

January 6, 2021

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery BELLOQ 11 CTB 1- Upgrade

Sec.,T, R: SWSW, S11, T23S, R31E

Lease: NMNM040441, STATE-V-03028, NMNM018848, NMNM097891, NMNM121955, NMNM081953

Pool: 39350-LIVINGSTON RIDGE; BONE SPRING

County: Eddy Co., New Mexico

To whom it may concern:

This is to advise you that Devon Energy Production Company, L.P., is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery for the below mentioned wells.

WELL NAME	Location	API	POOL
BELLOQ 11-2 FED STATE COM 231H	11-23S-31E	3001545277	39350LIVINGSTON RIDGE; BONE SPRING
BELLOQ 11-2 FED STATE COM 223H	11-23S-31E	3001542276	39350LIVINGSTON RIDGE; BONE SPRING
BELLOQ 11-2 FED STATE COM 234H	11-23S-31E	3001545278	39350LIVINGSTON RIDGE; BONE SPRING
BELLOQ 11 FED 222H	11-23S-31E	3001545275	39350LIVINGSTON RIDGE; BONE SPRING
ALEAUTIAN 10-3 FED COM 214H	10-23S-31E	3001545570	39350LIVINGSTON RIDGE; BONE SPRING
BELLOQ 11-2 FED STATE COM 514H	P-11-23S-31E	3001546705	39350LIVINGSTON RIDGE; BONE SPRING
	O-11-23S-31E		98123, WC-015 G-08 S233102C;
BELLOQ 11-2 FED STATE COM 613H		3001546759	WOLFCAMP
	O-11-23S-31E		98123, WC-015 G-08 S233102C;
BELLOQ 11-2 FED STATE COM 713H		3001546757	WOLFCAMP
	P-11-23S-31E		98123, WC-015 G-08 S233102C;
BELLOQ 11-2 FED STATE COM 714H		3001546764	WOLFCAMP
	P-11-23S-31E		98123, WC-015 G-08 S233102C;
BELLOQ 11-2 FED STATE COM 734H		3001546756	WOLFCAMP

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.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Please contact the undersigned at (405) 552-6560 should you have any questions or need anything further. Sincerely,

Jenny Harms
Regulatory Compliance Pr
Work Phone: (405)552-65

Regulatory Compliance Professional Work Phone: (405)552-6560 Jennifer.harms@dvn.com Devon Energy Center-Tower

333 West Sheridan Avenue Oklahoma City OK 73102-5015

RECEIVED:	REVIEWER:		APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION



- Geological & Eng 1220 South St. Francis Dri	
ADMINISTRATIVE AI	PPLICATION CHECKLIST
	ATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND ESSING AT THE DIVISION LEVEL IN SANTA FE
Applicant: Devon Energy Production Co., L.P	
Vell Name: see attachments for muliple wel	
Pool : [53805] SAND DUNES; BONE SPRING, SO	
	ON REQUIRED TO PROCESS THE TYPE OF APPLICATION
INDICA	ATED BELOW
1) TYPE OF APPLICATION: Check those which ap A. Location – Spacing Unit – Simultaneous D NSL NSP(PROJECT AREA)	
B. Check one only for [1] or [1] [1] Commingling - Storage - Measurem DHC CTB MPLC P [11] Injection - Disposal - Pressure Increa	C OLS OLM use – Enhanced Oil Recovery
2) NOTIFICATION REQUIRED TO: Check those wh A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue. C. Application requires published notice D. Notification and/or concurrent approx E. Notification and/or concurrent approx F. Surface owner G. For all of the above, proof of notificat H. No notice required	venue owners oval by SLO Notice Complete Application Content Complete
3) CERTIFICATION : I hereby certify that the inform administrative approval is accurate and com understand that no action will be taken on th notifications are submitted to the Division.	· ·
Note: Statement must be completed by an in-	dividual with managerial and/or supervisory capacity.
	1/6/2021
Jenny Harms	Date -
Print or Type Name	405-552-6560 Phone Number
Signature Honor	jenny.harms@dvn.com e-mail Address

District I

1625 N. French Drive, Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

E-MAIL ADDRESS: jenny.harms@dvn.com

District IV

1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

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.

Form C-107-B

Revised August 1, 2011

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP) Devon Energy Production Co., L.P. **OPERATOR NAME:** 333 W Sheridan Avenue, Oklahoma City, OK 73102 **OPERATOR ADDRESS:** APPLICATION TYPE: Pool Commingling Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled) Fee X State X Federal LEASE TYPE: 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 XYes □No (A) POOL COMMINGLING Please attach sheets with the following information Gravities / BTU of Calculated Gravities / Calculated Value of (1) Pool Names and Codes Non-Commingled BTU of Commingled Commingled Volumes Production Production Production See attachments Are any wells producing at top allowables? Yes No Has all interest owners been notified by certified mail of the proposed commingling? \overline{X} Yes \square No. (3) Measurement type: Metering Other (Specify) (4) 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 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? x Yes □No (4) Measurement type: Metering Other (Specify) (C) POOL and LEASE COMMINGLING Please attach sheets with the following information Complete Sections A and E. (D) OFF-LEASE STORAGE and MEASUREMENT Please attached sheets with the following information Is all production from same source of supply? \square Yes \square No 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. 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. tunw TITLE: Regulatory Specialist SIGNATURE: DATE:_ 1-6-2021 TELEPHONE NO.: 405-552-6560 TYPE OR PRINT NAME_Jenny Harms

APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

Proposal for an upgrade to the Belloq 11 CTB 1 application previously approved 1/31/2020; EC 465032

Devon Energy Production Company, LP is requesting approval for upgrade to an approved Off-Lease Measurement Application for the following wells:

WELL NAME	Location	API	POOL	LEASE	LEASE	LEASE	LEASE
			39350 LIVINGSTON				
BELLOQ 11-2 FED	11-23S-		RIDGE; BONE	NMNM0404441-			
STATE COM 231H	31E	3001545277	SPRING	12.5%	STATE-V03029		
			39350 LIVINGSTON				
BELLOQ 11-2 FED	11-23S-	30-015-45276	RIDGE; BONE	NMNM0404441-			
STATE COM 223H	31E	30-013-43270	SPRING	12.5%	STATE-V03028		
			39350 LIVINGSTON				
BELLOQ 11-2 FED	11-23S-		RIDGE; BONE	NMNM0404441-			
STATE COM 234H	31E	3001545278	SPRING	12.5%	STATE-V03028		
			39350 LIVINGSTON				
	11-23S-		RIDGE; BONE	NMNM0404441-			
BELLOQ 11 FED 222H	31E	3001545275	SPRING	12.5%			
			39350 LIVINGSTON				
ALEUTIAN 10-3 FED	10-23S-		RIDGE; BONE	NMNM0405444-	NMNM077046-	NMNM121955-	NMNM081953-
COM 214H	31E	3001545570	SPRING	12.5%	12.5%	12.5%	12.5%
	P-11-		39350 LIVINGSTON				
BELLOQ 11-2 FED	23S-31E		RIDGE; BONE	NMNM0404441-			
STATE COM 514H		3001546705	SPRING	12.5%	STATE-V03028		
	0-11-		39350 LIVINGSTON				
BELLOQ 11-2 FED	23S-31E		RIDGE; BONE	NMNM0404441-			
STATE COM 613H		3001546759	SPRING	12.5%	STATE-V03028		
	0-11-		98123, WC-015 G-				
BELLOQ 11-2 FED	23S-31E		08 S233102C;	NMNM0404441-			
STATE COM 713H		3001546757	WOLFCAMP	12.5%	STATE-V03028		
	P-11-		98123, WC-015 G-				
BELLOQ 11-2 FED	23S-31E		08 S233102C;	NMNM0404441-			
STATE COM 714H		3001546764	WOLFCAMP	12.5%	STATE-V03028		
	P-11-		98123, WC-015 G-				
BELLOQ 11-2 FED	23S-31E		08 S233102C;	NMNM0404441-			
STATE COM 734H		3001546756	WOLFCAMP	12.5%	STATE-V03028		

CA's:

- BELLOQ 11-2 FED STATE COM 231H -CA PENDING
- BELLOQ 11-2 FED STATE COM 223H & BELLOQ 11-2 FED STATE COM 613H- CA PENDING
- BELLOQ 11-2 FED STATE COM 234H -CA PENDING
- BELLOQ 11-2 FED STATE COM 514H –CA PENDING
- BELLOQ 11-2 FED STATE COM 713H, BELLOQ 11-2 FED STATE COM 714H AND BELLOQ 11-2 FED STATE COM 734H -PENDING CA

Oil & Gas metering:

The central tank battery, Belloq 11 CTB 1, is located in SWSW, S11, T23S, R31E in Eddy County, New Mexico.

Each well is routed to its own 3-phase separator where the full well stream is separated into gas, oil, and water streams. For each well, after separation, gas is measured with an independent, designated orifice meter as a Federal Measurement Point (FMP) for payment of royalties, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas sales meter(s). The oil from the 3-phase separator is measured with an independent, designated Micro Motion Coriolis Meter in which will serve as the FMP. It then combines with the oil production from the other wells as shown on the attached process flow diagram, flows into the heater treater.. The combined oil then flows into the Ultra-Low Pressure Separator(s) (ULPS), and into one of the oil tanks. The oil is then pumped out of the common tanks to an oil sales meter (LACT unit). The water from the 3-phase

separator is measured with an independent, designated Mag meter for allocation, combines with the water from the other wells, then flows into the gun barrel, and into one of the produced water tanks. Flash gas that exits the heater treater(s) flows through the medium pressure Vapor Recovery Unit (VRU), and is then measured with a designated orifice meter as a Federal Measurement Point for payment of royalties. Flash gas that exits the ULPS(s) flows to the low pressure Vapor Recovery Unit (VRU) and is then measured with a designated orifice meter and allocated based on monthly oil production.

The central tank battery will have 4 oil tanks and 3 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

Meter Owner / Serial Number:

Well Name	Gas Allocation	Oil Allocation	Gas FMP	Oil FMP	Water Allocation	VRU Allocation	
	Meter	Meter			Meter	Meter	
BELLOQ 11 FED 222H	390491361	39030363	390491361	39030363	14900812	390001356	
ALEUTIAN 10-3 FED COM 214H	390491357	39030359	390491357	39030359	14897685	390001356	
BELLOQ 11-2 FED STATE COM 231H	390491359	39030361	390491359	39030361	14900814	390001356	
BELLOQ 11-2 FED STATE COM 234H	390491358	39030360	390491358	39030360	14900817	390001356	
BELLOQ 11-2 FED STATE COM 223H	390491360	39030362	390491360	39030362	14900809	390001356	
BELLOQ 11-2 FED STATE COM 514H	na	DVN / *	DVN /*	DVN / *	DVN /*	na	
BELLOQ 11-2 FED STATE COM 714H	na	DVN / *	DVN /*	DVN / *	DVN /*	na	
BELLOQ 11-2 FED STATE COM 613H	na	DVN / *	DVN /*	DVN / *	DVN /*	na	
BELLOQ 11-2 FED STATE COM 713H	na	DVN / *	DVN /*	DVN / *	DVN /*	na	

^{*} Meter serial numbers to be provided after construction of facility.

The total of all oil sales meters will be allocated to each well based on the oil FMP meter located downstream of each well's 3-phase separator. 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. Each well's gas volumes will be based on the gas FMP meter located downstream of each well's 3-phase separator and the medium pressure VRU FMP meter. The medium pressure VRU FMP meter volumes will be allocated to each well based on the oil allocation meter of each well. The BLM and OCD will be notified of any future changes to the facilities.

Process and Flow Descriptions:

The flow of produced fluids is described above and 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 NMPO 2013-02 & 43 CFR 3173.14. 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).

Economic Justification Report

BELLOQ 11 CTB 1

Value (bbl): \$30.51
Value (mcf) \$0.25

Well Name & Number	Туре	Fed Lease 1	Royalty Rate	Fed Lease 2 (if applicable)	Royalty Rate	Fed Lease 3 (if applicable)	Royalty Rate	Fed Lease 4 (if applicable)	Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
BELLOQ 11-2 FED STATE COM 231H	Sweet	NMNM0404441-	12.50%	STATE LEASE						470	45	811	1377
BELLOQ 11-2 FED STATE COM 223H	Sweet	NMNM0404441-	12.50%	STATE LEASE						426	44	644	1377
BELLOQ 11-2 FED STATE COM 234H	Sweet	NMNM0404441-	12.50%	STATE LEASE						1036	45	805	1377
BELLOQ 11 FED 222H	Sweet	NMNM0404441-	12.50%							135	44	261	1377
ALEUTIAN 10-3 FED COM 214H	Sweet	NMNM0404441-	12.50%	NMNM077046-	12.50%	NMNM121955-	12.50%	NMNM081953-	12.50%	574	45	926	1377
BELLOQ 11-2 FED STATE COM 514H	Sweet	NMNM0404441-	12.50%	STATE LEASE						150	44	1000	1145
BELLOQ 11-2 FED STATE COM 613H	Sweet	NMNM0404441-	12.50%	STATE LEASE						398	46	1350	1382
BELLOQ 11-2 FED STATE COM 713H	Sweet	NMNM0404441-	12.50%	STATE LEASE						1130	47	2725	1401
BELLOQ 11-2 FED STATE COM 714H	Sweet	NMNM0404441-	12.50%	STATE LEASE						1130	47	2725	1401
BELLOQ 11-2 FED STATE COM 734H	Sweet	NMNM0404441-	12.50%	STATE LEASE						1130	47	2725	1401
	,												

Signed: Date: 1/6/2021

Printed Name: JENNY HARMS

Date: 1/6/2021

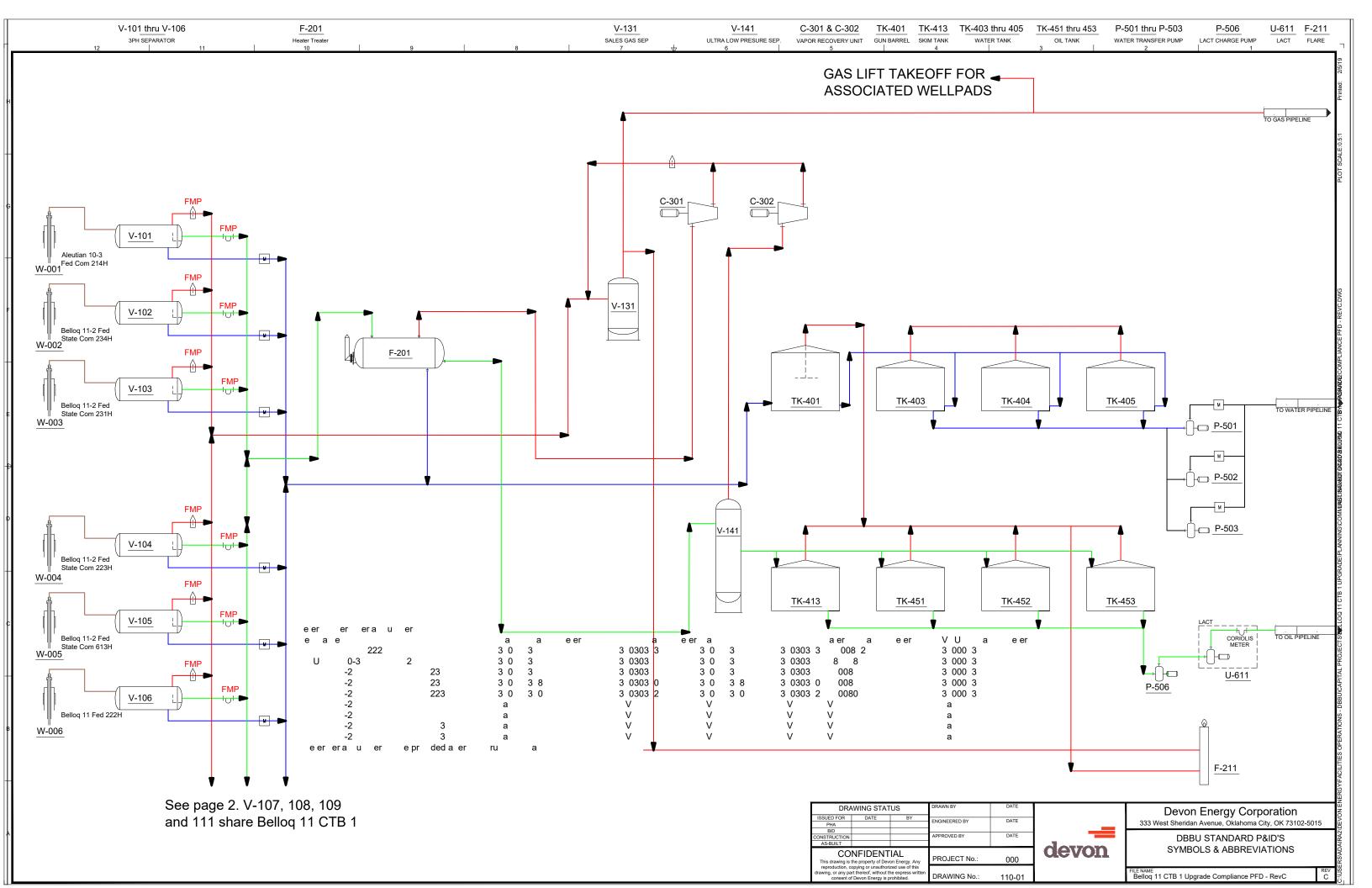
Title: Regulatory Compliance Specialist

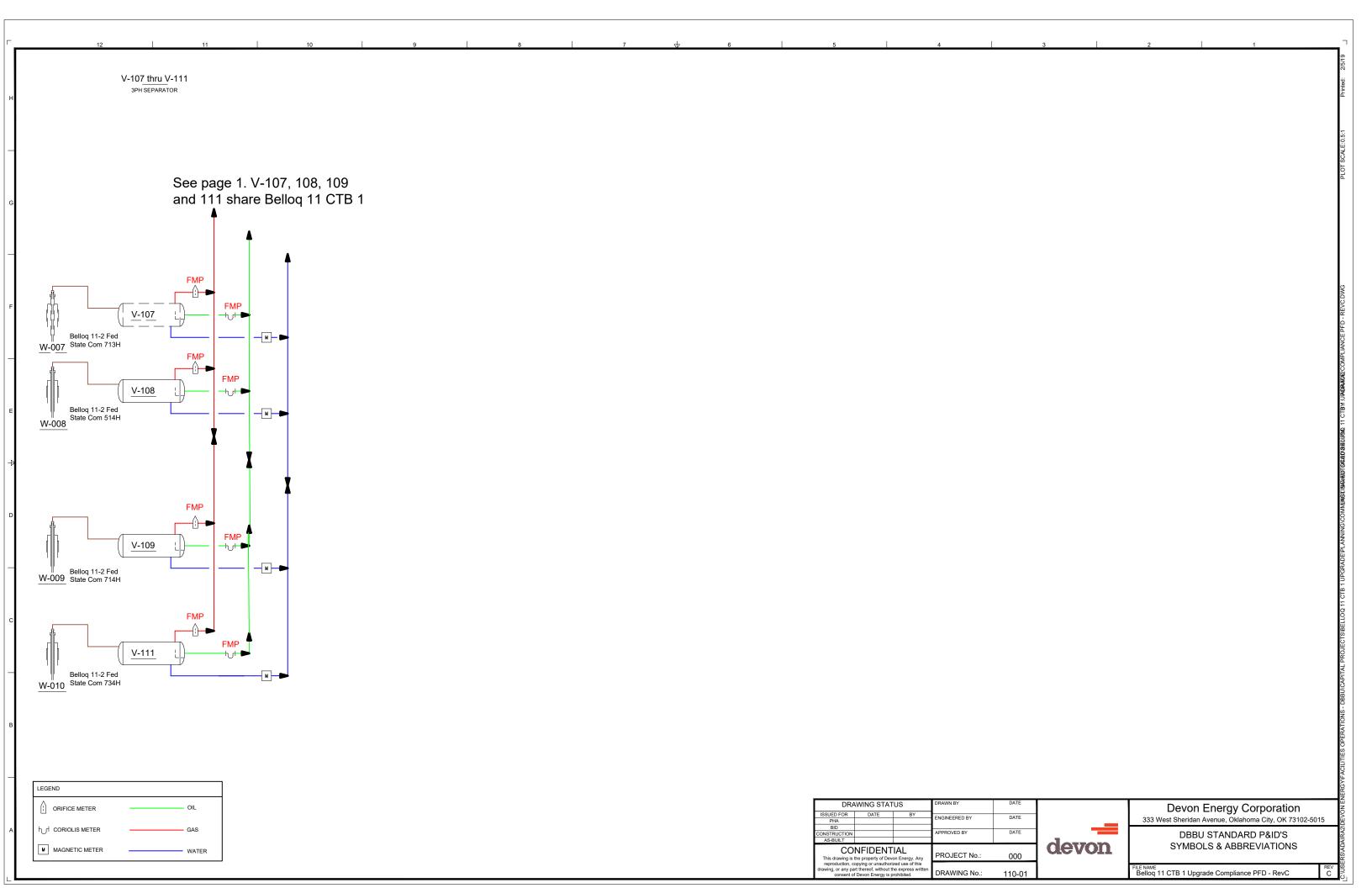
Economic Combined Production

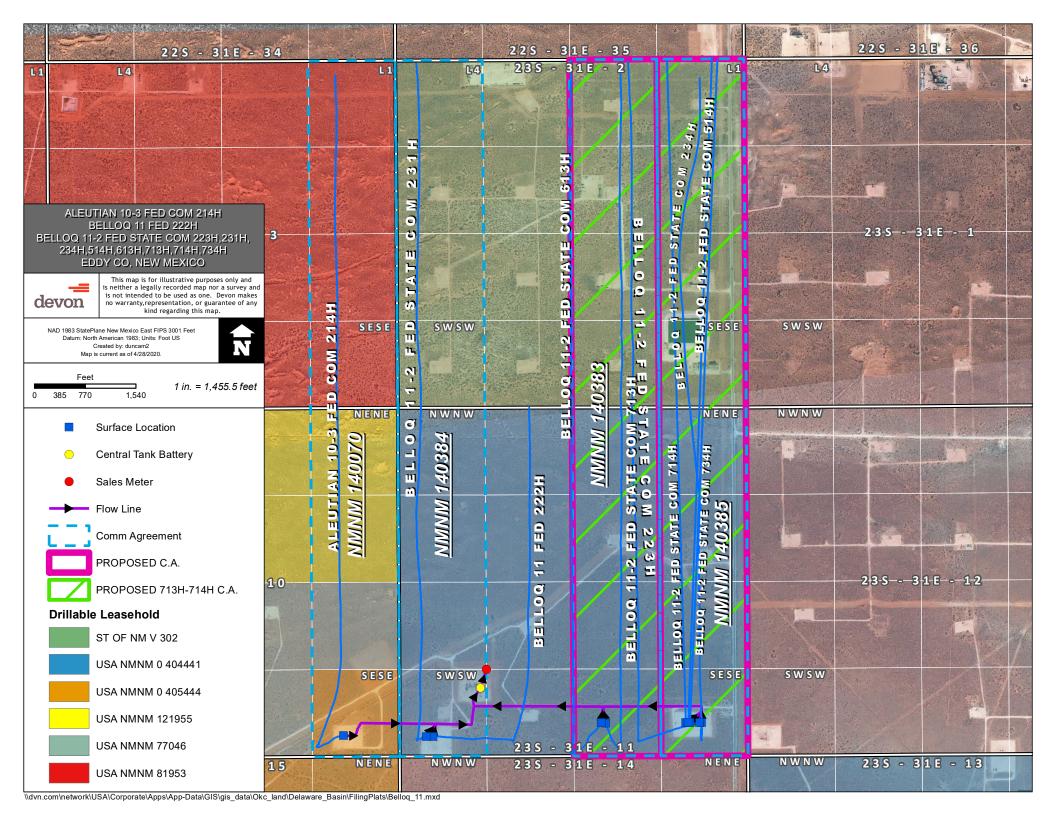
BOPD Gravity MCFPD Dry BTU

6579.0 46.0 13972.0 1374.9

According to our gas and oil marketing the combing of the production in this area will not affect royalty value.







CustomerReference	AttentionTo
9414 8149 0152 7181 9001 10	MABEE FLYNT LEASE TRUST
9414 8149 0152 7181 9001 27	JOE N GIFFORD
9415 8149 0152 7181 9001 34	DOUGLAS ABELL DENTON
3 123 02 13 0202 7 202 300 2 3 1	MARY PATRICIA DOUGHERTY TRUST NORTHERN BANK TRUST OF TX %THE NORTHERN TRUST
9416 8149 0152 7181 9001 41	CO ACCOUNT 01-95854
9417 8149 0152 7181 9001 58	MARY PATRICIA DOUGHERTY TRUST C/O NORTHERN BANK TRUST OF TX
3417 0143 0132 7101 3001 30	CAMTERRA RESOURCES PTNRS LTD ATTN ACCOUNTING DEPT CAMTERRA RESOURCES INC
9418 8149 0152 7181 9001 65	GEN PTR ZACHARY Q CARLILE CEO &/OR
9419 8149 0152 7181 9001 72	TEK PROPERTIES LTD % THOMAS E KELLY
9420 8149 0152 7181 9001 89	A G ANDRIKOPOULOS RESOURCE INC
3420 0143 0132 7101 3001 03	MARY MARGARET OLSON TRUST LEONARD M OLSON & JOHN B OLSON & KATHERINE M
9421 8149 0152 7181 9001 96	FROELICH & JOSEPH L OLSON CO-TRUSTEES
9414 8149 0152 7181 9002 02	RICHARD DONALD JONES JR
9415 8149 0152 7181 9002 19	CHARLES R WIGGINS
9416 8149 0152 7181 9002 26	GEORGIA B BASS
9417 8149 0152 7181 9002 33	CARGOIL & GAS CO LLC CAROLYN L SHOGRIN REV TR SNGLE MEMBER C L SHOGRIN TTEE
9418 8149 0152 7181 9002 40	JADT MINERALS LTD
9414 8149 0152 7181 9002 57	PATRICIA BOYLE YOUNG
9419 8149 0152 7181 9002 64	MARGARET A SUMMERFORD ROGERS SCOTT SUMMERFORD OR DAVID ROGERS POA
9414 8149 0152 7181 9002 71	BALONEY FEATHERS LTD BY ELK MOUNTAIN HOLDINGS LLC GEN PTNR
9421 8149 0152 7181 9002 71	FIGURE 4 INVESTMENT TRUST
	SOURCE ROCK MINERALS LP
9414 8149 0152 7181 9002 95	
9414 8149 0152 7181 9003 01	ONRR ROYALTY MANAGEMENT PROGRAM
9415 8149 0152 7181 9003 18	STATE OF NEW MEXICO COMMISSION OF PUBLIC LANDS
0.44.6.04.40.04.53.74.04.0003.35	LORRAINE L JOHNSON FAMILY TRUST FARMERS NATIONAL CO AGENT GEORGIA L TEMPLE
9416 8149 0152 7181 9003 25	COMPASS BANK SUCCESSOR CO-TTEES
9417 8149 0152 7181 9003 32	SYDHAN LP
9418 8149 0152 7181 9003 49	DON FRANKLIN
9419 8149 0152 7181 9003 56	CDA FAMILY PARTNERSHIP LTD
9420 8149 0152 7181 9003 63	CROW REYNOLDS LTD
9421 8149 0152 7181 9003 70	FIVE TALENTS LTD ATTN MARK DOERING
9422 8149 0152 7181 9003 87	NURAY K PACE
9423 8149 0152 7181 9003 94	INNERARITY FAMILY MINERALS LLC
9414 8149 0152 7181 9004 00	TD MINERALS LLC
	NANCY STALLWORTH THOMAS MARITAL TRUST JP MORGAN CHASE BANK NK & NANCY
9415 8149 0152 7181 9004 17	THOMAS CO TTEES
9416 8149 0152 7181 9004 24	NANCY S THOMAS
9414 8149 0152 7181 9004 31	P A ALLMAN TRUST PHYLLIS ANNE ALLMAN TTEE % JPMORGAN CHASE BANK NA AGT
9415 8149 0152 7181 9004 48	GEORGE M ALLMAN III TRUST GEORGE MARTIN ALLMAN III TTEE % JPMORGAN CHASE BANK
9416 8149 0152 7181 9004 55	MARILYN M ALLMAN TRUST MARILYN MARIE ALLMAN TTEE % JPMORGAN CHASE BANK NA
9417 8149 0152 7181 9004 62	JILL ALLMAN MANCUSO TRUST JILL ALLMAN MANCUSO TTEE % JPMORGAN CHASE BANK NA
9418 8149 0152 7181 9004 79	DONALD C ALLMAN TRUST UA DATED 10-26-68 JPMORGAN CHASE BANK NA TTEE
9419 8149 0152 7181 9004 86	GEORGE ALLMAN JR TRUST UA DTD 10-26-68 JPMORGAN CHASE BANK NA TTEE
9420 8149 0152 7181 9004 93	MARY ELIZABETH SCHRAM TRUST UA DTD 10-26-68 JPMORGAN CHASE BANK NA TTEE
9414 8149 0152 7181 9005 09	MARGARET SUE SCHROEDER TRUST UA DTD 10-26-68 JPMORGAN CHASE BANK NA TTEE
	MICHELLE ALLMAN GRANTOR TRUST UA DTD 12-31-87 JPMORGAN CHASE BANK NA &
9415 8149 0152 7181 9005 16	MICHELLE ALLMAN CO TTEE
	THERESA ALLMAN SMITH GRANTOR TRUST UA DTD 12-31-87 JPMORGAN CHASE BANK NA &
9416 8149 0152 7181 9005 23	THERESA ALLMAN SMITH CO TTEES
9417 8149 0152 7181 9005 30	ALFRED F SCHRAM SR ESTATE C/O MARGARET E HODGKINS EXECUTOR
	SCHRAM FAMILY LIVING REVOCABLE TRUST C/O MARGARET E SCHRAM HODGKINS SECOND
9418 8149 0152 7181 9005 47	SUCC TTEE

9420 8149 0152 7181 9005 61	PEGASUS RESOURCES LLC
9421 8149 0152 7181 9005 78	KIMBELL ROYALTY HOLDINGS LLC % DUNCAN MANAGEMENT LLC
9422 8149 0152 7181 9005 85	MCMULLEN MINERALS LLC
9423 8149 0152 7181 9005 92	LISA GAIL KARABATSOS
9414 8149 0152 7181 9006 08	MOMENTUM MINERALS OPERATING LP
9414 8149 0152 7181 9006 15	RONNIE LORENZ
9414 8149 0152 7181 9006 22	MERPEL LLC PONY OIL OPERATING LLC JOHN PAUL MERRITT CEO & GEORGE OVERBEY COO
9414 8149 0152 7181 9006 39	PATRICIA BOYLE YOUNG MGMT TRUST FIRST NATIONAL BANK & TRUST CO TTEE
	CATHERINE GRACE REVOCABLE TR DEC 4 SUSAN SERNA CO TTEE STEPHEN GRACE CO TTEE
9415 8149 0152 7181 9006 46	CYNTHIA GRACE CO TTEE
9416 8149 0152 7181 9006 53	OTTO & DORIS SCHROEDER FAMILY TR OTTO E SCHROEDER III TTEE