

DATE IN 7/1/11	SUSPENSE 7/21/11	ENGINEER <i>RE</i>	LOGGED IN 7/1/11	TYPE <i>CTB</i>	APPRO NO <i>PLANK 1118248824</i>
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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



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
☐ [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
Print or Type Name

Signature

Regulatory Analyst
Title

Date

Melanie.Crawford@dvn.com
E-mail Address

2011 JUN 30 A 10:19
 RECEIVED OGD
 SAME POOL
 2-Leases/wells
 DIVERSELY OWNED

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, Oklahoma City, OK 73102

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

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 - 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: Melanie Crawford TITLE: Regulatory Analyst

DATE: 6/28/11

TYPE OR PRINT NAME: Melanie Crawford TELEPHONE NUMBER: 405-552-4524

E-MAIL ADDRESS: Melanie.Crawford@dmr.com

SECTION LAND PLAT

County Eddy State New Mexico

Section 20 Township 19 S Range 29 E

Emerald PWU 20 1 H

SHL: 400' FNL, 330' FWL / BHL: 400' FNL, 330' FEL

SHL		BHL	
State NM K0 3153		State NM L0 4251	

SECTION LAND PLAT

County Eddy State New Mexico

Section 20 Township 19 S Range 29 E

Emerald PWU 20 2 H

SHL: 1800' FNL, 330' FWL / BHL: 1800' FNL, 330' FEL

<div>SHL</div> <div>State NM K0 3702</div>	<div></div> <div>State NM K0 3153</div>	<div>BHL</div> <div>State NM K0 4251</div>	

Section 20, T19S , R29E
 Emerald 20-1 H
 Eddy County, N.M
 API# N/A

Production System: Open

- 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: Equalizer Line 
- Valve #4: Circ./Drain Line 
- Valve #5: Sles Line 
- Valve #6: BS&W Load Line 

Buried Lines: -----

Firewall: 

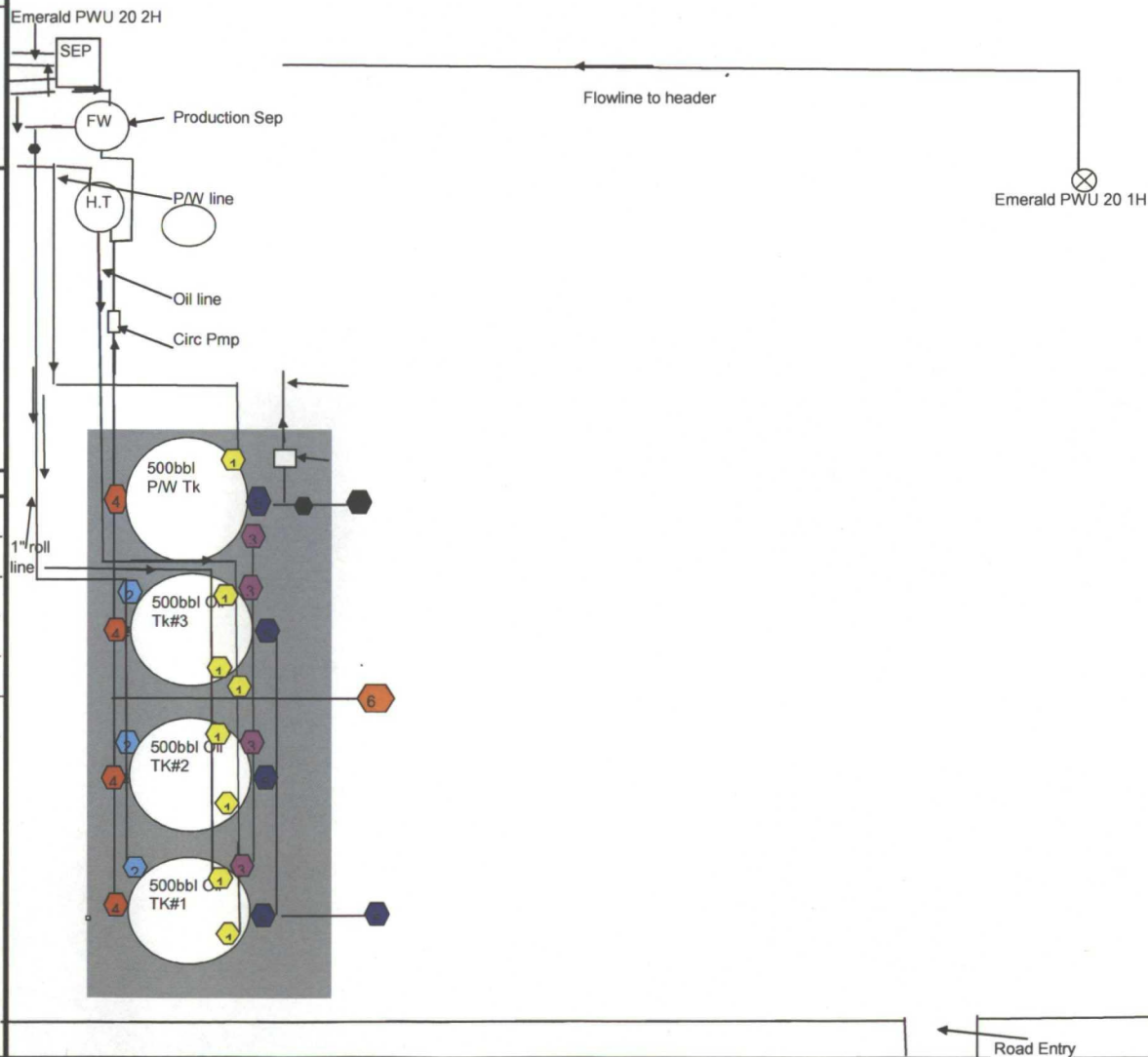
Wellhead: 

Stak-pak: 

Production line: -----

Water line: -----

Gas Meter   



Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-015-38338 & 30-015-38421
5. Indicate Type of Lease FED <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. See Below

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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
Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line
Section 20 Township 19S Range 29E NMPM Eddy County New Mexico

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
n/a

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: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage ☒

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 to have a Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage for the below wells:

Emerald PWU 20 1H SHL: KO3153 BHL: LO4251 30-015-38338
Emerald PWU 20 2H SHL: KO3702 BHL: KO4251 30-015-38421 Scanlon DRAW; BONE SPRING (55510)

A central tank battery will be utilized for both Emerald wells and is located at the Emerald PWU 20 1H wellsite. The DCP CDP Gas Sales Meter 724992-00 is also located on the Emerald PWU 20 1H and will be utilized by both Emerald wells. Once we bring the Emerald PWU 20 2H well in a test separator, heater treater and allocation meter will be added to the current central tank battery. The Emerald PWU 20 1H and Emerald PWU 20 2H will be the only wells utilizing the tank battery and CDP for their production.

The working interest, royalty interest and overriding interest owners are not uniformed; interest owners have been notified (see attached).

CTB-634

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: 6/28/11

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): _____

NEW MEXICO DC STATE #2
PALMILLO '18' STATE #8
HANNIFIN STATE #1

18

17

16

METCALF STATE #1
PARKWAY STATE 17 COM #2H

NEW MEXICO DC STATE #7
NEW MEXICO DC STATE #8
SIVLEY STATE #1

UNION /TX/ ST COM #1

PARKWAY '16' STATE COM #1

JOA C-02-0001165 "Emerald Pwn Well's"

MARBOB STATE #1
MARBOB STATE #1

PARKWAY WEST UNIT #4

STATE #1
PARKWAY WEST UNIT #11
PARKWAY WEST UNIT #11

PARKWAY 16 STATE COM #2H

STNM K03153
30-0000351/000/1

STNM K04251
30-5000022/000/1

30-5000022/000/2

PARKWAY WEST UNIT #12

19

20

19S 29E

21

30-5000026/000/2

STNM K03702
30-5000026/000/1

STNM L01513
30-5000021/000/1
PARKWAY #13

STNM L01513
30-5000021/000/1

MARBOB STATE #2
MARBOB STATE #2

PARKWAY WEST UNIT #5

STNM K04251
30-0000351/000/1
STNM K03153

PARKWAY WEST UNIT #24

30

29

28

30-5000024/000/1

30-5000025/000/1

30-0000353/000/1

30-0000351/000/4

PARKWAY W UNIT #2
PARKWAY WEST UNIT #2

30-5000030/000/1

PARKWAY WEST UNIT 28 #2
PARKWAY WEST UNIT 28 #2
PARKWAY WEST UNIT 28 #2

30-5000030/000/2

30-5000020/000/1



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

June 28, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage
Emerald PWU 20 1H & Emerald PWU 20 2H
Sec 20-T19S-R29E
API # 30-015-38338 & 30-015-38421
Pool 55510 - Scanlon Draw; Bone Spring
Eddy County, New Mexico

RECEIVED
2011 JUN 30 8:10:19

Gentlemen:

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 to permit a Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage for the Emerald PWU 20 1H & Emerald PWU 20 2H wells.

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) 552-8150 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

Melanie Crawford
Regulatory Analyst
Enclosure



Devon Energy Production Company
20 North Broadway - CT 3 058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-8113
Melanie.Crawford@dev.com

June 28, 2011

Mr. Richard Ezeanyim
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage
Emerald PWU 20 1H & Emerald PWU 20 2H
API # 30-015-38338 & 30-015-38421
Sec 20-T19S-R29E
Lease KO3702, KO4251, & Ko3153
Scanlon Draw; Bone Spring - Pool Code: 55510
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B and the OCD Form C-103 Sundry Notice for a Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage for the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners are not uniformed; interest owners have been notified (see 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.

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

Melanie Crawford
Regulatory Analyst

Enclosures

Stroube Energy Corp
17194 Preston Road #102 LB 249
Dallas, TX 75248

Certified Mailing
Number: 7009 3410
0000 3533 9698

State of New Mexico
Commission of Public Lands
PO Box 1148
Santa Fe, NM 87504-1148

Certified Mailing
Number: 7009 3410
0000 3533 9681

Magnum Hunter production Inc
c/o Cimarex Energy
600 N. Marienfeld, Suite 600
Midland, TX 79701

Certified Mailing
Number: 7009 3410
0000 3533 9674

Bean Family Limited Company
PO Box 1738
Roswell, NM 88202-1738

Certified Mailing
Number: 7009 3410
0000 3533 9667

Marcia Fuller French
c/o L R French Jr AIF
PO Box 11327
Midland, TX 79702

Certified Mailing
Number: 7009 3410
0000 3533 9650

Headington oil Company LLC
2711 N Haskell Ave, Ste 2800
Dallas, TX 75204-2940

Certified Mailing
Number: 7009 3410
0000 3533 9643

North American Energy
Investors Inc
500 Crescent Ct, Ste 270
Dallas, TX 75201-7860

Certified Mailing
Number: 7009 3410
0000 3533 9636

First Century Oil Co Inc
PO Box 1518
Roswell, NM 88202-1518

Certified Mailing
Number: 7009 3410
0000 3533 9629

COG Operating LLC
550 W Texas Ave, Ste 1300
Fasken Center Tower II
Midland, TX 79701

Certified Mailing
Number: 7009 3410
0000 3533 9612

Idzig Ltd, A Texas Limited Partnership
7600 West Tidewell, Ste 800
Houston, TX 77040-5719

Certified Mailing
Number: 7009 3410
0000 3533 9605

Olive Dilworth
1909 West 22nd Place
Chicago, IL 60608-4205

Certified Mailing
Number: 7009 3410
0000 3533 9599

Merit Energy Partners
c/o Merit Mgmt Partners GP LLC
PO Box 843727
Dallas, TX 75284-3727

Certified Mailing
Number: 7010 1060
0000 0917 6008

F I S C O Inc
%Bobby D Carroll CPA PC
PO Box 3087
Roswell, NM 88202-3087

Certified Mailing
Number: 7010 1060
0000 0917 5995

Hal S Dean
PO Box 51307
Midland, TX 79710-1307

Certified Mailing
Number: 7010 1060
0000 0917 5988

Warden Dilworth
350 Danforth St
Portland, ME 04102

Certified Mailing
Number: 7010 1060
0000 0917 5971