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DATE IN <u>12.30.10</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>12.30.10</u>	TYPE <u>OLM</u>	APP NO. <u>1031440246</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

Carlsbad 22H FedCom #

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-015-30581

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]

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                      Melanie Crawford                      Regulatory Analyst                      12-21-10  
 Print or Type Name                      Signature                      Title                      Date

Melanie.Crawford@dvn.com  
e-mail Address

OLM-34



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

December 21, 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 and Sales Approval  
Carlsbad 22 H Fee Com 2  
API # 30-015-30581  
Sec 22-T21S-R26E  
Avalon; Morrow (Gas) - Pool Code: 70920  
Eddy County, New Mexico**

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 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.**

A handwritten signature in black ink that reads "Melanie Crawford". The signature is written in a cursive, flowing style.

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: 12-21-10  
TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405)- 552-4524  
E-MAIL ADDRESS: Melanie.Crawford@dvn.com

**Carlsbad 22 H Fee Com 2**

Sec.22-T21S-R26E  
 Eddy County, NM  
 API# 30-015-30581

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. 

**Ledger 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   

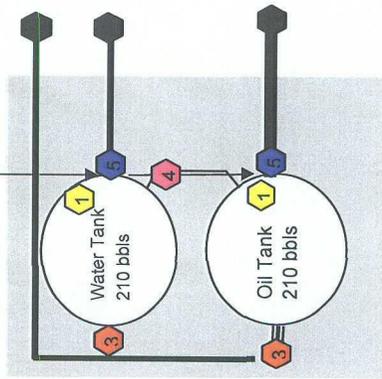


Oil/water dump line

2-Phase Separator

Carlsbad 22 H Fee Com 2 Wellhead

Gas line to DCP's Gas Sales  
 Meter #722048-00 located @  
 State BO Battery



15

14

NM-98151

Fee Lands

Carlsbad 22H Fee Com #2

22

**21S 26E**

23

NM-0265365-A

C.A. NM-106853

27

26



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

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

WELL API NO. 30-015-30581
5. Indicate Type of Lease FED STATE FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Carlsbad 22 H Fee Com
8. Well Number 2
9. OGRID Number 6137
10. Pool name or Wildcat 70920 Avalon; Morrow (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS
1. Type of Well: Oil Well Gas Well Other
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 (See Below) Unit Letter H : 1350 feet from the North line and 660 feet from the East line
Section 22 Township 21S Range 26E NMPM Eddy County New Mexico
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application or Closure
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 and Sales for the Carlsbad 22 H Fee Com 2. Produced gas flows through a 2-Phase Separator and then the gas flows to the DCP CDP Sales Meter # 722048-00 located approximately 1 miles Northwest (outside of the Fee Lease) in Sec 15-T21S-R26E, 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

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 12-21-10

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 21, 2010

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

Interest Owners

Re: Off Lease Gas Measurement and Sales Approval  
Carlsbad 22 H Fee Com 2  
Sec 22-T215 R26E  
API # 30-015-30581  
Pool 70920 - Avalon; Morrow (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". The signature is written in black ink and is positioned above the typed name and title.

Melanie Crawford  
Regulatory Analyst

Enclosure

Hanagan Petroleum Corporation  
PO Box 1737  
Roswell, NM 88202-1737

Certified Mail Number: 7008 1830 0003 1982 7559

Yates Petroleum Corporation  
Kathy H Porter AIF  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Certified Mail Number: 7008 1830 0003 1982 7566

Richard H Coats  
PO Box 2412  
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1982 7573

Thomas R Smith  
1409 S County Rd 1130  
Midland, TX 79706

Certified Mail Number: 7008 1830 0003 1982 7580

Hugh E Hanagan  
PO Box 1737  
Roswell, NM 88202

Certified Mail Number: 7008 1830 0003 1982 7412

F Andrew Grooms  
Separate Property  
PO Box 2990  
Ruidoso, NM 88355-2990

Certified Mail Number: 7008 183.0 0003 1982 7351

Robert W Hanagan  
PO Box 746  
Big Horn, WY 82833

Certified Mail Number: 7008 1830 0003 1982 7306

Rolla R Hinkle III  
PO Box 2292  
Roswell, NM 882002-2292

Certified Mail Number: 7008 1830 0003 1982 7313

Minerals Management Service  
Royalty Management Program  
PO Box 5810  
Denver, CO 80217-5810

Certified Mail Number: 7008 1830 0003 1982 6378

Madison M Hinkle  
AKA Matt Hinkle  
PO Box 2292  
Roswell, NM 88202-2292

Certified Mail Number: 7008 1830 0003 1982 7320

Nuevo Seis LP  
PO Box 2588  
Roswell, NM 88202-2588

Certified Mail Number: 7008 1830 0003 1982 7337

R R Hinkle Co  
PO Box 2292  
Roswell, NM 88202-2292

Certified Mail Number: 7008 1830 0003 1982 7344

Charles R Wiggins  
PO Box 10862  
Midland, TX 79701

Certified Mail Number: 7008 1830 0003 1982 7221

Robert S Light  
PO Box 1658  
Carlsbad, NM 88221

Certified Mail Number: 7008 1830 0003 1982 7238

Morris Schertz & Wife Holly  
PO Box 2588  
Roswell, NM 88202-2588

Certified Mail Number: 7008 1830 0003 1982 7245

## C22 on Notifications

Debra A Hill Rev Trust DT 4/91  
Debra A Hill Trustee  
PO Box 1887  
Santa Fe, NM 87504

Certified Mail Number: 7008 1830 0003 1982 7252

Shirley J Russell  
As her Sole & Separate Prop  
2300 Yorkstown Apt 103B  
Ennis, TX 75119

Certified Mail Number: 7008 1830 0003 1982 7269

Anita L Cravens  
As her Sole & Separate Prop  
PO Box 267  
Sheffield, TX 79781

Certified Mail Number: 7008 1830 0003 1982 7276

Frank M Agar Jr  
PO Box 11148  
Midland, TX 79702

Certified Mail Number: 7008 1830 0003 1982 7283

Eileen Grooms  
EMG Revocable Trust  
1000 W Fourth Street  
Roswell, NM 88201

Certified Mail Number: 7008 1830 0003 1982 7290

Michael L Winchester  
333 South Campo St  
Las Cruces, NM 88001

Certified Mail Number: 7008 1830 0003 1982 7122

Jim B Moutray Jr Rev Tr Dated 12/20/2004  
Jim B Moutray Jr ttee  
6827 S Ivy St, #104  
Englewood, CO 80112

Certified Mail Number: 7008 1830 0003 1982 7115

New-Tex Oil Company  
PO Box 297  
Hobbs, NM 88240

Certified Mail Number: 7008 1830 0003 1982 7139