

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 \_\_\_\_\_

*- CTB 75/  
 - Devon Energy Production LP  
 6137  
 well  
 - Cotton Draw 111  
 30-015-36197  
 - Cotton Draw #112  
 30-015-36435  
 Pool  
 - Cotton Draw  
 Bone Spring  
 13367*

- [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.

Erin Workman \_\_\_\_\_ Regulatory Compliance Professional 03.30.15  
 Print or Type Name Signature Title Date  
 Erin.Workman@dvn.com  
 E-mail Address



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010

405 552-7970 Phone  
Erin.workman@dvn.com

RECEIVED OCD

2015 APR -1 P 1: 24

March 30, 2015

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

**Re: Central Tank Battery  
Cotton Draw 111 & Cotton Draw 112  
Sec. 35-T24S-R31E & Sec. 26-T24S-R31E  
Leases: NM E-9127 & NMNM012121  
API: 30-015-36197 & 30-015-36435  
Pool: 13370 Cotton Draw; Brushy Canyon  
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD C-107B Sundry Notice of Intent for a Central Tank Battery for the aforementioned wells.

The working interest, royalty interest, and overriding interest owners are not identical; parties have been notified by certified mail (see attached).

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7970.

Sincerely,



Erin Workman  
Regulatory Compliance Professional

Enclosures

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:  Fcc  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 (Coriolis 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 (Tank gauging & Coriolis Test )

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

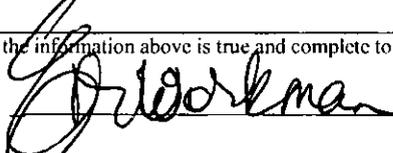
**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(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: 03.30.15  
TYPE OR PRINT NAME: Erin Workman TELEPHONE NUMBER: 405-552-7970  
E-MAIL ADDRESS: Erin.workman@dvn.com

# APPLICATION FOR A CENTRAL TANK BATTERY

## Proposal for the Cotton Draw 111, & 112 leases:

Devon Energy Production Company, LP is requesting approval for A Central Tank Battery for the following wells. These wells were deemed non-commercial under lease #NM709286G.

### State Lease: NM E-9127

Well Name	Location	API #	Pool 13370	BOPD	Oil Gravity	Mcfpd	BTU
Cotton Draw #111	NENW, Sec. 36-24S-31E	30-015-36197	Cotton Draw; Brushy Canyon	9.910	39.8	43.04	1235.8

### Federal Lease: NMNM012121 Royalty Rate 12.5

Well Name	Location	API #	Pool 13370	BOPD	Oil Gravity	Mcfpd	BTU
Cotton Draw #112	NENE, Sec. 35-24S-31E	30-015-36435	Cotton Draw; Brushy Canyon	8.520	40	22.36	1302.9

These Cotton Draw Unit wells were deemed non-commercial and was placed back to the appropriate single lease.

A map is enclosed showing the Federal Leases and well locations in Sec. 35 & 36-24S-31E. The Cotton Draw 90 well has been plugged and abandoned, but we are utilizing the battery at that location for the Cotton Draw 111 & 112.

## Oil & Gas metering:

The Cotton Draw 90 Facility has separate production facilities for each well and they have a common SUG CDP #39962 which is located in Sec. 35-NWSW-T24S-R31E in Eddy County, New Mexico. Gas volumes from the Cotton Draw 111 will be determined by using gas allocation meter # 390-33-075. The Cotton Draw #112 will be producing into its own separator/heater treater. Oil production will go into one of two tanks that will be utilized by the Cotton Draw 112 only. Gas for the Cotton Draw 112 will be allocated using allocation meter #390-33-259. The oil will be measured by tank gauging to obtain daily production volumes. Gas Production will be allocated on a daily basis utilizing the subtraction method from the SUG CDP meter #39962 and the allocation meters #390-33-075 & #390-33-259. The gas production from the wells listed above will be measured, commingled, and sold off lease.

These meters, including the Cotton Draw 111 allocation meter 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 a map which shows the lease boundaries, location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on category 3 of the BLM's guidance in IM 2013-152. The proposed commingling is the only economical way that Devon can sell the gas due to low volume gas production by the Cotton Draw 112. SUG will not install another meter and it is not economical in order to produce approximately 600 MCF per month from the Cotton Draw 112. This proposal 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. **ROW approved on January 4, 2008 #NM-119479 approved Feb. 21, 2008 #NM-11989, for gas sales SUG line #39962.**

The working interest, royalty interest, and overriding interest owners are not identical; parties have been notified by certified mail (see attached).

Signed:

Printed Name: Erin Workman

Title: Regulatory Compliance Professional

Date: 03.30.15



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010

405 552-7970 Phone  
Erin.workman@dvn.com

March 30, 2015

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

**Re: Central Tank Battery**  
**Cotton Draw 111 & Cotton Draw 112**  
**Sec. 35-T24S-R31E & Sec. 26-T24S-R31E**  
**Leases: NM E-9127 & NMNM012121**  
**API: 30-015-36197 & 30-015-36435**  
**Pool: 13370 Cotton Draw; Brushy Canyon**  
**Eddy County, New Mexico**

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 for a Central Tank Battery of Cotton Draw 111H and Cotton Draw 112H.

A copy of our approval from the BLM and the 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.

Should you have any questions or need further assistance, please do not hesitate to contact me at (405) 552-7970.

Sincerely,

A handwritten signature in black ink, appearing to read "Erin Workman". The signature is fluid and cursive, written over a white background.

Erin Workman  
Regulatory Compliance Professional

Enclosures

**CERTIFIED MAILING LIST****Well Name: Cotton Draw 111H & 112H****Date Mailed: 03.30.15**

<b><u>Repondent Name/Address:</u></b>	<b><u>Certified Mailing Number:</u></b>
<b>Ballard E. Spencer Trust Inc. PO Box 6 Artesia, NM 88211</b>	91 7199 9991 7035 6397 5340
<b>Robert E Ferguson &amp; Rosemary Ferguson Trustees of the Ferguson Family Trust 713 Clayton Ave Artesia, NM 77210</b>	91 7199 9991 7035 6397 5357
<b>Jan Elise McWhirter Fescenmeyer 7105 Battle Creek Rd. Ft Worth, TX 76116</b>	91 7199 9991 7035 6397 5364
<b>Leda Zelios 618 Pecan Creek Dr. Sunnyvale, TX 75182</b>	91 7199 9991 7035 6397 5371
<b>Wells Fargo Bank, N.A. Trustee of Irene L. Southard Management Trust PO Box 5383 Denver, CO 80217</b>	91 7199 9991 7035 6397 5388
<b>Douglas A. Denton 1501 Princeton Ave. Midland, TX 79701</b>	91 7199 9991 7035 6397 5395
<b>JADT Minerals, Ltd. PO Box 190229 Dallas, TX 75219-0229</b>	91 7199 9991 7035 6397 5401
<b>Richard C. Gibson PO Box 3317 Midland, TX 79702</b>	91 7199 9991 7035 6397 5418
<b>Mr. Pete Martinez State Land Office Oil &amp; Gas Division 310 Old Santa Fe Trail Santa Fe, NM 87501</b>	91 7199 9991 7035 6397 5425

DISTRICT I  
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, 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 Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36197	Pool Code 13370	Pool Name Cotton Draw; Brushy Canyon
Property Code 300635	Cotton Draw	
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Well Number 111 Elevation 3503'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	24 S	31 E		660	NORTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>SURFACE LOCATION</b> Lat - N32°10'45.40" Long - W103°44'01.12" SPC- N.: 429472.956 E.: 426872.698 (NAD-83)</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 02/16/15 Signature Date Erin Workman, Reg Com. Prof. Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 7 2008 Date Surveyed</p> <p><i>[Signature]</i> Signature &amp; Seal of Professional Surveyor</p> <p><i>[Seal]</i> Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, 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 Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36435	Pool Code 13370	Pool Name Cotton Draw; Brushy Canyon
Property Code 300635	Property Name Cotton Draw	Well Number 112
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3497'

Surface Location

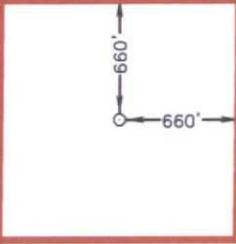
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	24 S	31 E		660	NORTH	660	EAST	EDDY

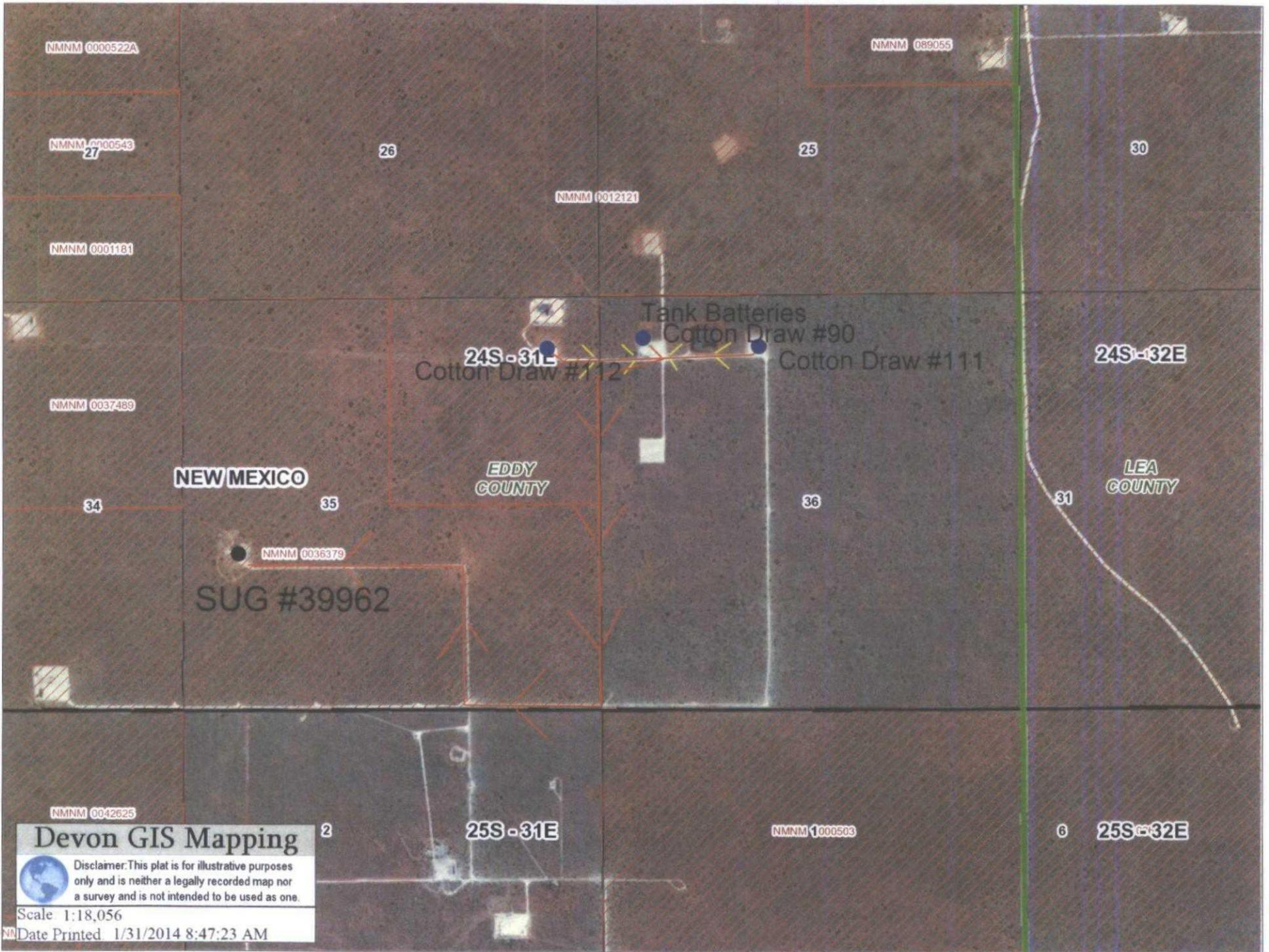
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><u>SURFACE LOCATION</u> Lat - N32°10'45.38" Long - W103°44'31.84" SPC- N.: 429456.079 E.: 724232.519 (NAD-83)</p> 	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p> 02.16.15 Signature Date</p> <p>Erin Workman, Regulatory Comp. Prof. Printed Name</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>FEBRUARY 7, 2008 Date Surveyed</p> <p> Signature &amp; Seal Professional Surveyor</p> <p></p> <p>Certificate No. Gary L. Jones 7977</p> <p style="text-align: center;">BASIN SURVEYS</p>	



NMNM 0000522A

NMNM 089055

NMNM 0000543  
27

26

25

30

NMNM 0012121

NMNM 0001181

NMNM 0037489

NEW MEXICO

EDDY COUNTY

LEA COUNTY

34

35

36

31

NMNM 0036379

SUG #39962

Tank Batteries  
Cotton Draw #90  
Cotton Draw #111  
Cotton Draw #112

24S-31E

24S-32E

NMNM 0042625

Devon GIS Mapping



Disclaimer: This plat is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one.

Scale 1:18,056

Date Printed 1/31/2014 8:47:23 AM

2

25S-31E

NMNM 1000503

6

25S-32E



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5010

405 552-7970 Phone  
Erin.workman@devon.com

March 30, 2014

Mr. Pete Martinez  
State Land Office  
Oil & Gas Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

**Re: Central Tank Battery  
Cotton Draw 111 & Cotton Draw 112  
Sec. 35-T24S-R31E & Sec. 26-T24S-R31E  
Leases: NM E-9127 & NMNM012121  
API: 30-015-36197 & 30-015-36435  
Pool: 13370 Cotton Draw; Brushy Canyon  
Eddy County, New Mexico**

Dear Mr. Jones:

Please find enclosed the SLO Commingle Pre-Application, our \$30.00 application fee, and a copy of the application with the C-107B Sundry Notice of Intent for a Central Tank Battery of the aforementioned wells that was submitted for approval. A copy of that approval will be submitted upon receipt. Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached).

Should you require any additional information or assistance, please do not hesitate to contact me at (405) 552-7970

Sincerely,

  
Erin Workman  
Regulatory Compliance Professional

Enclosures

**NEW MEXICO STATE LAND OFFICE**  
**Commingle PRE-Application      ONLINE Version**

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: Erin Workman Company: Devon Energy Production Co., LP  
Address: 333 West Sheridan Ave City OKC  
Telephone: (405) 552-7970 Fax: \_\_\_\_\_ State OK Zip 73102

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

**1. Briefly describe what you propose to do.** The Cotton Draw 90 Facility has separate production facilities for each well and has a common SUG

CDP #39962 which is located in Sec. 35-NWSW-T24S-R31E in Eddy County, New Mexico. Gas volumes from the Cotton Draw 111 will be determined by using gas allocation meter

# 390-33-075. The Cotton Draw #112 will be producing into its own separator/heater treater. Oil production will go into one of two tanks that will be utilized by the Cotton Draw 112 only.

Gas for the Cotton Draw 112 will be allocated using allocation meter #390-33-259. The oil will be measure by tang gauging to obtain daily production volumes. Gas Production will be allocated on a daily basis utilizing the subtraction method from the SUG CDP meter #39962 and the allocation meters #390-33-075 & #390-33-259.

**2. Fill in the following information for each well.** *[Attach additional pages if needed.]*

**Well name & number** Cotton Draw 111 Lease # NM E-9127

Lessee of Record Devon Energy Production Company, LP.

Legal land description: Subdivisions \_\_\_\_\_

Sect 36 T 24S R 31E NMPM Eddy County NM

Pool 13370 Cotton Draw; Brushy Canyon

**Well name & number** Cotton Draw 112 Lease # NMNM012121

Lessee of Record Devon Energy Production Company, LP

Legal land description: Subdivisions \_\_\_\_\_

Sect 35 T 24S R 31E NMPM Eddy County NM

Pool 13370 Cotton Draw; Brushy Canyon

**Well name & number** \_\_\_\_\_ Lease # \_\_\_\_\_

Lessee of Record \_\_\_\_\_

Legal land description: Subdivisions \_\_\_\_\_

Sect \_\_\_\_\_ T \_\_\_\_\_ R \_\_\_\_\_ NMPM \_\_\_\_\_ County NM

Pool \_\_\_\_\_

CDU#90  
 Sec-36,T24S, R31E  
 660FNL&660FWL  
 Eddy, N.M  
 API# 30-015-31889

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 inaccessible.  
 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: Sales Line
- Valve #6: BS&W Load Line

Buried Lines: -----

Firewall:

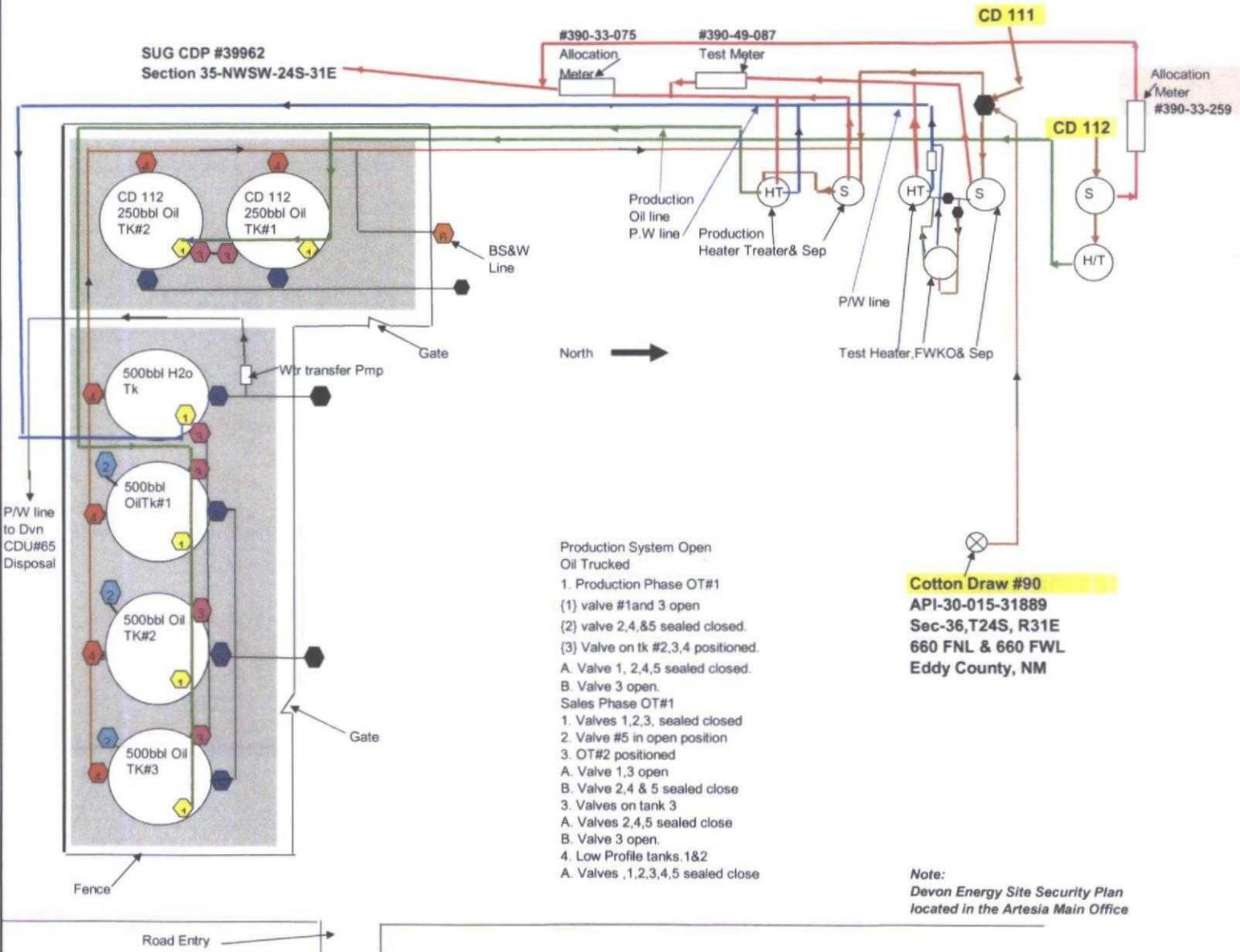
Wellhead:

Stak-pak:

Production line: \_\_\_\_\_

Water line: - - - - -

Gas Meter



- Production System Open  
 Oil Trucked
1. Production Phase OT#1  
 (1) valve #1 and 3 open  
 (2) valve 2, 4, & 5 sealed closed.  
 (3) Valve on tk #2, 3, 4 positioned.  
 A. Valve 1, 2, 4, 5 sealed closed.  
 B. Valve 3 open.
- Sales Phase OT#1  
 1. Valves 1, 2, 3, sealed closed  
 2. Valve #5 in open position  
 3. OT#2 positioned  
 A. Valve 1, 3 open  
 B. Valve 2, 4 & 5 sealed close  
 3. Valves on tank 3  
 A. Valves 2, 4, 5 sealed close  
 B. Valve 3 open.  
 4. Low Profile tanks 1&2  
 A. Valves 1, 2, 3, 4, 5 sealed close

**Cotton Draw #90**  
 API-30-015-31889  
 Sec-36,T24S, R31E  
 660 FNL & 660 FWL  
 Eddy County, NM

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

### Cotton Draw 111 Gas Production

Well ID	WC ID	WC Name	Well API	Year	Month	Prod
10466	1	COTTON DRAW UN 111	300153619700	2014	07	449
10466	1	COTTON DRAW UN 111	300153619700	2014	08	249
10466	1	COTTON DRAW UN 111	300153619700	2014	09	285
10466	1	COTTON DRAW UN 111	300153619700	2014	10	86
10466	1	COTTON DRAW UN 111	300153619700	2014	11	0
10466	1	COTTON DRAW UN 111	300153619700	2014	12	0

**Cotton Draw 112 Gas Production**

Well ID	WC ID	WC Name	Well API	Year	Month	Theo	Prod	Prod HV	Flare
9218	1	COTTON DRAW UN 112	300153643500	2014	07	805	779	1,254	0
9218	1	COTTON DRAW UN 112	300153643500	2014	08	762	679	1,244	0
9218	1	COTTON DRAW UN 112	300153643500	2014	09	432	400	1,268	0
9218	1	COTTON DRAW UN 112	300153643500	2014	10	65	339	1,062	0
9218	1	COTTON DRAW UN 112	300153643500	2014	11	300	300	1,000	0
9218	1	COTTON DRAW UN 112	300153643500	2014	12	310	310	1,000	0

**Cotton Draw 111 Water**

Well ID	WC ID	WC Name	Alt WC Key	Well API	Frq	Year	Month	Wtr Prod
10466	1	COTTON DRAW UN 111	8979742	300153619700	M	2014	07	1,872.25
10466	1	COTTON DRAW UN 111	8979742	300153619700	M	2014	08	2,168.28
10466	1	COTTON DRAW UN 111	8979742	300153619700	M	2014	09	1,946.27
10466	1	COTTON DRAW UN 111	8979742	300153619700	M	2014	10	2,237.67
10466	1	COTTON DRAW UN 111	8979742	300153619700	M	2014	11	1,749.43
10466	1	COTTON DRAW UN 111	8979742	300153619700	M	2014	12	1,676.65
								<b>25,787.55</b>

Well ID	WC ID	WC Name	Alt WC Key	Well API	Year	Month	Wtr Prod
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	07	2,813.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	08	2,482.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	09	2,019.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	10	2,078.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	11	2,429.00
9218	1	COTTON DRAW UN 112	8980954	300153643500	2014	12	2,316.00

14,137.00

**Cotton Draw 111 - OIL**

Well ID	WC ID	WC Name	Well API	Month	Year	Prod	Wtr Prod
10466	1	COTTON DRAW UN 111	300153619700	07	2014	<b>251.24</b>	1,872.25
10466	1	COTTON DRAW UN 111	300153619700	08	2014	<b>213.95</b>	2,168.28
10466	1	COTTON DRAW UN 111	300153619700	09	2014	<b>244.74</b>	1,946.27
10466	1	COTTON DRAW UN 111	300153619700	10	2014	<b>180.43</b>	2,237.67
10466	1	COTTON DRAW UN 111	300153619700	11	2014	<b>129.82</b>	1,749.43
10466	1	COTTON DRAW UN 111	300153619700	12	2014	<b>128.71</b>	1,676.65

**1148.89**

### Cotton Draw 112 - Oil

Well ID	WC	WC Name	Month	Year	Prod	Loss	Wtr Prod
9218	1	COTTON DRAW UN 112	07	2014	343.2	0	2,813.00
9218	1	COTTON DRAW UN 112	08	2014	407.8	0	2,482.00
9218	1	COTTON DRAW UN 112	09	2014	286	0	2,019.00
9218	1	COTTON DRAW UN 112	10	2014	285.9	0	2,078.00
9218	1	COTTON DRAW UN 112	11	2014	270.1	0	2,429.00
9218	1	COTTON DRAW UN 112	12	2014	202.6	0	2,316.00

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**OPERATOR'S COPY**

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.  
NMNM012121

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
COTTON DRAW 112

2. Name of Operator  
DEVON ENERGY PRODUCTION CO LP  
Contact: ERIN L WORKMAN  
Email: ERIN.WORKMAN@DVN.COM

9. API Well No.  
30-015-36435-00-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  
PADUCA

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

Sec 35 T24S R31E NENE 660FNL 660FEL

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-Off
<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	Off-Lease Measuremen t
	<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 shall 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 shall be filed once 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.)

Devon Energy Production Company, LP respectfully requests an Off-Lease Measurement, Sales, & Storage for the following wells:

~~Cotton Draw 90~~  
30-015-31889  
NWNW Sec. 36, T24S, R31E  
49460 Paduca; Delaware  
*STATEWELL THIS WELL PLUGGED*

Cotton Draw 111  
30-015-36197  
NENW Sec. 36-24S-31E  
13370 Cotton Draw; Brushy Canyon  
*STATEWELL*

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

Electronic Submission #234216 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad  
Committed to AFMSS for processing by MEIGHAN SALAS on 04/30/2014 (14MMS0040SE)

Name (Printed/Typed) ERIN L WORKMAN

Title REGULATORY COMPLIANCE ASSOC.

Signature (Electronic Submission)

Date 01/31/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

*J.P. Littlejohn*

Title

*EPS*

Date

*12/15/14*

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 #234216 that would not fit on the form**

**32. Additional remarks, continued**

Cotton Draw 112  
30-015-36435  
NENW Sec. 36-24S-31E *N 1012121*  
13370 Cotton Draw; Brushy Canyon

The Cotton Draw #90 <sup>*Facility*</sup> has separate production facilities for each well and they have a common SUG CDP #39962 which is located in Sec. 35-T24S-R31E in Eddy County, New Mexico. Oil, gas, and water volumes from the Cotton Draw ~~90 &~~ 111 will be determined by using the Well Test Method. ~~The Cotton~~ Draw #112 will be producing into its own tank utilizing the tank gauge strapping method for well test. Well tests for these wells will be conducted at least once per month for a minimum of 24 hours. Gas Production will be allocated on a daily basis utilizing the subtraction method from ~~the~~ SUG CDP meter #39962 and the allocation meters #390-33-075, 390-49-087, & #390-33-259. The gas production from the wells listed above will be commingled, measured, and sold off lease.

Working, royalty, interest owners are not identical owners are not identical and have been notified of this proposal via certified mail (see attached).

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

**Guidelines for Off-Lease Measurement,  
Storage and Surface Commingling Approvals**

At a minimum the following information must be included with any application to combine, store or measure production off-lease:

1. A formal request (Sundry Notice Form 3160-5 or letter) for approval to combine, store, or measure production off-lease with an appropriate explanation and diagram(s) describing the proposed operation in detail.
2. A map showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling, off-lease measurement, and/or storage facility. All lease numbers, unitized or communitized areas, producing zones or pools must be clearly illustrated or detailed by suitable means. Any wells or leases proposed to be added to an approved commingling and off-lease storage and or measurement facility must be approved by the Authorized Officer prior to their being included in the facility.
3. An updated facility diagram which clearly identifies and places all equipment that will be utilized. A diagram which identifies all flow lines, sales points and give location of gas sales (transfer point) meter if it is not at this facility. Include gas sales and/or allocation meter station name and number and location of meter to include  $\frac{1}{4}$   $\frac{1}{4}$ , Section, Township and Range.
4. Estimated monthly production from each contributing well, including type of product, gravity, and/or BTU content.
5. Details of the proposed method for measuring and allocating production for each lease involved. Include calculated "beneficial use" volumes both on and off-lease.
6. A statement that all interest owners have been notified of the proposal.
7. Evidence that Federal or Indian royalties will not be reduced through approval of the application, and the proposed commingling of production is in the interest of conservation and will not result in improper measurement of production.
8. Detailed economic justification, when the application to combine production is based on economic necessity, i.e., that approval is necessary to extend the economic life of the Federal or Indian Lease(s). Commingling with State or Fee wells will be on a very limited basis and will have to prove this is the only economical way to keep that well/lease from being plugged.

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.