

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

Carlsbad Field Office
OCD Artesia
Serial No. See Attached
Name of Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY Contact: ERIN WORKMAN E-Mail: Erin.workman@dvn.com		8. Well Name and No. Multiple--See Attached
3a. Address 333 WEST SHERIDAN AVENUE OKLAHOMA, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	9. API Well No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		10. Field and Pool or Exploratory Area HACKBERRY-BONE SPRING UNKNOWN
		11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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	Off-Lease Measurement
	<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 Company, LP respectfully requests approval to amend the approved CTB\OLM, Sales, & Storage Approved on 01/10/2015 for the Rigel 20 Fed Com 1H battery. This corrective action is in response to the Notice of Written Orders: 18MB019I, 18MB0581I, 18MB059I, 18MB0601I, & 18MB061I received from Michael Balliett on 01/11/2018.

Rigel 20 Fed com 1H (30-015-39393)
NWNW Sec 20, T19S, R31E
Hackberry, BS, N
Lease: NMNM0557729(12.5%), NMNM63362(Schedule B), NMNM28328(12.5%), & NMNM129458(CA)

Rigel 20 Fed Com 2H
SWNW Sec 20, T19S, R31E

GC 11-8-18
Accepted for record - NMOCD

RECEIVED

NOV 06 2018

DISTRICT II-ARTESIA O.C.D.

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

Electronic Submission #405108 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION COM LP, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/19/2018 (18DLM0103SE)

Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 02/20/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J.D.W. Killoch</i>	Title TLPET	Date 10/24/18
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #405108 that would not fit on the form

5. Lease Serial No., continued

NMNM28328
NMNM63362

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

NMNM129425
NMNM129458

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM129458 NMNM129458	NMNM28328 NMNM28328	RIGEL 20 FEDERAL COM 1H RIGEL 20 FED COM 5H	30-015-32393-00-S1 30-015-41514-00-S1	Sec 20 T19S R31E NWNW 425FNL 330FWL Sec 19 T19S R31E NENE 480FNL 190FEL 32.651825 N Lat, 103.900633 W Lon
NMNM129425	NMNM63362	RIGEL 20 FEDERAL COM 2H	30-015-32394-00-S1	Sec 20 T19S R31E SWNW 1850FNL 330FWL

32. Additional remarks, continued

Hackberry, BS, N
Lease: NMNM0557729(12.5%), NMNM63362(Schedule B), NMNM28328(12.5%), & NMNM129458(CA)

Rigel 20 Fed Com 5H
NENE Sec 20, T19S, R31E
Hackberry, BS, N
Lease: NMNM0557729(12.5%), NMNM63362(Schedule B), NMNM28328(12.5%), & NMNM129458(CA)

Devon will measure each wells production products (gas, oil & water) individually, so that the commingling issues are resolved at this battery. The VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

Attached: Description of the changes made to the battery
Process Flow Diagram

✓ **Decision & Corrective Action for the Rigel 20 Fed Com 1H Battery in Response to NOWO #18MB019I, #18MB058I, #18MB059I, 18MB060I, 18MB061I & AMENDMENT TO THE APPROVED CTB/OLM, SALES, & STORAGE APPROVED ON 01/10/2015**

Federal Lease: NMNM0557729 (12.5%) NMNM63362 (Schedule B) NMNM28328 (12.5%) NMNM129458 (CA)

Well Name	Location	API #	Pool 97020	BOPD	OG	MCFPD	BTU
Rigel 20 Fed Com 1H	NWNW Sec 20, T19S, 31E	30-015-39393	Hackberry; BS, N	31	41	140	1290.8

Well Name	Location	API #	Pool 97056	BOPD	OG	MCFPD	BTU
Rigel 20 Fed Com 5H	NENE Sec. 19, T19S, 31E	30-015-41514	Hackberry; BS, N	11	40	203	1192.0

Federal Lease: NMNM0557729 (12.5%) NMNM63362 (Schedule B) & NMNM129425 (CA)

Well Name	Location	API #	Pool 29345	BOPD	OG	MCFPD	BTU
Rigel 20 Fed Com 2H	SWNW Sec 20, T19S, 31E	30-015-39394	Hackberry; BS	30	39	96	1342.4

An INC was received on 11/2/2017 (18M60191) referencing the commingling of produced fluids from the above wells within the Rigel 20 Fed Com 1H facility.

Devon will measure each wells production products (gas, oil, & water) individually, so that the commingling issues are resolved at this battery. The VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production. Below is the proposed production path, along with the attached updated process flow diagram.

Oil & Gas general production path by well:

The central tank battery is located at the Rigel 20 Fed Com 1H battery in Sec. 20, T19S, R31E, in Eddy County, New Mexico.

Rigel 20 Fed Com 1H - The Rigel 20 Fed Com 1H will flow through a two phase separator (2PS-1) and then to a heater/treater (HT-1). Gas is metered off of the two phase separator (2PS-1) with a gas test meter (FMP) and oil is metered through a Micro Motion Coriolis Meter (FMP) off the 1H's designated heater/treater (HT-1). Oil is then is routed from the 1H's heater/treater (HT-1) to the ULPS (ultra-low pressure separator) and then to the oil tanks.

Rigel 20 Fed Com 2H - The Rigel 20 Fed Com 2H production will flow through its own three phase separator with a Micro Motion Coriolis Meter (FMP) to meter the oil, a mag meter to meter the water, and gas test meter (FMP) to meter the gas. Oil is then routed from the heater/treater (HT-2) to the ULPS (ultra-low pressure separator) and then to the oil tanks.

Rigel 20 Fed Com 5H - The Rigel 20 Fed Com 5H production will flow through its own three phase separator with a Micro Motion Coriolis Meter (FMP) to meter the oil, a mag meter to meter the water, and gas test meter (FMP) to meter the gas. Oil is then routed from the heater/treater (HT-2) to the ULPS (ultra-low pressure separator) and then to the oil tanks.

Oil, Gas & Water detailed metering methodology:

The **Rigel 20 Fed Com 1H** production flows into its own two phase separator (2PS-1). After separation, the gas flows to the gas test meter (FMP) #67749152. The produced fluids from the Rigel 20 FC 1H is then routed to its own heater/treater (HT-1) where oil is metered with a Micro Motion Coriolis Meter (FMP) #14454799 after flowing through its own heater/treater (HT-1). The produced water from the Rigel 20 FC 1H is metered utilizing mag meter off the heater/treater (HT-1), it then flows into the 500 bbl. water tank on site.

The **Rigel 20 Fed Com 2H** production flows into the Rigel 20 FC 1H facility directly from the 2H's production flow line from the well into its own 3 phase separator located at the Rigel 20 Fed Com 1H facility. Gas exits the 3 phase separator and is routed to the gas test meter (FMP) #67749158. The produced oil exits the 3 phase separator and is metered with a Micro Motion Coriolis Meter (FMP) #14455209 and then flows into the heater/treater (HT-2). The produced water from the Rigel 20 FC 2H is metered utilizing a mag meter off the three phase separator. Produced water then flows into the FWKO and out to the 500 bbl. produced water tank on site.

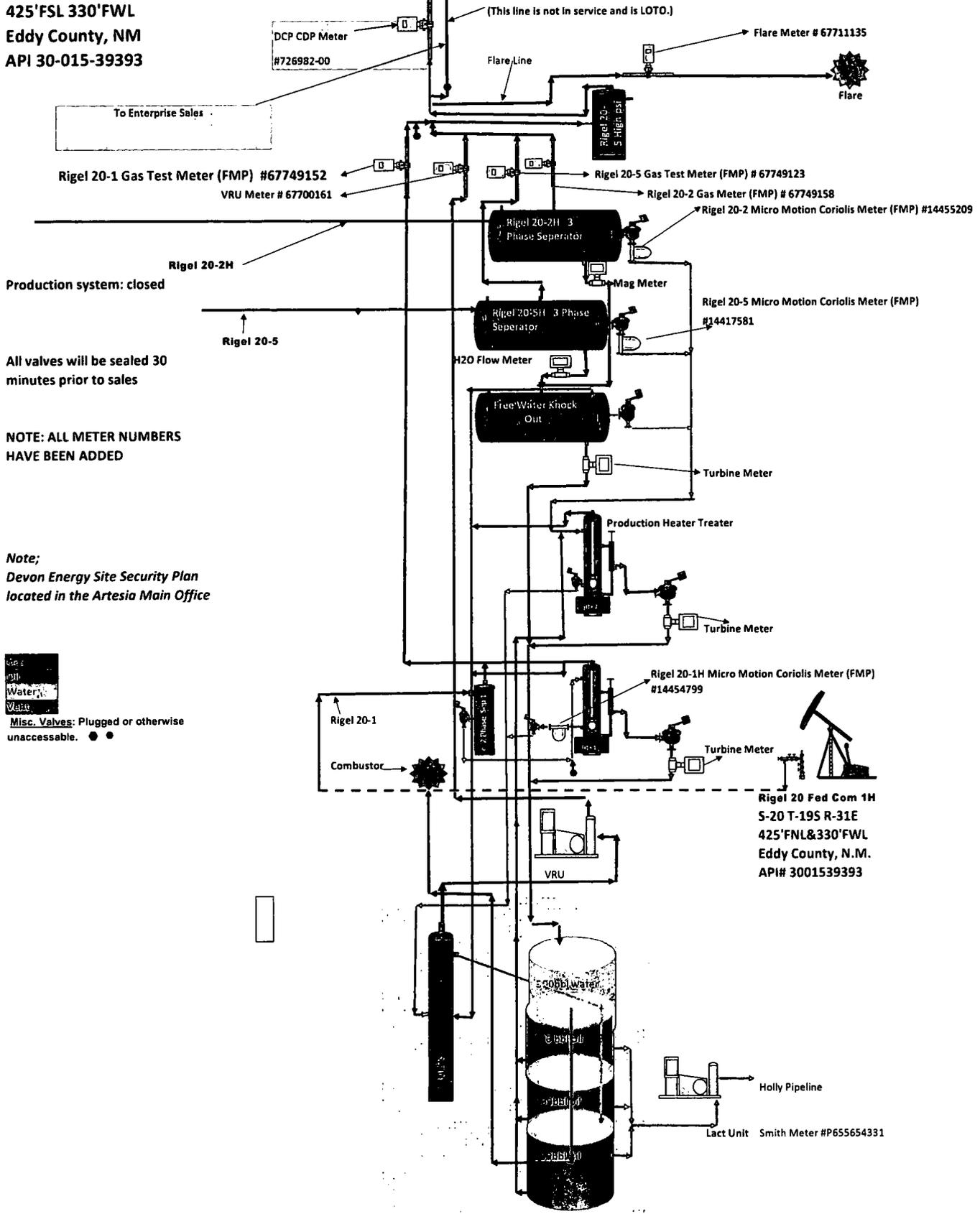
The **Rigel 20 Fed Com 5H** production flows into the Rigel 20 FC 1H facility directly from the 5H's production flow line from the well into its own 3 phase separator located at the Rigel 20 FC 1H facility. Gas exits the 3 phase separator and is routed to the gas test meter (FMP) #67749123. The produced oil exits the 3 phase separator and is metered with a Micro Motion Coriolis Meter

✓ **(FMP) #14417581** and then flows into the heater/treater (HT-2). The produced water from the Rigel 20 FC 5H is metered utilizing a mag meter off of the 3 phase separator. Produced water then flows into the FWKO and out to the 500 bbl. produced water tank on site.

Oil production for each well will be measured, on a daily basis, at the specifically identified Micro Motion Coriolis meter for each well. Devon will continue to operate and maintain the Micro Motion Coriolis Meter per BLM applicable regulations, notwithstanding further guidance from the local BLM in regards to proving the Micro Motion Coriolis Meter to meet applicable BLM standards. Oil production for each well will be measured, on a daily basis, at the specifically identified Micro Motion Coriolis meter **(FMP)** for each well. The gas production from the Rigel 20 Fed Com No's 1H, 2H & 5H and VRU # **67700161** gas test meters **(FMP's)** will flow to the DCP #726982-00. The BLM and OCD will be notified of any future changes at the facilities.

Rigel 20 Fed Com #1H
 Sec.20, T19S, R31E
 425'FSL 330'FWL
 Eddy County, NM
 API 30-015-39393

PROCESS FLOW DIAGRAM



Production system: closed

All valves will be sealed 30 minutes prior to sales

NOTE: ALL METER NUMBERS HAVE BEEN ADDED

Note;
 Devon Energy Site Security Plan located in the Artesia Main Office

Misc. Valves: Plugged or otherwise unaccessible. ● ●

NMNM 126966

C10

NMNM 099040

017

NMNM 0006370

NMNM 0557729

020

NMNM 028326

NMNM 090534

NMNM 063362

019

NMLC 0063642A

NMNM 0557729

NMNM

133243

017

NMNM 099040

NMNM 106829

NMNM 006370

NMNM 126966

NMNM 128482

C1C



NMNM 028328

NMNM 055729

020

NMNM 090534

NMNM 063362

NMNM

135

019

NMLC 0063642A

NMNM 055729

NMNM 129587

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

**Off-Lease/CA Storage, Measurement and Sales of production
Conditions of Approval
October 24, 2018**

**Devon Energy Production Co.
Rigel 20 Fed com 1H, 2H, 5H**

3001539393, 3001541514, 3001539394

**Rigel 20 Fed Com 1H and 5H associated with CA-NMNM129458 are on CA,
Rigel 20 Fed Com 2H associated with CA-NMNM129425 is off CA**

Approval of off-lease/CA 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/flared without proper measurement and prior approval. Any gas vented must be flared.
3. 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 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.
DC 33 = Flared gas – royalty due
DC 63 = Vented gas – royalty due
4. 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 and/or product accountability.
5. This approval is subject to like approval by the New Mexico Oil Conservation Division.
6. Additional wells require additional approvals.
7. This approval does not constitute right-of-way approval for any off-lease/Unit activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
8. Approval for off-lease/CA from various sources is a privilege which is granted to lessees/operators 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.
9. VRU gas will be commingled and allocated back based on oil production as per write-up attached to request. This is also approved, with this approval. Gas vapors normally would be vented or flared.