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DATE IN 4.14.11	SUSPENSE	ENGINEER RE	LOGGED IN 4.14.11	TYPE OLM	APP NO. 1105358530
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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

Pacheco Fed #8

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-015-35774

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 \_\_\_\_\_ Off Lease Gas Sales \_\_\_\_\_

Gas  
Eldy  
Fed

[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

Angel Ranch (70310)

[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

1-7-11  
Date

OLM-46

Melanie.Crawford@dvn.com  
e-mail Address

December 28, 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  
Pacheco 31 Federal Com 8  
API # 30-015-35774  
Sec 31-T19S-R28E  
Lease: NMNM-25869 CA: NM-072652  
Angel Ranch; Atoka Morrow (gas) - Pool Code: 70310  
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 both leases are uniform; 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-25869**

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.  
CA: **NM-072652**

8. Well Name and No.  
**Pacheco 31 Federal Com 8**

9. API Well No. **30-015-35774**

10. Field and Pool or Exploratory Area  
**70310 Angel Ranch; Atoka Morrow (Gas)**

11. Country or Parish, State  
**Eddy County, NM**

1. Type of Well  
 Oil Well  Gas Well  Other

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

3a. Address  
**20 North Broadway  
OKC, OK 73102**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SWSW 860' FSL & 980' FWL Section 31-T19S-R28E**

**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 <u>Off Lease Gas</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Measurement &amp; Sales</u>
	<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 recomplete 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 recompletion 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 Off-Lease Gas Measurement & Sales for the Pacheco 31 Federal Com 8. Produced gas flows through a 3-Phase Separator before going to Devon Check Meter 885-12099 on location and then flows to the DCP CDP Gas Sales Meter 724917-00 located approximately 1.5 miles east in the NE SW of section 22 T23S R26E, 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 in the lease is unformed; no additional notification is required.

**SEE 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 **1-7-2011**

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

Approved by *J. P. V. Hittler* Title **LPE** Date **2/10/11**

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 **CFD**

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.



Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, OK 73102-8260

Janelle Miller  
405-228-8421  
Fax 405 - 552-8113

December 29, 2010

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87502-0115

Re: Off Lease Gas Measurement and Sales  
Pacheco 31 Federal Com 8, API 30-015-35774  
860' FSL & 980' FWL, Section 31-19S-28E, Eddy Co., NM

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. regarding the ownership of the referenced well and find that the ownership of working interest, royalty and overriding royalty interest are uniform in the entire W/2 of Section 31-19S-28E, Eddy County, NM for the following pools/intervals:

Angel Ranch, Atoka and Morrow (GAS) - Pool #70310 ✓

You may contact the undersigned with any questions or comments.

Sincerely,  
Devon Energy Production Company, L.P.

A handwritten signature in cursive script that reads "Janelle Miller".

Janelle Miller  
Sr. Land Technician  
405-228-8421 / janelle.miller@dvn.com

25

30

29

Eddy County, NM

19S 27E

USA NM 4986

19S 28E

Enterprise CDP

36

31

32

USA NM 25869

Pacheco 31 Fed Com 8

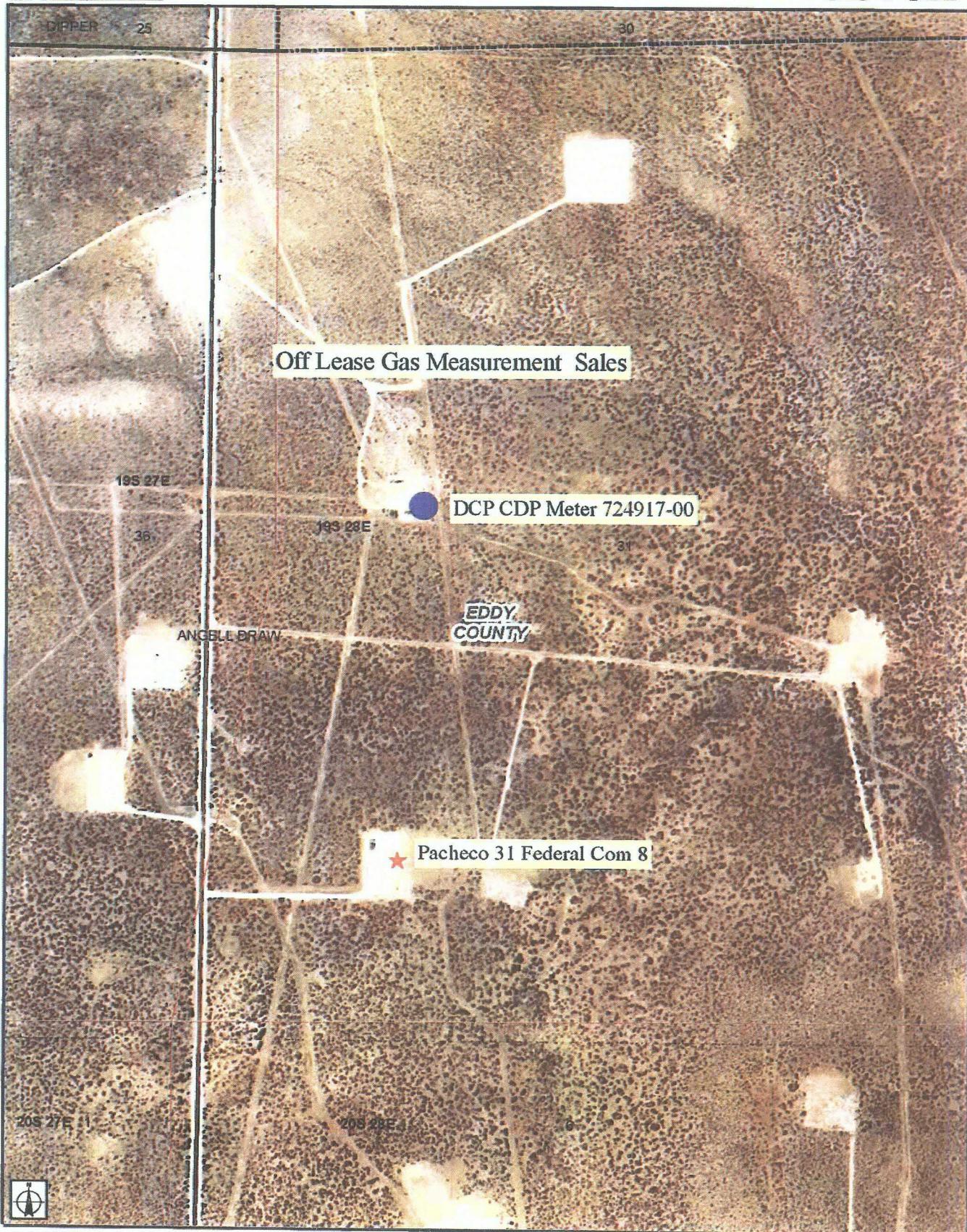
1

6

20S 27E

20S 28E

5



Devon Energy Corp  
 Pacheco 31 Fed Com 8  
 SW/4 S31 T19S R28E  
 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.

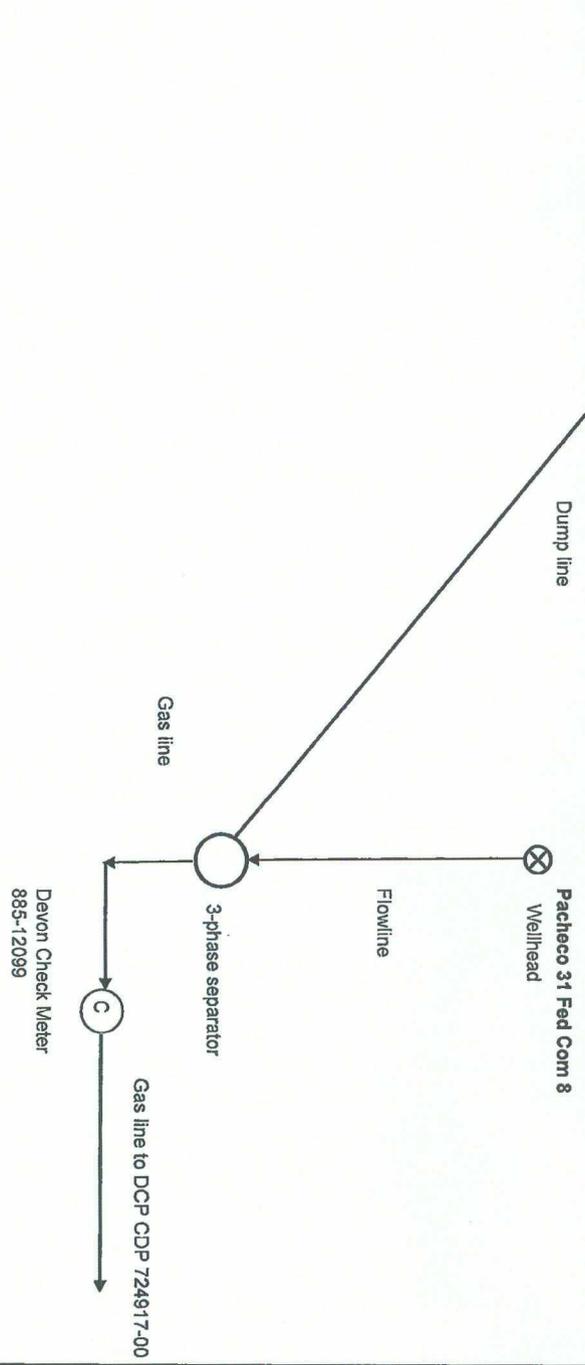
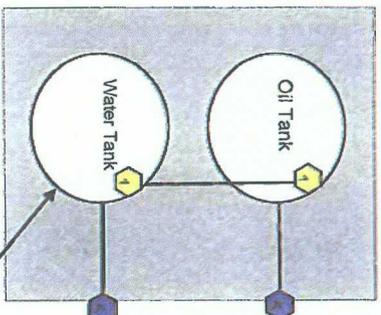
Sales Phase: On Tank being hauled.

- (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: Equilizer Line
- Valve #5: Sies Line
- Valve #6: BS&W Load Line
- Buried Lines: -----
- Firewall: [ ]
- Wellhead: ⊗
- Stak-pak: [ ]
- Production line: \_\_\_\_\_
- Water line: - - - - -
- Gas Meter: (A) (C)



**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.