

RECEIVED: 6-5-2017	REVIEWER: MAM	TYPE: CTB	APP NO: PKSC1715648575
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Devon Energy Production Co., LP **OGRID Number:** 6137
Well Name: Taylor Draw 7 Fed 1H & Taylor Draw 7 Fed com 2Y **API:** 30-025-41146 & 30-025-42693
Pool: (41440) Lusk; Bone Spring **Pool Code** 41400

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED
 BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC

☒ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☐ Offset operators or lease holders

B. ☒ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☐ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete

☐ Application
Content
Complete

3) 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.

06/02/17

Erin Workman

Print or Type
Name

Erin Workman

Signature

Date

(405) 552-7970

Phone Number

Erin.workman@dv.com

e-mail Address



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

405 552 7970 Phone
Erin.workman@devon.com

June 2, 2017

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

Re: Central Tank Battery
Taylor Draw 7 Fed 1H & Taylor Draw 7 Fed Com 2Y
API: 30-025-41146 & 30-025-42693
Pool: (41440) Lusk; Bone Spring
Lease: NMNM104685, & NMNM025779A
County: Lea Co., NM

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B application for a Central Tank Battery for the aforementioned wells.

Attached is a copy of Bureau of Land Management approved NOI.

The working interest, royalty interest and overriding royalty interest owners are not identical; notification has been sent via certified mail (see attached).

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.

Should you have any questions or need further 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 ☐ 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 – fill if Pool Commingle
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 & Well 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

(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 Erin Workman TITLE Regulatory Compliance Prof DATE 06/02/2017

TYPE OR PRINT NAME Erin Workman TELEPHONE NUMBER (405)552-7970

E-MAIL ADDRESS Erin.workman@dmr.com

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

Proposal for Taylor Draw 7 Federal Wells:

Devon Energy Production Company, LP is requesting approval for the Central Tank Battery\Off Lease Measurement, Sales, & Storage for the following wells

Federal Lease NMNM104685 (12.5% Royalty Rate)

Well Name	Location	API	Pool 41440	BOPD	OG	MCFPD	BTU
Taylor Draw 7 Fed 1H	Sec 7, NESE, T19S, R32E	30-025-41146	Lusk, Bone Spring	103	37 6	121	1189 7

Federal Lease Federal CA NMNM135835, NMNM104685, NMNM025779A (12.5% Royalty Rate)

Well Name	Location	API	Pool 41440	BOPD	OG	MCFPD	BTU
Taylor Draw 7 Fed Com 2Y	Sec 7, SESE, T19S, R32E	30-025-42693	Lusk, Bone Spring	65 2	38 0	35 2	1190

Attached is a map which displays the federal leases and well locations in Section 7, T19S, R32E

The BLM's interest in these wells are identical

Oil & Gas metering:

The central tank battery is located on the Taylor Draw 7 Fed 1H location in Sec 7, NESE, T19S, R32E. The production from each well will flow into a common header then each well flows into its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, mag meter to meter the water, and gas allocation meter to meter the gas. VRU Meter #677-00-101 will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Taylor Draw 7 Fed 1H Battery will have three oil tanks that these two wells will utilize and they have a common DCP CDP #723334-00 which is on location at the Coyote 14-1 Battery located in Section 14, NWNE, T19S, 31E, Eddy County, NM. Oil, gas, and water volumes from each well producing to this battery will be determined utilizing individual metered separators. Oil sold through a common Smith LACT Meter 1335E10167.

The Taylor Draw 7 Fed 1H flows into the common header then into a three phase separator, where after separation gas is routed to the gas allocation meter #677-49-100, then combines with the gas from the Taylor Draw 2Y and the VRU meter and flows to DCP CDP Meter #723334-00. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter S/N14380993 then flows into a common oil line with the Taylor Draw 7 Fed 2Y, then into a common heater/treater and into one of the 500 bbl oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl water tanks, along with the water from the other well.

The Taylor Draw 7 Fed 2Y flows into the common header, then to a three phase separator, where after separation gas is routed to the gas allocation meter #677-49-217, then combines with the gas from the Taylor Draw 7 Fed 1H and the VRU meter and flows to DCP CDP Meter #723334-00. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter S/N14504227, then flows into a common oil line with the Taylor Draw 7 Fed 1H, into a common heater/treater, and into one of the 500 bbl oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl water tanks, along with the water from the other well.

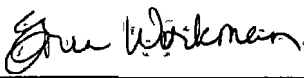
Oil production for each well will be allocated on a daily basis based on each well's Coriolis Micro Motion Meter located downstream of the metered separators. The Coriolis meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production will be allocated on a daily basis utilizing the gas allocation meter for each well. The gas from the VRU and the gas allocation meters will commingle and flow into the DCP CDP #723334-00, these meters 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 Taylor Draw 7 Fed 1H Process Flow Diagram along with a description of each vessel and map which shows the lease boundaries, location of the wells, facility, and gas sales meter. The commingling of this production is the most effective, economic means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

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 NMNM105089, NMNM129860, NMNM129897, & NMNM129970 have been granted

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

Signed 
Printed Name Erin Workman
Title Regulatory Compliance Professional
Date 06/02/17

Distric 1
1625 N. French Dr. Hobbs NM 88240
Phone (575) 392-6161 Fax (575) 392-0720
Distric 11
311 S. First St. Artesia NM 88210
Phone (575) 718-1283 Fax (575) 748-9720
Distric 111
1000 Rio Brazos Road, Aztec NM 87410
Phone (505) 334-6175 Fax (505) 334-6170
Distric 115
1220 S. St. Francis Dr. Santa Fe NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico **AUG 21 2014**
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St Francis Dr
Santa Fe, NM 87505

Form C-102
Revised August 1 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41146	² Pool Code 41440	³ Pool Name Lusk, Bone Spring
⁴ Property Code 39849	⁵ Property Name TAYLOR DRAW 7 FEDERAL	
⁷ GRID No 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁶ Well Number 1H
		⁹ Elevation 3618.2

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	7	19 S	32 E		1650	SOUTH	260	EAST	LEA

¹¹ 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
3	7	19 S	32 E		1994	SOUTH	253	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
160.84			

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>N89°53'16"E 2673.43 FT</p> <p>NW CORNER SEC 7 LAT = 32 6822969 N LONG = 103 8143075 W NMSP EAST (FT) N = 612341.34 E = 701027.38</p> <p>LOT 1</p> <p>LOT 2</p> <p>W O CORNER SEC 7 LAT = 32 6750365 N LONG = 103 8142876 W NMSP EAST (FT) N = 609699.93 E = 701046.43</p> <p>253'</p> <p>BOTTOM OF HOLE</p> <p>LOT 3</p> <p>SW CORNER SEC 7 LAT = 32 6677810 N LONG = 103 8142675 W NMSP EAST (FT) N = 607060.31 E = 701065.55</p> <p>S O CORNER SEC 7 LAT = 32 6677607 N LONG = 103 8055900 W NMSP EAST (FT) N = 607065.11 E = 703735.87</p> <p>589°52'32"W 2670.94 FT</p>		<p>N89°49'41"E 2543.33 FT</p> <p>NE CORNER SEC 7 LAT = 32 6822604 N LONG = 103 7970314 W NMSP EAST (FT) N = 612354.50 E = 706342.90</p> <p>500°23'01"E 2643.22 FT</p> <p>E O CORNER SEC 7 LAT = 32 6749969 N LONG = 103 7970173 W NMSP EAST (FT) N = 609711.95 E = 706360.59</p> <p>500°22'27"E 2542.10 FT</p> <p>SE CORNER SEC 7 LAT = 32 6677364 N LONG = 103 7970047 W NMSP EAST (FT) N = 607070.52 E = 706377.83</p> <p>589°54'16"W 2642.58 FT</p>	<p>17 OPERATOR CERTIFICATION</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 or has a right to drill this well at this 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 in the division.</p> <p><i>Megan Moravec</i> 3/17/2014 Signature Date</p> <p>Megan Moravec, Regulatory Analyst Printed Name</p> <p>Megan Moravec@dmn.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</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>SEPTEMBER 4 2014 12797 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number FILIPINO, JAR MANILLO PLS 12797 SURVEY NO 13821</p>
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PP 1697' FSI & 213' FCL, Sec 7, T19S, R 32E

Project Area
Producing Area

SEP 05 2014

Osuna,
 1625 N French Dr Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-4720
 District II
 511 S. First St. Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Dr. Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-42693		Pool Code 41440	Pool Name Lusk; Bone Spring
Property Code 313577	Property Name TAYLOR DRAW 7 FED COM		Well Number 2Y
GRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		Elevation 3612.1

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	19 S	32 E		665	SOUTH	400	EAST	LEA

" 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
4	7	19 S	32 E		400	SOUTH	290	WEST	LEA

Dedicated Acres 160.81	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.

N89°53'16"E 2673.43 FT NW CORNER SEC. 7 LAT = 32.6822869°N LONG. = 103.8143075°W NMSP EAST (FT) N = 812341.34 E = 701027.38		N89°49'41"E 2643.33 FT N Q CORNER SEC. 7 LAT = 32.6822750°N LONG. = 103.8056208°W NMSP EAST (FT) N = 812348.57 E = 703700.19		NE CORNER SEC. 7 LAT = 32.6822604°N LONG. = 103.7970314°W NMSP EAST (FT) N = 612384.50 E = 706342.90	
NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE					
W Q CORNER SEC. 7 LAT = 32.6750388°N LONG. = 103.8142878°W NMSP EAST (FT) N = 609699.93 E = 701046.45		E Q CORNER SEC. 7 LAT = 32.6749968°N LONG. = 103.7970173°W NMSP EAST (FT) N = 609711.95 E = 706360.59			
BOTTOM OF HOLE LAT = 32.6888780°N LONG. = 103.8133283°W NMSP EAST (FT) N = 607480.84 E = 701332.59		TAYLOR DRAW "7" FED COM 2Y ELEV. = 3612.1 LAT = 32.6895677°N (NAD83) LONG. = 103.7983074°W NMSP EAST (FT) N = 607736.75 E = 705973.58			
BOTTOM OF HOLE SW CORNER SEC. 7 LAT = 32.6677810°N LONG. = 103.8142675°W NMSP EAST (FT) N = 607060.31 E = 701085.55		S Q CORNER SEC. 7 LAT = 32.6677607°N LONG. = 103.8055900°W NMSP EAST (FT) N = 607066.11 E = 703735.87		SURFACE LOCATION SE CORNER SEC. 7 LAT = 32.6677364°N LONG. = 103.7970047°W NMSP EAST (FT) N = 607070.52 E = 706377.83	
589°32'32"W 2670.94 FT		589°34'16"W 2642.58 FT			

" OPERATOR CERTIFICATION

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 retained mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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.

Trina C. Couch 7/17/15
 Signature Date
Trina C. Couch, Regulatory Analyst
 Printed Name
 trina.couch@dmr.nm.gov
 E-mail Address

" SURVEYOR CERTIFICATION

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.

RON F. JAT...
 Signature
 JULY 17, 2015
 Date
 12757
 Certificate Number
 SURVEY NO 25160

PM

WORKING INTEREST OWNERS

**TAYLOR DRAW 7 FED 1 H
TAYLOR DRAW 7 FED COM 2Y
Section 7-T19S-R32E
Lea County, New Mexico**

WI Owners:

**Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102**

**COG Operating, LLC
600 West Illinois Avenue
Midland, TX 79701 (9214890152718100049524)**

**Concho Oil & Gas, LLC
600 West Illinois Avenue
Midland, TX 79701 (9214890152718100049531)**

**Moutray Properties, LLC
P.O. Box 1598
Carlsbad, NM 88221-1598 (9214890152718100049548)**

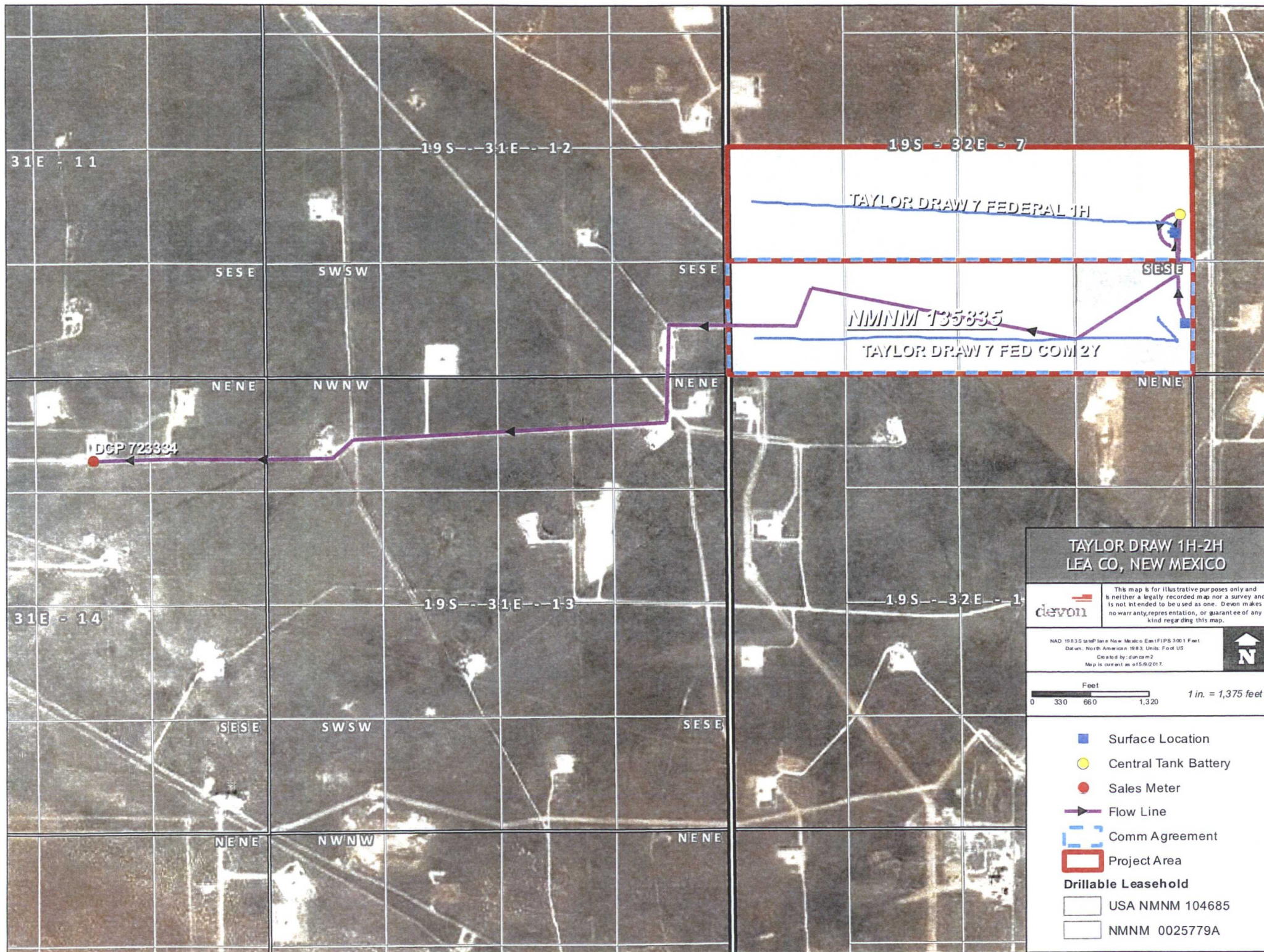
**McVay Drilling Company
P.O. Box 2450
Hobbs, NM 88241-2450 (9214890152718100049555)**

Royalty and ORRI Owners:

**Bureau of Land Management
620 E. GREENE
CARLSBAD, NM 88220 (9214890152718100049562)**

**Wright Minerals LLC
PO BOX 2312
SANTA FE, NM 87504 (9214890152718100049579)**

**BP America Production Company
501 WESTLAKE PARK BLVD
HOUSTON, TX 77079 (9214890152718100049586))**



Taylor Draw 7 Fed 1H Battery
 Sec 7 T19S R32E
 1650'FSL & 260'FWL
 Eddy County, N.M
 API# 30-025-41146





Production System: Closed

- 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: 

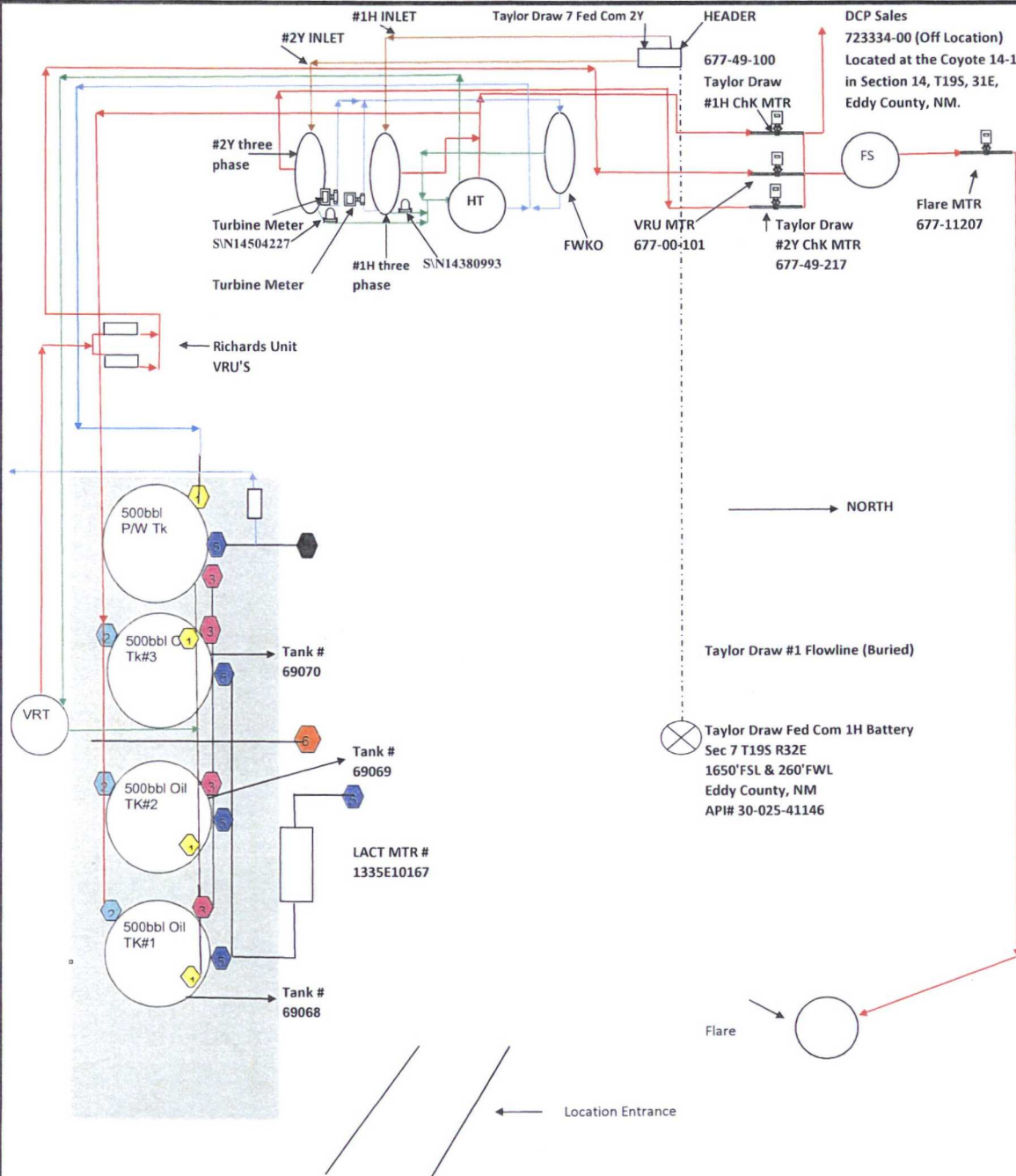
Wellhead: 

Stak-pak: 

Production line: -----

Water line: -----

Gas Meter   



DCP Sales
 723334-00 (Off Location)
 Located at the Coyote 14-1
 in Section 14, T19S, 31E,
 Eddy County, NM.

Taylor Draw #1 Flowline (Buried)

Taylor Draw Fed Com 1H Battery
 Sec 7 T19S R32E
 1650'FSL & 260'FWL
 Eddy County, NM
 API# 30-025-41146

Flare

Location Entrance

Taylor Draw 7 Fed Com 2Y
SE/4 SE/4, S7, T19S, R32E
665' FSL & 400' FEL
Lea, New Mexico
API #30-025-42693 NMNM104685

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. 1
(2) Valve 3 sealed closed. 3
(3) Valve 4 sealed closed. 4
(4) Valve 5 sealed closed. 5
(5) Misc. Valves: Plugged or otherwise unaccessible. 2
NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed. 2

Ledger for Site Diagram

Valve #1: Production Line 1
Valve #2: Test or Roll line 2
Valve #3: Equilizer Line 3
Valve #4: Circ./Drain Line 4
Valve #5: Sies Line 5
Valve #6: BS&W Load Line 6

Buried Lines: -----
Firewall:
Wellhead:
Stak-pak:

Stak-pak

Production line: -----
Water line: -----
Gas Meter

A

M

C

Taylor Draw 7 Fed Com 2Y well

Flow line to the Taylor Draw 7 Fed 1H Battery



Devon Energy Production Company
333 W. Shendean Avenue
Oklahoma City, Oklahoma 73102
Phone (405)-552-7970
Enn Workman@dvn.com

June 2, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery
Taylor Draw 7 Fed 1H & Taylor Draw 7 Fed Com 2Y
API: 30-025-41146 & 30-025-42030
Pool: (41440) Lusk; Bone Spring
Lease: NMNM104685 & NMNM025779A
County: Lea Co., NM

To whom it may concern:

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 for the above mentioned wells.

A copy of our application submitted to the Division & the Approved BLM application 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) 552-7970 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in black ink, appearing to read "Erin Workman", followed by a long horizontal line.

Erin Workman
Regulatory Compliance Professional

Enclosure

WORKING INTEREST OWNERS

**TAYLOR DRAW 7 FED 1 H
TAYLOR DRAW 7 FED COM 2Y
Section 7-T19S-R32E
Lea County, New Mexico**

WI Owners

**Devon Energy Production Company, L P
333 West Sheridan Avenue
Oklahoma City, OK 73102**

**COG Operating, LLC
600 West Illinois Avenue
Midland, TX 79701 (9214890152718100049524)**

**Concho Oil & Gas, LLC
600 West Illinois Avenue
Midland, TX 79701 (9214890152718100049531)**

**Moutray Properties, LLC
P O Box 1598
Carlsbad, NM 88221-1598 (9214890152718100049548)**

**McVay Drilling Company
P O Box 2450
Hobbs, NM 88241-2450 (9214890152718100049555)**

Royalty and ORRI Owners:

**Bureau of Land Management
620 E. GREENE
CARLSBAD, NM 88220 (9214890152718100049562)**

**Wright Minerals LLC
PO BOX 2312
SANTA FE, NM 87504 (9214890152718100049579)**

**BP America Production Company
501 WESTLAKE PARK BLVD
HOUSTON, TX 77079 (9214890152718100049586))**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
Operator CopyFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.
NMNM104685

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
NMNM135835

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY

Contact: ERIN WORKMAN

E-Mail: Erin.workman@dmv.com

9. API Well No.

Multiple--See Attached

3a. Address

6488 SEVEN RIVERS HIGHWAY
ARTESIA, NM 88211

3b. Phone No. (include area code)

Ph: 405-552-7970

10. Field and Pool or Exploratory Area
LUSK

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

Multiple--See Attached

11. County or Parish, State

LEA 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	Surface Commingling
	<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 recompletable 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 recompletable 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 Respectfully requests a Central Tank Battery\Off Lease Measurement, Sales, & Storage for the following wells:

Taylor Draw 7 Fed 1H
30-025-41146
Sec. 7, NESE, T19S, R32E
Lusk; Bone Spring
NMNM104685

30-025-42693
Taylor Draw 7 Fed Com 2Y

MAY 14 2017
Artesia, N.M.

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

Electronic Submission #375423 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY, sent to the Hobbs
Committed to AFMSS for processing by DUNCAN WHITLOCK on 05/09/2017 (17DW0059SE)

Name (Printed/Typed) ERIN WORKMAN

Title REGULATORY COMPLIANCE PROF.

Signature (Electronic Submission)

Date 05/09/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. Whitlock</i>	Title <i>TLDET</i>	Date <i>5/9/17</i>
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 <i>CFO</i>

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.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #375423 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM104685	NMNM104685	TAYLOR DRAW 7 FEDERAL 1H	30-025-41146-00-S1	Sec 7 T19S R32E NESE 1650FSL 0260FEL
NMNM135835	NMNM104685	TAYLOR DRAW 7 FED COM 2Y	30-025-42693-00-S1	Sec 7 T19S R32E SESE 665FSL 400FEL 32 669567 N Lat, 103 798226 W Lon

32. Additional remarks, continued

Sec 7, NESE, T19S, R32E
Lusk, Bone Spring
NMNM025779A & NMNM104685

The central tank battery is located on the Taylor Draw 7 Fed 1H location in Sec 7, T19S, R32E The production from each well will flow into a common header then each well flows into its own three phase separator with a Micro Motion Conolis Meter to meter the oil, mag meter to meter the water, and gas allocation meter to meter the gas VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production

The Taylor Draw 7 Fed 1H Battery will have three oil tanks that these two wells will utilize and they have a common DCP CDP #723334-00 which is on location at the Coyote 14-1 Battery located in Section 14, T19S, 31E, Eddy County, NM Oil, gas, and water volumes from each well producing to this battery will be determined utilizing individual metered separators Oil sold through a common Smith LACT Meter 1335E10167

Row NMNM105089, NMNM129860, NMNM129897, & NMNM129970 have been granted

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

Attachments Deliverables

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

**Taylor Draw 7 Federal 1H & Taylor Draw 7 Fed Com 2Y
3002541146 & 3002542693
Leases NMNM104685, NMNM025779A and CA- NMNM135835**

**Devon Energy Production Company
May 9, 2017**

**Condition of Approval
Surface commingling, off lease storage measurement and sales.**

- 1 This approval is subject to like approval by the New Mexico Oil Conservation Division
- 2 This agency shall be notified of any spill or discharge as required by NTL-3A
- 3 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 or product accountability
- 4 This approval does not constitute right-of-way approval for any off-lease activities Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done
- 5 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
- 6 Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters
- 7 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 NTL-4A to ONRR All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer
- 8 This agency shall be notified of any change in sales method or location of sales point
- 9 Additional wells and/or leases require additional commingling approvals
- 10 Notify this office 24 Hrs prior to any meter proving to allow time for an inspector to witness

WC Name	Well API	Date	Oil Prod	Gas Prod	Wtr Prod
TAYLOR DRAW 7 FED 1H	300254114600	11/30/2016	11 20	465	7,416 29
TAYLOR DRAW 7 FED 1H	300254114600	12/31/2016	97 56	1,047	4,864 29
TAYLOR DRAW 7 FED 1H	300254114600	1/31/2017	782 64	2,560	5,134 55
TAYLOR DRAW 7 FED 1H	300254114600	2/28/2017	974 78	3,023	5,778 95
TAYLOR DRAW 7 FED 1H	300254114600	3/31/2017	1,120 28	3,411	5,421 78
TAYLOR DRAW 7 FED 1H	300254114600	4/30/2017	628 99	1,799	2,156 33
TAYLOR DRAW 7 FED COM 2Y	300254269300	11/30/2016	626 35	264	798 71
TAYLOR DRAW 7 FED COM 2Y	300254269300	12/31/2016	2,614 49	1,480	1,687 71
TAYLOR DRAW 7 FED COM 2Y	300254269300	1/31/2017	1,939 34	764	1,641 45
TAYLOR DRAW 7 FED COM 2Y	300254269300	2/28/2017	1,959 67	598	1,547 05
TAYLOR DRAW 7 FED COM 2Y	300254269300	3/31/2017	1,840 04	868	1,393 22
TAYLOR DRAW 7 FED COM 2Y	300254269300	4/30/2017	1,353 51	1,244	991 67

Production Summary Report
API: 30-025-42693
TAYLOR DRAW 7 FEDERAL COM #002Y

Year	Pool	Oil(BBLS)	Gas(MCF)	Days P/I
11/1/2016	[41440] LUSK,BONE SPRING	631	264	10
12/1/2016	[41440] LUSK,BONE SPRING	2617	1480	31
1/1/2017	[41440] LUSK,BONE SPRING	1941	764	30
2/1/2017	[41440] LUSK,BONE SPRING	1960	598	28
3/1/2017	[41440] LUSK,BONE SPRING	1841	868	31
4/1/2017	[41440] LUSK,BONE SPRING	1353	1244	30
CUM		76135	85573	

Production Summary Report
API: 30-025-41146
TAYLOR DRAW 7 FEDERAL #001H

Year	Pool	Oil(BBLS)	Gas(MCF)	Days P/I
12/1/2016	[41440] LUSK,BONE SPRING	22	465	30
12/1/2016	[41440] LUSK,BONE SPRING	99	1047	24
1/1/2017	[41440] LUSK,BONE SPRING	786	2560	30
2/1/2017	[41440] LUSK,BONE SPRING	975	3023	28
3/1/2017	[41440] LUSK,BONE SPRING	1124	3411	31
4/1/2017	[41440] LUSK,BONE SPRING	629	1799	20
CUM		49121	83187	