785525.9 B: FOUND BRASS CAP "1913" N 620839.8 - E 785501.4 C: FOUND NAIL AND WASHER ILLEGIBLE N 623482.0 - E 785476.9 D: FOUND BRASS CAP "1913" N 623503.7 - E 788121.5 E: FOUND BRASS CAP "1912" N 623524.9 - E 790766.1 F: FOUND STONE N 623583.1 - E 796034.0 G: FOUND LIMESTONE ROCK N 618288.6 - E 796084.5</p>		
<p>PP: 1830' FNL & 222' FEL Sec 35-T18S-R34E</p>			<p>Project Area: </p> <p>Producing Area: </p>					

Rev. 12/2/14 by REB



August 31, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for Central Tank Battery
Tin Cup 36 State Com 2H & Buttercup 36 State Com 3H
Sec 35, T18S, R34E & Sec. 36, T18S, R34E
API #30-025-40422, #30-025-42367
Pool 960 Airstrip; Bone Spring
Lease Numbers: NM VB 1889, NM LO 4883 0003, NM VB 1210, & NM VB 1199
Lea County, New Mexico

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 to permit a Central Tank Battery for production from the above leases.

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) 552-7970 should you have any questions or need anything further.

Sincerely,

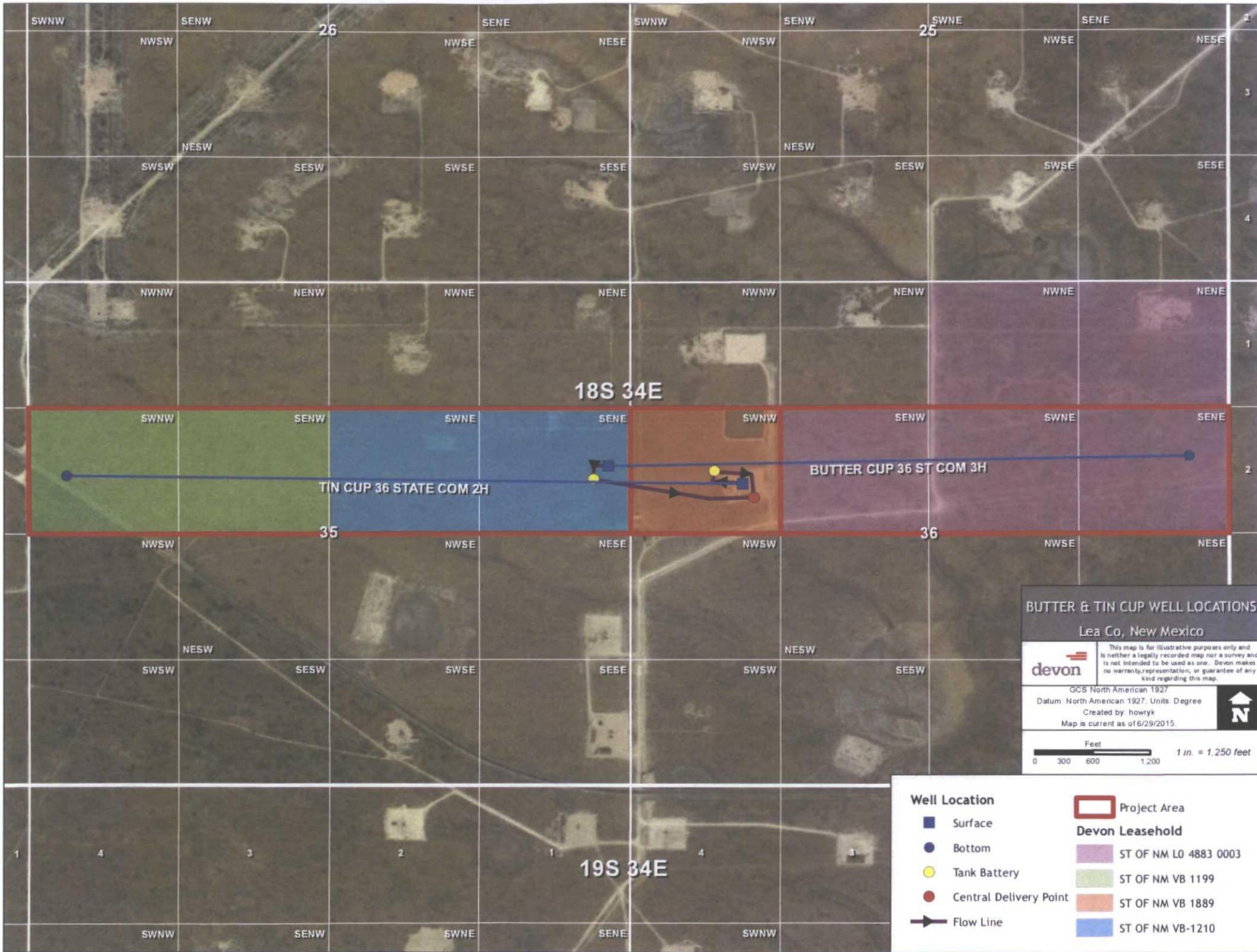
Devon Energy Production Company, L.P.

Erin Workman,
Regulatory Compliance Professional

Enclosure

E-CERTIFIED MAILING LISTCommingle Mailing Reference: **Buttercup 36 & Tin Cup 36**

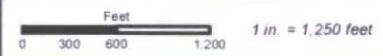
<u>Repondent Name/Address:</u>	<u>E-Certified Mailing Number:</u>
Slash Exploration LP P.O. Box 1973 Roswell, NM 88202	9171999991703564030086
David J. Sorenson P.O. Box 1453 Roswell, NM 88201	9171999991703564030093
Armstrong Energy Corporation P.O. Box 1973 Roswell, NM 88202	9171999991703564030109
Pete Martinez New Mexico State Land Office Oil, Gas, & Minerals Division P.O. Box 1148 Santa Fe, NM 87504-1148	9214890152718100024903
Arrow Exploration Company TTEE Bruce Broyles 6532 Crown Forest Drive Plano, TX 75024	9171999991703564030123
Janet N. Greer 402 Matern Ct. Horseshoe Bay, TX 78657	9171999991703564030130
Rocking H. Holdings LTD 3571 Far West Blvd. PMB 100 Austin, TX 78731	9171999991703564030147
Chimney Rock Oil & Gas LLC P.O. Box 1973 Roswell, NM 88202	9171999991703564030154



BUTTER & TIN CUP WELL LOCATIONS
Lea Co, New Mexico

devon This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

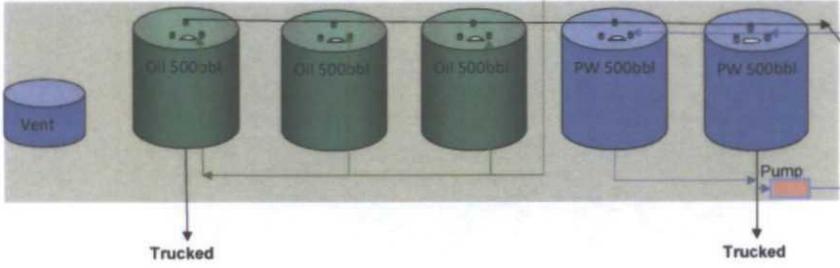
GCS North American 1927
Datum: North American 1927. Units: Degree
Created by: howryk
Map is current as of 6/29/2015.



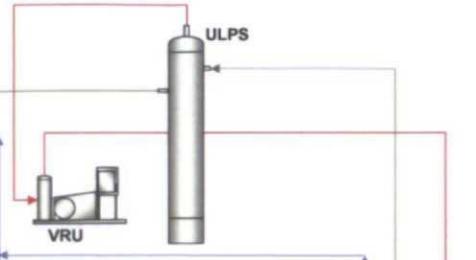
- | | |
|------------------------|------------------------|
| Well Location | Project Area |
| Surface | Devon Leasehold |
| Bottom | ST OF NM L0 4883 0003 |
| Tank Battery | ST OF NM VB 1199 |
| Central Delivery Point | ST OF NM VB 1889 |
| Flow Line | ST OF NM VB-1210 |

Tin Cup 36 State Com 2H
 Sec. 36, T18S, R34E
 API # 30-025-40422
 Lea County New Mexico

Road Access



To Sprinkle SWD



Production System: Open

All Valves will be sealed 30 minutes prior to sales



Tin Cup 36 State Com 2H
 Sec. 36, T18S, R34E
 API # 30-025-40422
 Lea County New Mexico

NORTH

Tin Cup 36-2H
 Coriolis #14312627

Not being Utilized at this time

Buttercup 36 - 3H
 Coriolis #14470292

Not being Utilized at this time

Buttercup 36-3H
 #677-49-199

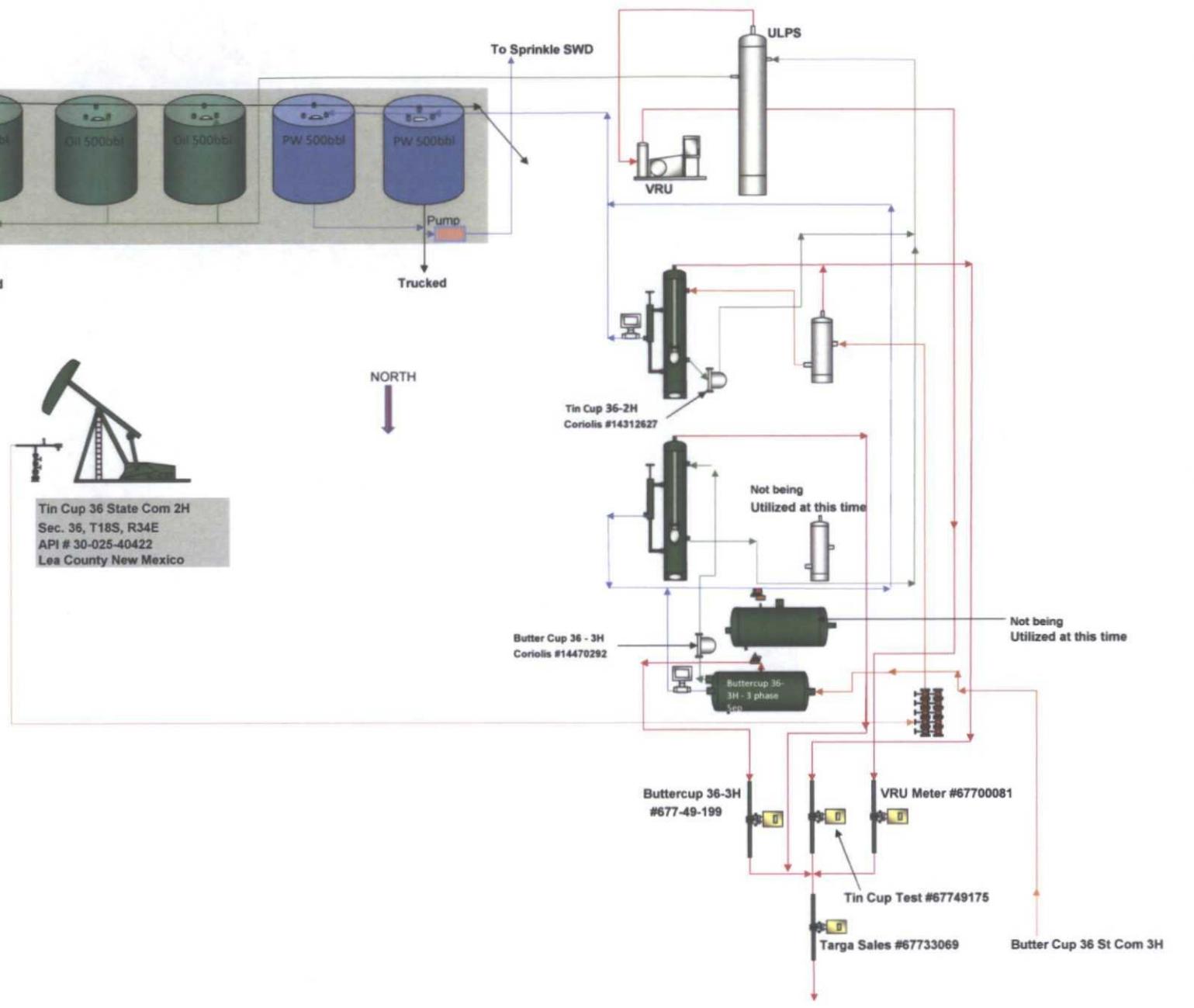
VRU Meter #67700081

Tin Cup Test #67749175

Targa Sales #67733069

Buttercup 36 St Com 3H

Note:
 Devon Energy Site Security Plan
 located in the Artesia Office



Well_Name: TIN CUP 36 STATE COM # 2H API: 3002540422
Location: E-36-18.0S-34E 2130 FNL 990 FWL
Pool Name: AIRSTRIP;BONE SPRING

Month	Oil(BBLS)	Gas(MCF)
Jan-15	371	218
Feb-15	409	209
Mar-15	450	157
Apr-15	380	80
May-15	145	178
Jun-15	1013	0
CUM	36362	26148