

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Artesia

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**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.  
NMNM0503

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

7. If Unit or CA/Agreement, Name and No.  
NMNM128657

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.  
COTTON DRAW 10 FED COM

2. Name of Operator  
DEVON ENERGY PRODUCTION CO LP  
Contact: ERIN WORKMAN  
Email: Erin.workman@dvn.com

9. API Well No.  
30-015-39230-00-S1

3a. Address  
333 WEST SHERIDAN AVE  
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)  
Ph: 405-552-7970

10. Field and Pool, or Exploratory  
COTTON DRAW

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

Sec 10 T25S R31E NENE 330FNL 660FEL  
32.152267 N Lat, 103.757231 W Lon

11. County or Parish, and State

EDDY COUNTY, NM

**12. CHECK 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
<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Completion
	<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 of the work. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and z Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall 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 shall be filed following testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

See attached.

Accepted for record - NMOCD *RP3-6-17*

NM OIL CONSERVATION  
ARTESIA DISTRICT

FEB 22 2017

RECEIVED

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Electronic Submission #347758 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/12/2016 (16PP2049SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROFESSIONAL

Signature (Electronic Submission)

Date 08/12/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.

In response to Notice of Written orders DMB1606242 & DMB1606243, Devon Energy Production Co., LP respectfully request approval for surface pooling, commingling, off-lease measurement, sales, & storage at the Cotton Draw 10 Fed Com 2H Battery the following wells:

Cotton Draw 10 Fed Com 1H  
SWSW, Sec. 10, T25S, R31E ✓  
30-015-39229  
Cotton Draw; Delaware, South  
NMNM128656 (12.5%)

Cotton Draw 10 Fed Com 2H  
NENE, Sec. 10, T25S, R31E ✓  
30-015-39230  
Cotton Draw; Delaware, South  
NMNM128657

Cotton Draw 10 Fed Com 3H  
NENE, Sec. 10, T25S, R31E ✓  
30-015-42126  
Paduca; Bone Spring  
NMNM134185

Cotton Draw 10 Fed Com 4H  
NENE, Sec. 10, T25S, R31E ✓  
30-015-42127  
Paduca; Bone Spring  
NMNM134188

The central tank battery is located on the Cotton Draw 10 Fed Com 2H in Sec. 10, T25S, R31E, Eddy County, New Mexico. The Cotton Draw 10 Fed Com 1H & 2H will flow into a manifolded header with the ability to route each well to either a dedicated tester or production heater/treater. One well will be routed to the dedicated tester and one routed to the production heater/treater during operations. The well test method will be utilized once a month for a minimum of 24 hours to meter the oil, water, and gas for either the 1H or 2H. Oil is measured with a Micro Motion Coriolis Meter, water is measured with a mag meter, and gas is measured with an orifice meter & EFM. The Cotton Draw 10 Fed Com 3H & 4H production are measured continuously through three phase separators using a Micro Motion Coriolis to meter the oil, mag meter to meter the water, and an orifice meter to meter the gas. VRU gas is measured with an orifice meter and is allocated back to each well utilizing percentage of each well's monthly oil production.

The Cotton Draw 10 Fed Com 2H Battery contains 3 oil tanks. Oil from each well commingles downstream of the heater treaters and then flows into the tanks. They will share a common Devon Point of Royalty Measurement #390-33-569 on location at the Cotton Draw 10 Fed Com 2H battery located in Sec. 10, T25S, R31E. They will also share a common LACT Separator Meter #Z 4215.

Attachments: Deliverables & Notice of Written Orders

# APPLICATION FOR SURFACE\POOL COMMINGLING\OFF LEASE MEASUREMENT SALES, & STORAGE

## Proposal for Cotton Draw 10 Fed Com 2H Battery

Devon Energy Production Company, LP is requesting approval for Surface\Pool Commingle\Off-Lease measurement, sales, and storage for the following wells:

### Federal Lease: CA NMNM128656 (12.5%)

Well Name	Location	API #	Pool 96757	BOPD	OG	MCFPD	BTU
Cotton Draw 10 Fed Com 1H	SWSE, Sec 10, T25S, R31E	30-015-39229	Cotton Draw; Delaware, South	14	45*	36	1315*

### Federal Lease CA NMNM 128657(12.5%)

Well Name	Location	API #	Pool	BOPD	OG	MCFPD	BTU
Cotton Draw 10 Fed Com 2H	NENE, Sec 10, T25S, R31E	30-015-39230	Cotton Draw; Delaware, South	16	45*	50	1315*

### Federal Lease: CA NMNM134185 (12.5%)

Well Name	Location	API #	Pool 96757	BOPD	OG	MCFPD	BTU
Cotton Draw 10 Fed Com 3H	NENE, Sec 10, T25S, R31E	30-015-42126	Paduca; Bone Spring	140	45*	778	1315*

### Federal Lease CA NMNM134188 (12.5%)

Well Name	Location	API #	Pool	BOPD	OG	MCFPD	BTU
Cotton Draw 10 Fed Com 4H	NENE, Sec 10, T25S, R31E	30-015-42127	Paduca; Bone Spring	106	45*	445	1315*

These numbers are per the battery, will provide numbers upon receipt.

Attached is a map that displays the federal leases and well locations in Section 10, T25S, R31E

The BLM's interest in all four wells is 12.5%

## Oil & Gas metering:

The central tank battery is located on the Cotton Draw 10 Fed Com 2H in Sec. 10, T25S, R31E, Eddy County, New Mexico. The Cotton Draw 10 Fed Com 1H & 2H will flow into a mani-folded header with the ability to route each well to either a dedicated tester or production heater/treater. One well will be routed to the dedicated tester and one routed to the production heater treater during normal operations. The well test method will be utilized once a month for a minimum of 24 hours to meter the oil, water, and gas for either the 1H or 2H. Oil is measured with a Micro Motion Coriolis Meter, water is measured with mag meter, and gas is measured with an orifice meter & EFM. The Cotton Draw 10 Fed Com 3H & 4H production are measured continuously through three phase separators with using a Micro Motion Coriolis to meter the oil, mag meter to meter the water, and an orifice meter to meter the gas. VRU gas is measured with an orifice meter and is allocated back to each well utilizing a percentage of each wells monthly oil production.

The Cotton Draw 10 Fed Com 2H battery contains 3 oil tanks. Oil from each well commingles downstream of the heater treaters and then flows into the tanks. They will share a common Devon Point of Royalty Measurement #390-33-569 on location at the Cotton Draw 10 Fed Com 2H Battery located in Sec. 10, T25S, R31E. They will also share a common LACT Smith Meter # Z 4215.

During well test, either the Cotton Draw 10 Fed Com 1H or 2H well is routed to the test side; production will flow into a two phase test separator where gas is separated, combined with gas from the test side heater treater, and then metered with an orifice meter # 390-49-166. Once gas from the test side is measured, the test gas combines into a header with the gas from the other 3 wells & VRU flash gas, flows through a sales gas 2 phase separator, and is metered via Devon Point of Royalty Measurement #390-33-569 before it goes into the pipeline. Oil/water flow from the 2 phase tester separator and enter into a test heater treater. After separation, the oil is then metered with a Micro Motion Coriolis Meter #1434669, flows into an oil production line where it is combined with the other wells oil, and then to the 500 bbl. oil tanks. The water is metered using a turbine meter, then flows to the 500 bbl. produced water tank, along with the water from the other wells.

When not on test, either the Cotton Draw 10 Fed Com 1H or 2H is routed to the production 2 phase separator. Production will flow into a two phase separator where after separation, gas combines with the production heater/treater gas and flows into a common header with gas from the other wells & VRU flash gas. Everything goes through the sales gas 2 phase separator and then flows to the Devon Point of Royalty Measurement #390-33-165. Produced water and oil flows from the production 2 phase separator and into the FWKO. After separation, the oil then combines with the oil from the Cotton Draw 10 Fed Com 3H & 4H and flows

production heater/treater, is metered with a turbine meter and then combines with the oil from the test side, and flows into one of the 500 oil bbl. tanks. The produced water is metered with a turbine meter and flows to one of the 500 bbl. produced water tanks, along with the water from the other wells.

The Cotton Draw 10 Fed Com 3H well has its own dedicated three phase test separator. After the gas is separated, it is routed to the gas test meter # 390-49-331, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flows to the Devon Point of Royalty Measurement #390-33-569. After separation, the produced oil is then metered with a Micro Motion Coriolis Meter #14420808, combines with the Cotton Draw 10 Fed Com 4H & oil from the FWKO on the production side, flows into the production heater/treater, then will combine with the oil on the test side and flow to one of the 500 bbl. oil tanks. The water is metered utilizing a turbine meter, combines with the water from the Cotton Draw 10 Fed Com 4H, flows into the FWKO, then combines with the water from the test and production side, and flows to one of the 500 bbl. produced water tanks.

The Cotton Draw 10 Fed Com 4H well has its own dedicated three phase test separator. After the gas is separated, it is routed to the gas test meter # 390-49-332, into a common header with gas from the other wells and the VRU, through a 2-phase separator, and then flows to the Devon Point of Royalty Measurement #390-33-569. After separation, the produced oil is then metered with a Micro Motion Coriolis Meter #144221213, combines with the Cotton Draw 10 Fed Com 3H & oil from the FWKO on the production side, flows into the production heater/treater, then will combine with the oil on the test side and flow to one of the 500 bbl. oil tanks. The water is metered utilizing a turbine meter, combines with the water from the Cotton Draw 10 Fed Com 3H, flows into the FWKO, then combines with the water from the test and production side, and flows to one of the 500 bbl. produced water tanks.

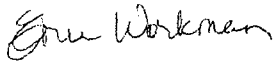
Oil production from the Cotton Draw 10 Fed Com 3H & 4H will be allocated on a daily basis based on the Coriolis Test meter located downstream of the dedicated three phase separator. Oil allocation for the Cotton Draw 10 Fed Com 1H & 2H will be downstream of the test heater/treater. The Coriolis meter 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 from the Cotton Draw 10 Fed Com 3H & 4H wells will be allocated on a daily basis using the gas allocation meter. The gas production from the Cotton Draw 10 Fed Com 1H & 2H will be allocated based on a monthly basis per the gas test meter #390-49-166. The gas production from the production equipment, test side gas meter, & gas meters from the Cotton Draw 10 Fed Com 3H & 4H will commingle come into a common header, and flow into Devon's Point of Royalty Measurement Meter #390-33-569. 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, 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 have been notified of this proposal via certified mail (see attached).

Signed: 

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 08.12.16

Cotton Draw 10 Fed Com 2H  
 Section 10, T25S, R31E  
 330FNL&660FEL  
 Eddy County, N.M.  
 AP# 3001539230

Production System: Closed

Oil sales by tank gauge to tank truck.

Seal requirements:

Production Phase: On all Tanks.

1) Both water tank valves sealed open  
 AN 3 oil load line valves sealed open

2) Production Phase: On Tank being hauled.

1) Valve 1 sealed closed.

1) Valve 3 sealed closed.

1) Valve 4 sealed closed.

1) Valve 5 sealed closed.

1) Mfg. Valves: Plugged or otherwise accessible.

NOTE: Valve 2 is either a test or roll line

there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

Valve #1: Production Line

Valve #2: Tail or Roll Line

Valve #3: Equilizer Line

Valve #4: Circ./Drain Line

Valve #5: Sales Line

Valve #6: BSAW Load Line

Red Lines:

Well:

Head:

K-pak:

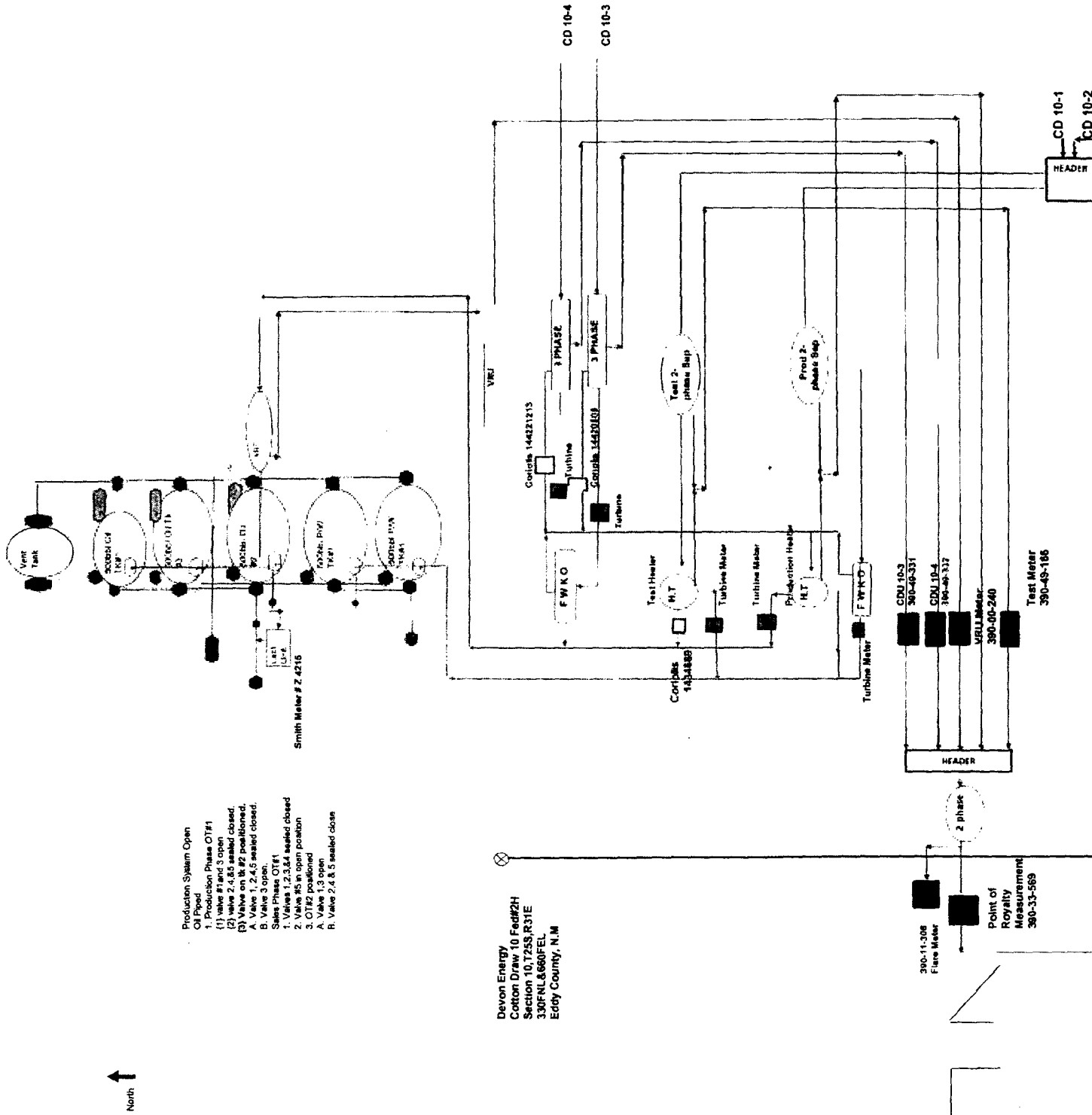
Production Line:

or line:

Meter

A M C

# PROCESS FLOW DIAGRAM





DRAW 10 FED COM 2H BATTERY  
 Eddy Co, New Mexico

This map is for informational purposes only and is not intended to be used as a legal document. It is not intended to be used as a legal document. It is not intended to be used as a legal document.

late Plains New Mexico East FIPS 3001  
 north American 1927; Units: Foot US  
 Created by: dohban  
 is current as of 8/12/2016.

Feet  
 370 740 1 in. = 752.3 feet

- Surface Hole
- Tank Battery
- Flow Line
- Comm Agreement
- Project Area
- on Leasehold

USA NMNM 000503  
 USA NMNM 042626

NMNM 134188  
NMNM 128657

NMNM 134185  
NMNM 128656

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 10:23 AM

Page 1 of 1

Run Date: 08/12/2016

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 128656

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 128656

Name & Address			Int Rel	% Interes
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	100.000000000

Serial Number: NMNM-- - 128656

Mer Twp	Rng	Sec	SType	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0310E	010	ALIQ	W2E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 128656

Act Date	Code	Action	Action Remark	Pending Office
03/01/2012	387	CASE ESTABLISHED	COTTON DRAW 10 FED 1H	
03/01/2012	516	FORMATION	DELAWARE	
03/01/2012	526	ACRES-FED INT 100%	160; 100%	
03/01/2012	868	EFFECTIVE DATE		
06/19/2012	643	PRODUCTION DETERMINATION		
06/19/2012	654	AGRMT PRODUCING		
10/11/2012	334	AGRMT APPROVED		
06/09/3012	658	MEMO OF 1ST PROD-ACTUAL		

Serial Number: NMNM-- - 128656

Line Nr	Remarks			
0001	RECAPITULATION EFFECTIVE 03/01/2012			
0002	TR# LEASE SERIAL# AC COMMITTED %INTEREST			
0003	1 NM-042626 80.00 50.00			
0004	2 NM-120902 40.00 25.00			
0005	3 NM-0503 40.00 25.00			
0006	TOTAL 160.00 100.00			

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 10:25 AM

Page 1 of 1

Run Date: 08/12/2016

01 02-25-1920;041STAT0437;30USC181

Total Acres  
160.000

Serial Number  
NMNM-- - 128657

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 128657

Name & Address			Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	100.000000000

Serial Number: NMNM-- - 128657

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0310E	010	ALIQ	E2E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 128657

Act Date	Code	Action	Action Remark	Pending Office
03/01/2012	387	CASE ESTABLISHED	COTTON DRAW 10 FED 2H	
03/01/2012	516	FORMATION	DELAWARE	
03/01/2012	526	ACRES-FED INT 100%	160; 100%	
03/01/2012	868	EFFECTIVE DATE		
05/22/2012	654	AGRMT PRODUCING		
08/24/2012	334	AGRMT APPROVED		

Serial Number: NMNM-- - 128657

Line Nr	Remarks
0001	RECAPITULATION EFFECTIVE 03/01/2012
0002	TR# LEASE SERIAL# AC COMMITTED % INTEREST
0003	1 NM-042626 80.00 50.00
0004	2 NM-0503 80.00 50.00
0005	TOTAL 160.00 100.00



**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 10:41 AM

Page 1 of 1

Run Date: 08/12/2016

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 134185

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 134185

Name & Address			Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.0000000000
DEVON ENERGY CORP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	0.0000000000

Serial Number: NMNM-- - 134185

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0310E	010	ALIQ	W2E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 134185

Act Date	Code	Action	Action Remark	Pending Office
03/01/2014	387	CASE ESTABLISHED		
03/01/2014	516	FORMATION	BONE SPRING	
03/01/2014	526	ACRES-FED INT 100%	160;100%	
03/01/2014	868	EFFECTIVE DATE	/1/ 3001542126	
09/27/2014	654	AGRMT PRODUCING	/1/	
09/27/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ MEMO 2/26/15	
02/26/2015	643	PRODUCTION DETERMINATION	/1/	

Serial Number: NMNM-- - 134185

Line Nr	Remarks
0001	RECAPITULATION EFFECTIVE 3/1/14
0002	TR# LEASE# AC COMMITTED % INT
0003	1 NMNM042626 80 50
0004	2 NMNM120902 40 25
0005	3 NMNM0503 40 25
0006	TOTAL 160 100

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 10:47 AM

Page 1 of 1

Run Date: 08/12/2016

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 134188

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 134188

**Name & Address**

Int Rel

% Interes

BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.00000000
DEVON ENERGY CORP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	100.00000000

Serial Number: NMNM-- - 134188

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0310E	010	ALIQ	E2E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 134188

Act Date	Code	Action	Action Remark	Pending Office
03/01/2014	387	CASE ESTABLISHED		
03/01/2014	516	FORMATION	BONE SPRING	
03/01/2014	526	ACRES-FED INT 100%	160;100%	
03/01/2014	868	EFFECTIVE DATE	/1/ 3001542127	
07/11/2014	654	AGRMT PRODUCING	/1/	
07/11/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ MEMO 2/26/15	
02/26/2015	643	PRODUCTION DETERMINATION	/1/	

Serial Number: NMNM-- - 134188

Line Nr	Remarks
0001	RECAPITULATION EFFECTIVE 5/1/14
0002	TR# LEASE# AC COMMITTED % INT
0003	1 NMNM042626 80 50
0004	2 NMNM0503 80 50
0005	TOTAL 160 100

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 02/02/17 01:16 PM

Pag

**01 02-25-1920;041STAT0437;30USC226**

**Total Acres**

**Serial Numl**

**Case Type 311111: O&G LSE NONCOMP PUB LAND**

**2,360.800**

**NMNM-- 0 000**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED Case File Juris:**

**Serial Number: NMNM-- 0 000503**

**Name & Address**

**Int Rel**

**%Interest**

CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	50.00
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	50.00
XTO ENERGY INC	810 HOUSTON ST #2000	FT WORTH TX 761026298	OPERATING RIGHTS	0.00

**Serial Number: NMNM-- 0 000503**

Mer Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0250S	0310E	001	ALIQ		S2N2,S2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23	0250S	0310E	001	LOTS		1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23	0250S	0310E	010	ALIQ		E2SE,SWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23	0250S	0310E	011	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23	0250S	0310E	012	ALIQ		SW,N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23	0250S	0310E	014	ALIQ		NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23	0250S	0310E	015	ALIQ		NE,E2W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND

**Serial Number: NMNM 000050**

**Relinquished/Withdrawn Lands**

23 0250S 0310E 710	FF	NWSE ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23 0250S 0310E 715	FF	SWSW,SEGR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND
23 0250S 0310E 715	FF	02 W2NW,NWSW,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND

**Serial Number: NMNM-- 0 000503**

Act Date	Code	Action	Action Remarks	Pending Office
09/26/1949	124	APLN RECD		
02/01/1950	237	LEASE ISSUED		
02/01/1950	496	FUND CODE	05;145003	
02/01/1950	530	RLTY RATE - 12 1/2%		
02/01/1950	868	EFFECTIVE DATE		
08/01/1952	570	CASE SEGREGATED BY ASGN	INTO NMNM0503-A;	
07/27/1958	700	LEASE SEGREGATED	INTO NMNM052869;	
07/28/1958	232	LEASE COMMITTED TO UNIT	NMNM70928X;COTTON DRA	
07/28/1958	501	REFERENCE NUMBER	14-08-001-5247	
01/01/1960	570	CASE SEGREGATED BY ASGN	INTO NMNM0503-B;	
02/01/1961	660	MEMO OF 1ST PROD-ALLOC		
07/22/1969	500	GEOGRAPHIC NAME	UNDEFINED FIELD;	
07/22/1969	510	KMA CLASSIFIED		
05/21/1970	315	RENTAL RATE DET/ADJ	\$1.00;	
05/15/1987	974	AUTOMATED RECORD VERIF	BFM/MLO	
08/04/1987	963	CASE MICROFILMED/SCANNED	CNUM 100,197 DS	
03/27/1991	817	MERGER RECOGNIZED	HONDO/PAULEY	
03/27/1991	940	NAME CHANGE RECOGNIZED	PAULEY/HONDO O&G	
03/27/1991	974	AUTOMATED RECORD VERIF	GLC/MT	
09/09/1991	140	ASGN FILED	TEXACO OILS/EXPL&PROD	
12/17/1991	139	ASGN APPROVED	EFF 10/01/91;	
12/17/1991	974	AUTOMATED RECORD VERIF	AR/CG	
08/14/1992	140	ASGN FILED	HONDO/DEVON ENERGY	
10/29/1992	139	ASGN APPROVED	EFF 09/01/92;	
10/29/1992	974	AUTOMATED RECORD VERIF	BCO/JS	

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06/30/1993	140	ASGN FILED	DEVON ENE/DEVON CORP
09/17/1993	139	ASGN APPROVED	EFF 07/01/93;
09/17/1993	974	AUTOMATED RECORD VERIF	SSP/KRP
03/19/1996	913	CONFORMED TO SRVY/RESRVY	EFF 02/01/97;
08/09/1996	575	APD FILED	
10/08/1996	576	APD APPROVED	76-COTTON DRAW UNIT
11/22/2000	817	MERGER RECOGNIZED	DEVONENE/DEVONENEPD
11/22/2000	974	AUTOMATED RECORD VERIF	AT
05/24/2002	140	ASGN FILED	TEXACO EXPL & PROD
07/09/2002	139	ASGN APPROVED	EFF 06/01/02;
07/09/2002	974	AUTOMATED RECORD VERIF	JLV
10/04/2004	932	TRF OPER RGTS FILED	CHEVRON USA/XTO ENE
12/01/2004	933	TRF OPER RGTS APPROVED	EFF 11/01/04;
12/01/2004	974	AUTOMATED RECORD VERIF	JLV
03/01/2012	246	LEASE COMMITTED TO CA	CA NM128657
03/01/2012	246	LEASE COMMITTED TO CA	/1/ NM128656;
06/19/2012	650	HELD BY PROD - ACTUAL	/1/ NM128656;
10/10/2012	643	PRODUCTION DETERMINATION	/1/ NM128656;
10/10/2012	658	MEMO OF 1ST PROD-ACTUAL	/1/ NM128656;
10/10/2012	974	AUTOMATED RECORD VERIF	BTM
03/01/2014	246	LEASE COMMITTED TO CA	/2/NMNM134188;
03/01/2014	246	LEASE COMMITTED TO CA	/3/NMNM134246;
03/01/2014	246	LEASE COMMITTED TO CA	/4/NMNM134248;
03/01/2014	246	LEASE COMMITTED TO CA	NMNM134185;
03/28/2014	899	TRF OF ORR FILED	1
05/29/2014	899	TRF OF ORR FILED	1
07/11/2014	658	MEMO OF 1ST PROD-ACTUAL	/2/NMNM134188;
09/27/2014	658	MEMO OF 1ST PROD-ACTUAL	/5/NMNM134185;
01/05/2015	658	MEMO OF 1ST PROD-ACTUAL	/3/NMNM134246;
01/06/2015	654	AGRMT PRODUCING	/4/
01/06/2015	658	MEMO OF 1ST PROD-ACTUAL	/4/NMNM134248;
02/26/2015	643	PRODUCTION DETERMINATION	/2/
03/12/2015	643	PRODUCTION DETERMINATION	/3/
03/12/2015	643	PRODUCTION DETERMINATION	/4/
07/01/2015	246	LEASE COMMITTED TO CA	NMNM136260;
02/26/2016	643	PRODUCTION DETERMINATION	/5/
06/25/2016	658	MEMO OF 1ST PROD-ACTUAL	/6/NMNM136260;
09/12/2016	643	PRODUCTION DETERMINATION	/6/

Line Nr      Remarks

Serial Number: NMNM-- 0 000503

0001      N/2 SEC. 11-T25S-R31E PART OF WOLFCAMP PA NM-70928E

**BUREAU OF LAND MANAGEMENT  
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**01 12-22-1987;101STAT1330;30USC181 ET SEQ**

**Total Acres**

**Serial Numt**

**Case Type 312021: O&G LSE COMP PD -1987**

**40.000**

**NMNM-- - 120**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED**

**Case File Juris:**

**Serial Number: NMNM-- - 120902**

Name & Address			Int Rel	%Interest
ACB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	100.00
CMB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
CTV OG NM LLC	201 MAIN ST STE 3100	FORT WORTH TX 761023115	OPERATING RIGHTS	0.00
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.00
KEYSTONE OG NM LLC	201 MAIN ST#2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.00
LMBI OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
MLB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
PRB II 1993C OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
RFB 1993C OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
SRBI OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.00
SSB 1993C OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00
THRU LINE OG NM LLC	201 MAIN ST #2700	FORT WORTH TX 76102	OPERATING RIGHTS	0.00
TRB OG NM LLC	201 MAIN ST STE 2700	FORT WORTH TX 761023131	OPERATING RIGHTS	0.00

**Serial Number: NMNM-- - 120902**

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0250S	0310E	010	ALIQ	NWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND

**Serial Number: NMNM-- - 120902**

Act Date	Code	Action	Action Remarks	Pending Office
05/30/2008	387	CASE ESTABLISHED	200807020;	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
06/30/2008	299	PROTEST FILED	SUSAN H BELL	
07/01/2008	299	PROTEST FILED	WESTERN ENVR LAW CTR	
07/01/2008	299	PROTEST FILED	WILD EARTH GUARDIANS	
07/16/2008	143	BONUS BID PAYMENT RECD	\$80.00;	
07/16/2008	191	SALE HELD		
07/16/2008	267	BID RECEIVED	\$36000.00;	
07/23/2008	143	BONUS BID PAYMENT RECD	\$35920.00;	
09/08/2008	298	PROTEST DISMISSED	SUSAN H BELL	
10/24/2008	298	PROTEST DISMISSED	WILD EARTH GUARDIANS	
10/31/2008	237	LEASE ISSUED		
10/31/2008	298	PROTEST DISMISSED	WESTERN ENVR LAW CTR	
10/31/2008	974	AUTOMATED RECORD VERIF	MJD	
11/01/2008	496	FUND CODE	05;145003	
11/01/2008	530	RLTY RATE - 12 1/2%		
11/01/2008	868	EFFECTIVE DATE		
02/12/2009	140	ASGN FILED	HORN STEV/CHESAPEAK;1	
03/31/2009	139	ASGN APPROVED	EFF 03/01/09;	
03/31/2009	974	AUTOMATED RECORD VERIF	LR	
11/04/2011	932	TRF OPER RGTS FILED	CHESAPEAK/CTV OG NM;1	

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11/04/2011	932	TRF OPER RGTS FILED	CHESAPEAK/CTV OG NM;2
12/09/2011	932	TRF OPER RGTS FILED	KEYSTONE/MLB O&G N;1
12/09/2011	932	TRF OPER RGTS FILED	KEYSTONE/MLB O&G N;2
12/09/2011	932	TRF OPER RGTS FILED	LMBI OG N/SSB 1993C;1
12/09/2011	932	TRF OPER RGTS FILED	LMBI OG N/SSB 1993C;2
02/01/2012	933	TRF OPER RGTS APPROVED	1 EFF 01/01/12;
02/01/2012	933	TRF OPER RGTS APPROVED	2 EFF 01/01/12;
02/01/2012	933	TRF OPER RGTS APPROVED	3 EFF 01/01/12;
02/01/2012	933	TRF OPER RGTS APPROVED	4 EFF 01/01/12;
02/01/2012	974	AUTOMATED RECORD VERIF	MV
02/03/2012	932	TRF OPER RGTS FILED	CTV OG NM/DEVON ENE;1
02/03/2012	932	TRF OPER RGTS FILED	CTV OG NM/DEVON ENE;2
02/06/2012	933	TRF OPER RGTS APPROVED	1 EFF 12/01/11;
02/06/2012	933	TRF OPER RGTS APPROVED	2 EFF 12/01/11;
02/06/2012	974	AUTOMATED RECORD VERIF	JS
03/01/2012	246	LEASE COMMITTED TO CA	/1/ NM128656;
05/09/2012	558	TRF OPER RGTS RET UNAPPV	INCORRECT LLD
05/09/2012	933	TRF OPER RGTS APPROVED	EFF 03/01/12;
05/09/2012	974	AUTOMATED RECORD VERIF	LR
06/19/2012	957	TRF OPER RGTS DENIED	
06/19/2012	974	AUTOMATED RECORD VERIF	LR
07/18/2012	932	TRF OPER RGTS FILED	CTV O&G N/DEVON ENE;1
09/10/2012	933	TRF OPER RGTS APPROVED	EFF 08/01/12;
09/10/2012	974	AUTOMATED RECORD VERIF	JS
10/10/2012	643	PRODUCTION DETERMINATION	/1/ NMNM128656;
10/10/2012	660	MEMO OF 1ST PROD-ALLOC	/1/ NMNM128656;
10/10/2012	974	AUTOMATED RECORD VERIF	BTM
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1
04/10/2013	139	ASGN APPROVED	EFF 12/01/12;
04/10/2013	974	AUTOMATED RECORD VERIF	ANN
03/01/2014	246	LEASE COMMITTED TO CA	/2/ CA NM134185
09/27/2014	650	HELD BY PROD - ACTUAL	/2/
09/27/2014	658	MEMO OF 1ST PROD-ACTUAL	/2/ MEMO 2/26/15
02/26/2015	643	PRODUCTION DETERMINATION	/2/

Line Nr      Remarks

Serial Number: NMNM-- - 120902

0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE
0004	SENM-S-19 PLAYAS AND ALKALI LAKES
0005	SENM-S-20 SPRINGS, SEEPS AND TANKS
0006	RENTAL PAID TO MMS FROM 11/01/2008 THRU 10/31/2009
0007	RENTAL PAID THRU 11/1/11 PER ONRR
0008	RENTAL PAID TO ONRR FROM 11/01/2011 THRU 10/21/2012
0009	04/10/2013 - RENTAL PAID 11/01/12; PER ONRR

**BUREAU OF LAND MANAGEMENT  
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**01 02-25-1920;041STAT0437;30USC226**

**Total Acres  
240.000**

**Serial Numt  
NMNM-- 0 042**

**Case Type 311111: O&G LSE NONCOMP PUB LAND**

**Commodity 459: OIL & GAS**

**Case Disposition: AUTHORIZED Case File Juris:**

**Serial Number: NMNM-- 0 042626**

Name & Address			Int Rel	%Interest
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	50.00
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	50.00
XTO ENERGY INC	810 HOUSTON ST #2000	FT WORTH TX 761026298	OPERATING RIGHTS	0.00

**Serial Number: NMNM-- 0 042626**

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0250S	0310E	003	ALIQ	E2SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAN
23	0250S	0310E	010	ALIQ	NE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAN

**Serial Number: NMNM-- 0 042626**

Act Date	Code	Action	Action Remarks	Pending Office
02/12/1958	124	APLN RECD		
02/14/1958	237	LEASE ISSUED		
03/01/1958	496	FUND CODE	05;145003	
03/01/1958	530	RLTY RATE - 12 1/2%		
03/01/1958	868	EFFECTIVE DATE		
07/28/1958	232	LEASE COMMITTED TO UNIT	NMNM70928X;COTTONDRAW	
10/16/1958	140	ASGN FILED	PAGAN/PAULEY	
01/08/1959	140	ASGN FILED	PAULEY PETRO/TEXACO	
05/05/1959	139	ASGN APPROVED	EFF 11/01/58;	
09/08/1959	139	ASGN APPROVED	EFF 02/01/59;	
02/01/1961	102	NOTICE SENT-PROD STATUS		
03/26/1963	660	MEMO OF 1ST PROD-ALLOC		
05/20/1970	315	RENTAL RATE DET/ADJ	\$1.00;	
08/17/1988	963	CASE MICROFILMED/SCANNED	CNUM 564,705	
03/27/1991	817	MERGER RECOGNIZED	HONDO/PAULEY	
03/27/1991	940	NAME CHANGE RECOGNIZED	PAULEY/HONDO O&G	
09/09/1991	140	ASGN FILED	TEXACO OILS/EXPL&PROD	
12/17/1991	139	ASGN APPROVED	EFF 10/01/91;	
08/14/1992	140	ASGN FILED	HONDO O&G/DEVON ENE	
11/24/1992	139	ASGN APPROVED	EFF 09/01/92;	
06/30/1993	140	ASGN FILED	DEVON ENE/DEVON CORP	
09/17/1993	139	ASGN APPROVED	EFF 07/01/93;	
09/17/1993	974	AUTOMATED RECORD VERIF	MRR/LA	
03/26/1996	974	AUTOMATED RECORD VERIF	GSB	
01/24/1997	575	APD FILED		
02/24/1997	576	APD APPROVED	82 COTTON DRAW UNIT	
01/29/1998	084	RENTAL RECEIVED BY ONRR	\$80.00;21/MULTIPLE	
01/25/1999	084	RENTAL RECEIVED BY ONRR	\$80.00;21/MULTIPLE	
02/23/2000	084	RENTAL RECEIVED BY ONRR	\$80.00;21/MULTIPLE	
11/22/2000	817	MERGER RECOGNIZED	DEVONENE/DEVONENEPD	

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11/22/2000	974	AUTOMATED RECORD VERIF	AT
02/23/2001	084	RENTAL RECEIVED BY ONRR	\$80.00;21/MULTIPLE
05/24/2002	140	ASGN FILED	TEXACO EXPL & PROD
07/09/2002	139	ASGN APPROVED	EFF 06/01/02;
07/09/2002	974	AUTOMATED RECORD VERIF	JLV
10/04/2004	932	TRF OPER RGTS FILED	CHEVRON USA/XTO ENE
12/01/2004	933	TRF OPER RGTS APPROVED	EFF 11/01/04;
12/01/2004	974	AUTOMATED RECORD VERIF	JLV
03/01/2012	246	LEASE COMMITTED TO CA	CA NM128657
03/01/2012	246	LEASE COMMITTED TO CA	/1/ NMNM128656;
10/10/2012	643	PRODUCTION DETERMINATION	/1/ NMNM128656;
10/10/2012	660	MEMO OF 1ST PROD-ALLOC	/1/NMNM128656;
10/10/2012	974	AUTOMATED RECORD VERIF	BTM
03/01/2014	246	LEASE COMMITTED TO CA	/1/ CA NM134185
03/01/2014	246	LEASE COMMITTED TO CA	/2/ CA NM134188
07/11/2014	650	HELD BY PROD - ACTUAL	/2/
07/11/2014	658	MEMO OF 1ST PROD-ACTUAL	/2/ MEMO 2/26/15
09/27/2014	650	HELD BY PROD - ACTUAL	/1/
09/27/2014	658	MEMO OF 1ST PROD-ACTUAL	/1/ MEMO 2/26/15
02/26/2015	643	PRODUCTION DETERMINATION	/1/
02/26/2015	643	PRODUCTION DETERMINATION	/2/

Line Nr      Remarks

Serial Number: NMNM-- 0 042626



	Int.	Type	Name2	Name3	Street 1	City	State	Postal Code	certified mailing tracking number
ENERGY INC	WI		JP MORGAN CHASE DALLAS		PO BOX 730586	DALLAS	TX	75373-0586	9214 8901 5271 8100 1734 72
DN U S A INC	WI				PO BOX 730436	DALLAS	TX	75373-0436	9214 8901 5271 8100 1745 47
COCHRAN	OR		AKA JOHN EDWIN COCHRAN III		PO BOX 1046	TROY	AL	36081-1046	9214 8901 5271 8100 1734 96
D E SPENCER TRUST INC	OR				PO BOX 6	ARTESIA	NM	88211-0006	9214 8901 5271 8100 1735 02
MENDOZA BRYAN	OR				PO BOX 972	POHNPEI	FM	96941	9214 8901 5271 8100 1745 30
EUGENE BRYAN	OR				PO BOX 207	VIDA	OR	97488	9214 8901 5271 8100 1735 19
E LEE BRYAN	OR				900 W 14TH ST APT 7	SAN PEDRO	CA	90731-3938	9214 8901 5271 8100 1735 26
MENDOZA BRYAN	OR				31 MEYERS CT	GREENVILLE	SC	29609	9214 8901 5271 8100 1735 33
JO BRYAN BRADSHAW	OR				PO BOX 761	PLACITAS	NM	87043	9214 8901 5271 8100 1735 40
MERCHANT	OR		% JOHN N MERCHANT & MARGARET	J HIDEK POA	59 DAMONTE RANCH PRKWY STE B 205	RENO	NV	89521	9214 8901 5271 8100 1745 16
CE MERCHANT TRUST	OR		CHARLES MERCHANT &	DOROTHY LEE SMITH SUCC TTEES	1552 MADISON 1520	HUNTSVILLE	AR	72740	9214 8901 5271 8100 1735 64
MPANY LLC	RI		ROYALTY MANAGEMENT PROGRAM		PO BOX 25627	DENVER	CO	80225-0627	9214 8901 5271 8100 1735 71
LLC	OR		VAN A WEBSTER REGISTERED	AGENT	PO BOX 690	ARTESIA	NM	88211-0690	9214 8901 5271 8100 1735 88
Y MAY CHILDRESS	OR		BEN P FAIREY MGR		PO BOX 5948	GRANBURY	TX	76049-0948	9214 8901 5271 8100 1735 95
/ PROPERTIES LLC	OR		A NEW MEXICO LIMITED LIABILITY CO WILLIAM J MCCAW PARTNER		604 N DELAWARE AVE APT 2	ROSWELL	NM	88201	9214 8901 5271 8100 1736 01
					PO BOX 127	ARTESIA	NM	88211-0376	9214 8901 5271 8100 1736 18

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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** \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

**[A] ☐ Working, Royalty or Overriding Royalty Interest Owners – (Must check if ownership is Diverse)**

**[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 (Must check if notification sent)**  
 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

08.12.16  
 Date

Erin.workman@dmv.com  
 E-mail Address

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 – fill if Pool Commingle**  
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
Cotton Draw; Delaware, South	45/1315				
Paduca; Bone Spring	45/1315				

- (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 (Coriolis & Well Test Method)  
(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 (Coriolis & Well Test Method)

**(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

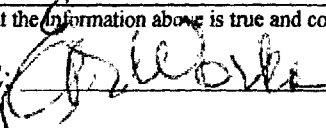
- (1) Is all production from same source of supply? ☐ Yes ☒ No  
(2) Include proof of notice to all interest owners.

**(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 Prof. DATE: 08.12.16

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

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

# OPERATOR'S COPY

Number DMB1606242

Page 1 of 2

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by

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMNM0503
CA	NMNM128657
Unit	
PA	

Bureau of Land Management Office <b>CARLSBAD FIELD OFFICE</b>	Operator <b>DEVON ENERGY PRODUCTION CO LP</b>
Address <b>620 E GREENE STREET CARLSBAD NM 88220</b>	Address <b>333 WEST SHERIDAN AVE OKLAHOMA CITY OK 73102</b>
Telephone <b>575.234.5972</b>	Attention
Inspector <b>BALLIETT</b>	Attn Addr

Site Name <b>COTTON DRAW 10 FED COM</b>	Well/Facility/FMP <b>2H</b>	1/4 1/4 Section <b>NENE 10</b>	Township <b>25S</b>	Range <b>31E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>
Site Name <b>COTTON DRAW 10 FEDERAL FACILITCD10CB</b>	Well/Facility/FMP <b>2H</b>	1/4 1/4 Section <b>NENE 10</b>	Township <b>25S</b>	Range <b>31E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
06/28/2016	14:54	43 CFR 3162.7-2	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
07/28/2016			43 CFR 3163.1()

Remarks

Regulatory References  
43 CFR 3162.7-2  
OO#4.N.E.2.b.

JUL 12 2016  
Artesia, N.M.

(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Company Comments \_\_\_\_\_

### WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

### REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>Michael Balliett</i>	Date <b>6/28/16</b>	Time <b>09:10</b>
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### FOR OFFICE USE ONLY

Number <b>20</b>	Date	Assessment	Penalty	Termination
Type of Inspection <b>PI</b>				

BLM Remarks, continued

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Unmetered oil from this agreement is being commingled with metered oil from other sources before being measured at the above noted facility. Measure the oil by an OO#4 approved method before being commingled with other sources. OR Submit a request for variance to the regulations on form 3160-5 Notice of Intent to commingle and off lease measure and alternate method of measurement at this facility.

Any submission of form 3160-5 is subject approval of the authorized officer.

# OPERATOR'S COPY

Number DMB1606243

Page 1 of 2

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMNM0503
CA	NMNM128657
Unit	
PA	

Bureau of Land Management Office <b>CARLSBAD FIELD OFFICE</b>	Operator <b>DEVON ENERGY PRODUCTION CO LP</b>
Address <b>620 E GREENE STREET CARLSBAD NM 88220</b>	Address <b>333 WEST SHERIDAN AVE OKLAHOMA CITY OK 73102</b>
Telephone <b>575.234.5972</b>	Attention
Inspector <b>BALLIETT</b>	Attn Addr

Site Name <b>COTTON DRAW 10 FED COM</b>	Well/Facility/FMP <b>2H</b>	1/4 1/4 Section <b>NENE 10</b>	Township <b>25S</b>	Range <b>31E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>
Site Name <b>COTTON DRAW 10 FEDERAL FACILITCD10CB</b>	Well/Facility/FMP	1/4 1/4 Section <b>NENE 10</b>	Township <b>25S</b>	Range <b>31E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
06/28/2016	14:54	43 CFR 3162.7-3	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
07/28/2016			43 CFR 3163.1()

Remarks

Regulatory References  
43 CFR 3162.7-3  
OO#5.III.D.1.a.

JUL 12 2016

Artesia, N.M.

(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title	Signature	Date

Company Comments

### WARNING

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Signature of Bureau of Land Management Authorized Officer <i>Michael Balliett</i>	Date 09/16	Time 6/28/16
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### FOR OFFICE USE ONLY

Number 20	Date	Assessment	Penalty	Termination
Type of Inspection PI				

BLM Remarks, continued

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Unmetered gas from this agreement is being commingled with metered gas from other sources before being measured at the above noted facility. Measure the gas by an OO#5 approved method before being commingled with other sources. OR Submit a request for variance to the regulations on form 3160-5 Notice of Intent to commingle and off lease measure production at this facility.

Any submission of form 3160-5 is subject approval of the authorized officer.

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

**Condition of Approval  
Surface commingling**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
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 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.
5. Approval for combining production 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.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.

**Four wells are being commingled (30-015-39229, 30-015-39230, 30-015-42126, & 30-015-42127). Three Federal Leases are involved NMNM-0503, NMNM-120902 and NMNM-042626. All four Wells have approved Com Agreements. Formations being produced are Delaware and Bone Spring. The Operator stated that the quality of hydrocarbons from the two formations will not affect the overall value when combined. Each well is 100% Federal and all leases are 12.5%, thus no royalties will be affected.**

**JAM 020217**