

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue 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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

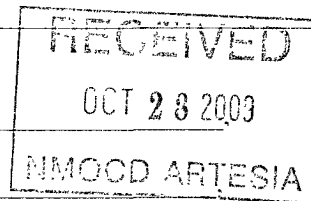
Form C-129
Revised June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit No. 2-1018
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)



A. Applicant Devon Energy Production Co, LP

whose address is 20 North Broadway, OKC OK 73102

hereby requests an exception to Rule 306 for 365 days or until

 , Yr , for the following described tank battery (or LACT):

Algerita 32 State 1:

Name of Lease API # 30-015-35339 Name of Pool Happy Valley; Morrow Gas

Location of Battery: Unit Letter M Section 32 Township 22S Range 26E

Number of wells producing into battery 1

B. Based upon oil production of 3 barrels per day, the estimated * volume
of gas to be flared is 60 MCF; Value \$ 375 per day.

C. Name and location of nearest gas gathering facility:

DCP

D. Distance 4 miles away Estimated cost of connection

E. This exception is requested for the following reasons:

No sour gas gathering system, cost prohibitive to sweeten. Per attached letter from
consultant the location is categorized as NPR (no permit required), no NOI required.

No disclosure to the State required, not emitting over 10T per year. See attached

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature 

Printed Name
& Title Stephanie A. Ysasaga / Sr. Staff Eng Tech

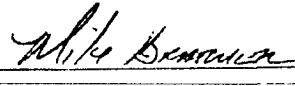
E-mail Address Stephanie.Ysasaga@dm.com

Date 10/27/09 Telephone No. 405-552-7802

OIL CONSERVATION DIVISION

NOV 06 2010

Approved Until

By Signed By 

Title Env. Spec.

Date **NOV 06 2009**

* Gas-Oil ratio test may be required to verify estimated gas volume.



BILL RICHARDSON
Governor

DIANE DENISH
Lieutenant Governor

New Mexico
ENVIRONMENT DEPARTMENT

Air Quality Bureau

1301 Siler Road, Building B
Santa Fe, NM 87507-3113

Phone (505) 476-4300

Fax (505) 476-4375

www.nmenv.state.nm.us



RON CURRY
Secretary

JON GOLDSTEIN
Deputy Secretary

September 24, 2009

CERTIFIED MAIL NO. 7008 0500 0001 1244 4644
RETURN RECEIPT REQUESTED

Ronald Truelove
Environmental Manager
Devon Energy Production Company LP
20 N Broadway
Suite 1500
Oklahoma City, OK 731028260

Notice of Intent No. 4082
IDEA ID No. 28750 - PRN20090001
Devon Energy - Algerita 32 NO. 1
AIRS No. 350158145

Dear Mr. Truelove:

This letter acknowledges the receipt of your Notice of Intent (NOI) application dated August 25, 2009 to construct and operate the Devon Energy - Algerita 32 NO.1 in Township 22S, Range 26E, Section 23 in Eddy County, New Mexico. The Department received the application on August 28, 2009.

This facility shall consist of

TEMPO SI No. Unit No.	Unit Type	Manufacturer	Model No.	Serial No.	Operating Capacity Max/Site	Subject Item Status	Subject Item Description
Unit 2 EQPT1	Tank - Above Ground	not applicable	not applicable		500 bbl / 500 bbl	Active	500 bbl Crude Oil Tank
Unit 3 EQPT2	Tank - Above Ground	not applicable	not applicable		500 bbl / 500 bbl	Active	500 bbl Crude Oil Tank
Unit 4 EQPT4	Heater				.5 MM BTU/h / .5 MM BTU/h	Active	.5 MM BTU/h / .5 MM BTU/h
Unit 5 EQPT5	Loading/Unlo ading Rack				/	Active	/
Unit 6 RPNT1	Fugitives				/	Active	/

Unit 7 EQPT6	Process Flare	not applicable	not applicable		4.35 MM BTU/h / 4.35 MM BTU/h	Active	4.35 MM BTU/h / 4.35 MM BTU/h
Unit 8 EQPT7	Tank - Above Ground	not applicable	not applicable		500 bbl / 500 bbl	Active	500 bbl Produced Water Tank
Unit 9 EQPT3	Tank - Above Ground	not applicable	not applicable		500 bbl / 500 bbl	Active	500 bbl Crude Oil Tank

Based on the information provided in the submitted application, the Department has determined that the potential uncontrolled emission rate of any regulated air pollutant from this facility for which there is a National or New Mexico Ambient Air Quality Standard is less than ten (10) pounds per hour and twenty-five (25) tons per year. Therefore, in accordance with Title 20, Chapter 2, Part 72 of the New Mexico Administrative Code, (20.2.72 NMAC), an air quality permit is not required and construction may commence. Because the potential emission rate is greater than ten (10) tons per year, this facility is subject to 20.2.73 NMAC. The submitted application will serve as the Notice of Intent in accordance with 20.2.73.200.A. NMAC.

In addition to 20.2.73 NMAC, this facility may be subject to additional state and federal regulations *such as* those found in Table 1. It is the Permittee's responsibility to determine applicability and to comply with all applicable regulations.

Table 1: Other Regulations

Citation	Title
20.2.38 NMAC	Hydrocarbon Storage Facilities
20.2.61 NMAC	Smoke and Visible Emissions
40 CFR 60 Subpart Ka	Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to July 23, 1984
40 CFR 60 Subpart Kb	Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) For Which Construction, Reconstruction, or Modification Commenced After July 23, 1984
40 CFR 60, Subpart IIII	Standards of Performance for Stationary Compression Ignition Internal Combustion Engines
40 CFR 60, Subpart JJJJ	Standards of Performance for Stationary Spark Ignition Internal Combustion Engines
40 CFR 63 Subpart ZZZZ	National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines
40 CFR 63 Subpart HH	National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities

Before any asbestos demolition or renovation work, the Permittee shall determine whether 40 CFR 61, Subpart M, National Emission Standard for Asbestos applies.

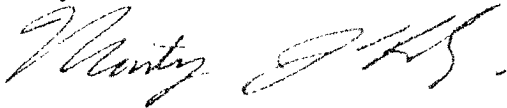
Any changes in the method of operation or addition of more units at the site may constitute a modification, which requires the Department's prior approval for construction and/or operation.

In the event of any change in ownership or operator of this facility, the new owner or operator shall notify the Department in writing within thirty (30) days of that change.

Any new owner or operator shall notify the Department, within thirty (30) days of assuming ownership, of the new owner's or operator's name and address.

If you have any questions, please call me in Santa Fe at 505-476-5565.

Sincerely,



Martyne Kieling
New Source Review Unit/Title V
Air Quality Bureau

Enclosure: Industry/Consultant Feedback Questionnaire with envelope
Zero Balance Invoice

xc via e-mail: Ronald D. Truelove, Devon Energy Production Co. L.P.
Rita Zebian, BENHAM Companies, LLC