

DATE <u>1-28-10</u>	SUSPENSE	ENGINEER <u>R.E.</u>	LOGGED IN <u>1-28-10</u>	TYPE <u>CTB</u>	PTG-W APP NO. <u>1002845194</u>
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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



Devon (6137)

Shokespeare 20 Feb 14 3H

ADMINISTRATIVE APPLICATION CHECKLIST

511j

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]

30-015-36376

30-015-37193

[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.

Stephanie A. Ysasaga
Print or Type Name

Signature

Sr. Staff Engineering Technician
Title

01/08/2009
Date

Stephanie.Ysasaga@dmv.com
e-mail Address

RECEIVED OGD
2010 JAN 28 A 11:17



Devon Energy Production Company
Operations Engineering
20 North Broadway - CT 3.056
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-7802
Fax (405)-552-8113
Stephanie.Ysasaga@dev.com

January 8th, 2010

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

**Re: Lease Commingling, Off Lease Measurement and Off Lease Sales Approval
Shakespeare 20 Federal Com 1H & Shakespeare 20 Federal Com 3H
Sec 20-T16S-R28E NM-54856& NM-103872
API # 30-015-36376 & 30-015-37193
Dog Canyon; Wolfcamp - Pool Code: 17970
Eddy County, New Mexico**

RECEIVED OCD
2010 JAN 28 A 11: 27

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent to Lease Commingle the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; no further notification is necessary.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Stephanie A. Ysasaga
Sr. Staff Engineering Technician ☺

Enclosures

APPLICATION FOR LEASE COMMINGLING & OFF-LEASE MEASUREMENT AND OFF LEASE SALES APPROVAL

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

Lease commingling proposal for Shakespeare leases:

Devon Energy Production Company, LP is requesting approval for surface commingle, off-lease storage and off-lease measurement of hydrocarbon gas production from the Dog Canyon; Wolfcamp (17970) from the following wells:

Federal Lease NM-54856

Well Name	Location	API #	Pool 97056	BOPD	Oil Gravity	MCFPD	BTU
Shakespeare 20	Sec 20-T16S-R28E	30-015-36376	Dog Canyon; Wolfcamp	50	42 SP	110	1450
Federal Com 1H	SESE						

Federal Lease NM-103782

Well Name	Location	API #	Pool 97056	BOPD	Oil Gravity	MCFPD	BTU
Shakespeare 20	Sec 20-T16S-R28E	30-015-37193	Dog Canyon; Wolfcamp	n/a	n/a	n/a	n/a
Federal Com 3H*	SWNW						

* Well is currently in process of drilling and/or completion.

A map (Exhibit A) is enclosed showing the Federal leases and well locations in Section 20 of T16S R28E. The ownership in the Shakespeare leases are uniform; no further notification is necessary.

Oil & Gas metering:

A central tank battery will be located at the Shakespeare 20 Federal Com 1H location in the SESE of Section 20 in T16S, R28E on Federal Lease NM-54856 in Eddy County, New Mexico (Exhibit C). A common gas sales meter associated with a DCP central delivery point (CDP) is located in Sec 20-T16S-R28E at the Shakespeare 20 Federal Com 1. The oil and water hydrocarbon production from the Shakespeare 20 Federal Com 1H & 3H will be commingled, measured and sold off-lease; using the Well Test Method.

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas and water. Well tests for each well will be conducted at least once per month.

The BLM's interest in both wells are the same and the BTU's are equivalent. Waste is not induced and no correlative rights are impaired. 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:

Please see attached diagram for the proposed Shakespeare 20 Federal Com 1H central tank battery. The flow of produced fluids is shown in detail on Exhibit D along with a description of each vessel.

The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells 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. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.
NM-54856 & NM-103872

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon Energy Production Co., LP

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405)-552-7802

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

See below

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

8. Well Name and No.
Shakespeare 20 Federal Com 1H & 3H

9. API Well No.
30-015-36376 & 30-015-37193

10. Field and Pool or Exploratory Area
Dog Canyon; Wolfcamp (17970)

11. Country or Parish, State
Eddy 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"/> 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 <u>Lease Commingle:</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Off-Lease Gas</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Sales & Measurement</u>

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 recompleat 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 recompleat 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 Production Co., LLP respectfully requests approval for lease commingle and off lease storage and measurement of oil & gas hydrocarbon production from the following wells:

- * Shakespeare 20 Federal Com 1H: API # 30-015-36376 Sec 20-T16S-R28E Lease NM-54856 Dog Canyon; Wolfcamp (17970)
- * Shakespeare 20 Federal Com 3H: API # 30-015-37193 Sec 20-T16S-R28E Lease NM-103872 Dog Canyon; Wolfcamp (17970)

A central tank battery will be located at the Shakespeare 20 Federal Com 1H. The Well Test Method will be used to allocate production back to the wells (see proposed/current facility schematic). A common gas sales meter associated with a DCP central delivery point (CDP) is located at the Shakespeare 20 Federal Com 1H location. Waste is not induced and no correlative rights are impaired.

ROW will or has already been obtained.

Working, royalty, and overriding interest owners are uniform; no further notification is required.

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

Name (Printed/Typed)
Stephanie A. Ysasaga

Title Sr. Staff Engineering Technician

Signature

Date 01/08/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)



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

405 235 3611 Phone
www.devonenergy.com

February 4, 2010

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Surface Lease Commingling
Shakespeare 20 FC 1H & 3H
Section 20-T16S-R28E
Eddy County, New Mexico

Dear Gentlemen:

I have reviewed the files of Devon Energy Production Company, L. P. ("Devon") regarding the ownership of the referenced wells and the associated State of New Mexico oil and gas leases and find that the ownership of the working interest, royalty, and overriding royalty interests are uniform with respect to Devon's request to surface commingle all production from the following pool, insofar as such pool covers the referenced wells:

Dog Canyon; Wolfcamp pool (17970).

If there are any questions or if additional information is required, please feel free to contact me at (405) 552-8040.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Katie A. McDonnell

Katie A. McDonnell
Landman

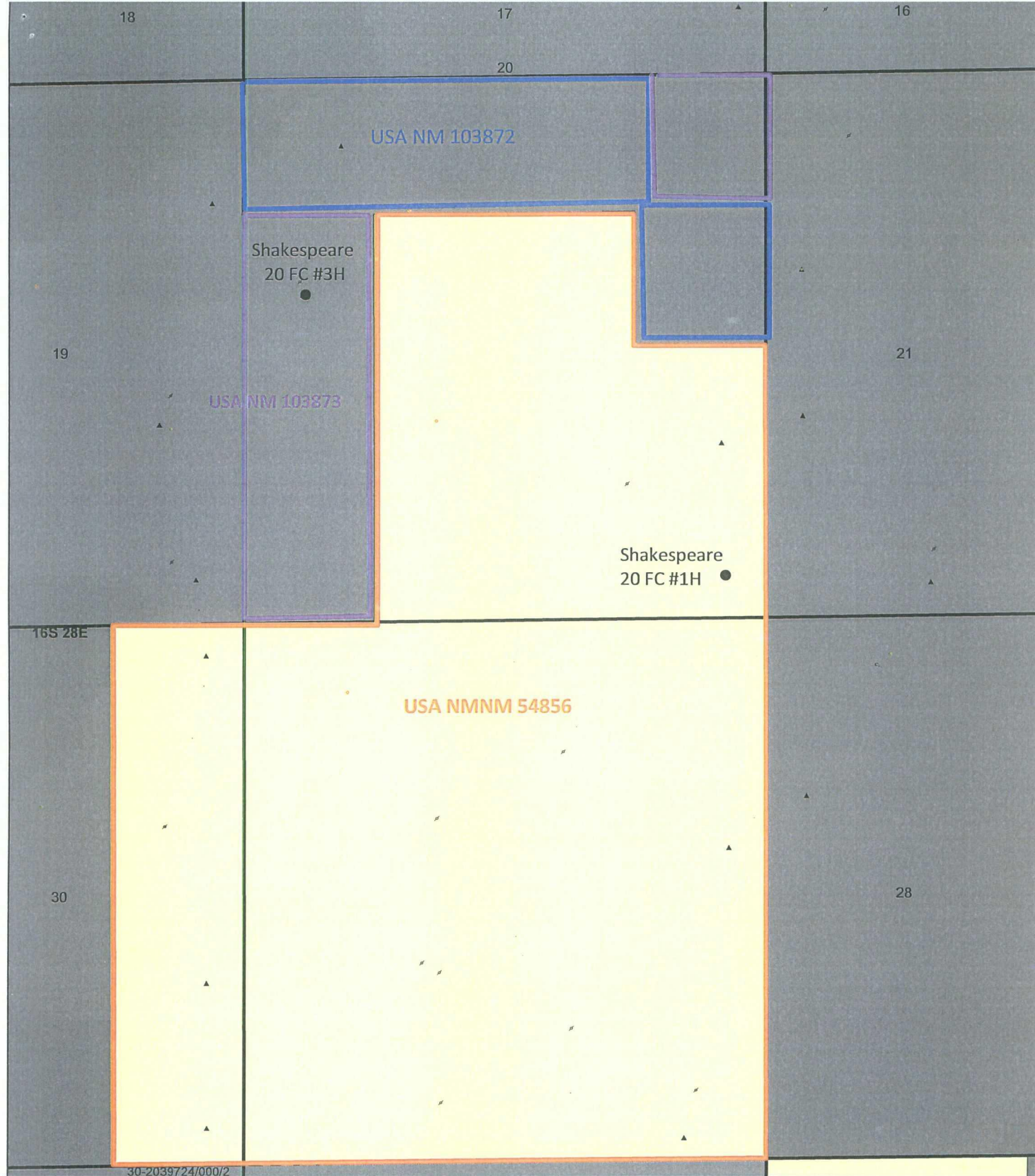
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Ap. #

PTGW 100 2845194

Logged in 1-28-2010

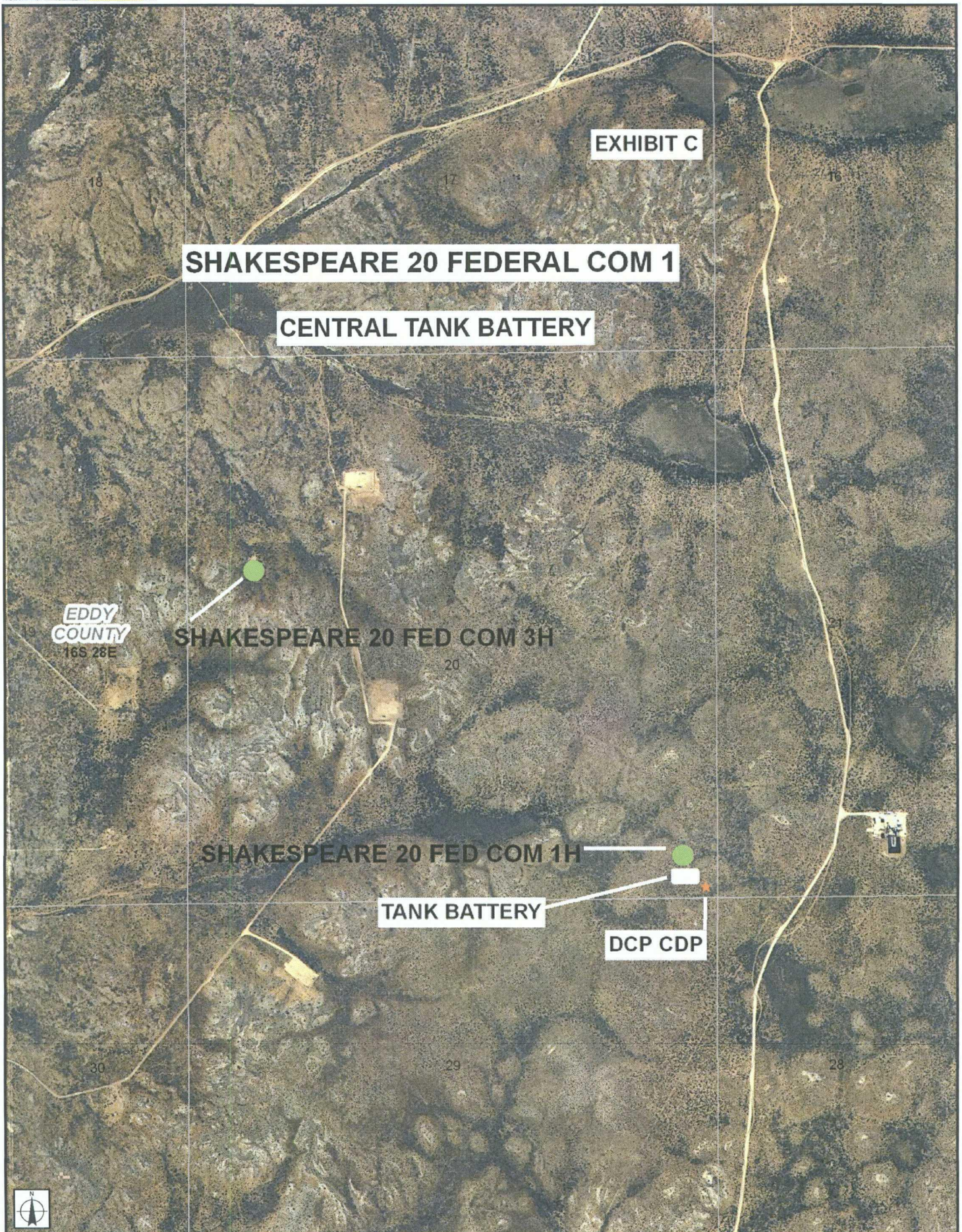
✓



0 1,550 3,100 Feet



Shakespeare Commingle
Section 20, 29, T16S - R28E
Eddy County, New Mexico



Devon Energy Corp.
Shakespeare 20 Fed 1H / 3H
S20 T16S R28E
Eddy County, NM

Current / Proposed Facility Diagram

1

2

3

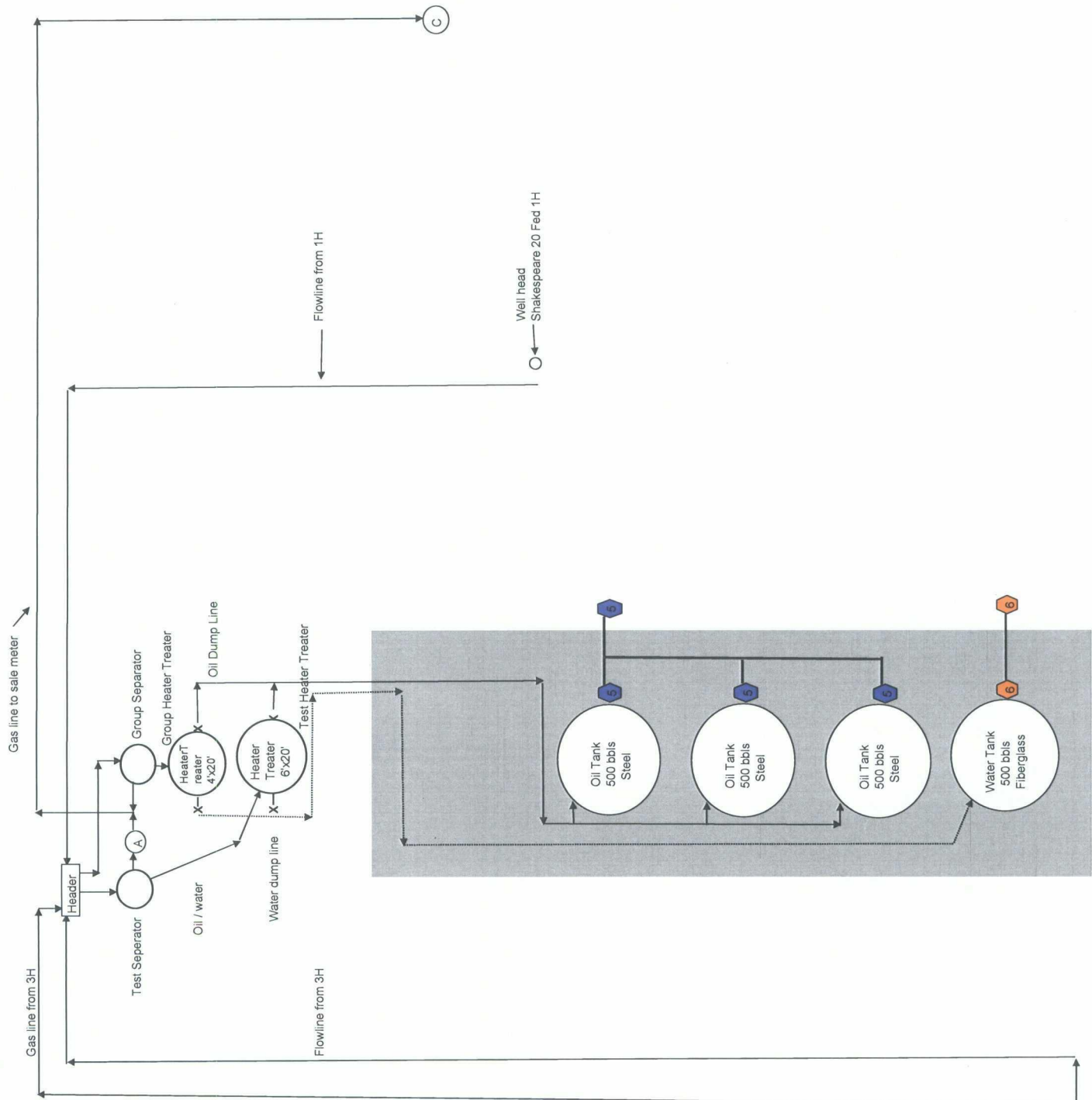
4

5

6

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

Buried Lines:
Firewall:
Wellhead:
Stak-pak:
Production line:
Water line:
Gas Meter
Liquid Meter



Shakespeare 20 Fed 3H

Gas line for 3H

Flowline for 3H

SHAKEPEARE 20 FEDERAL COM 1:

Date	Actual Oil Production	Actual Gas Production	Actual Water Production
10/1/2009	64	137	6
10/2/2009	50	132	6
10/3/2009	53	130	6
10/4/2009	49	130	9
10/5/2009	54	130	6
10/6/2009	56	134	6
10/7/2009	61	130	3
10/8/2009	56	132	3
10/9/2009	56	130	3
10/10/2009	54	127	3
10/11/2009	56	126	3
10/12/2009	62	126	3
10/13/2009	50	129	3
10/14/2009	64	123	3
10/15/2009	59	133	3
10/16/2009	46	130	6
10/17/2009	53	128	6
10/18/2009	58	128	6
10/19/2009	53	128	6
10/20/2009	53	130	3
10/21/2009	59	127	3
10/22/2009	59	125	3
10/23/2009	49	128	3
10/24/2009	61	127	6
10/25/2009	47	126	3
10/26/2009	59	121	3
10/27/2009	59	129	3
10/28/2009	56	129	6
10/29/2009	49	126	6
10/30/2009	50	126	6
10/31/2009	56	123	6
	1712	3980	141
11/1/2009	56	123	3
11/2/2009	53	124	3
11/3/2009	53	120	3
11/4/2009	50	123	3
11/5/2009	53	124	2
11/6/2009	52	124	3
11/7/2009	57	124	3
11/8/2009	53	124	3
11/9/2009	53	120	3
11/10/2009	53	121	3
11/11/2009	48	119	3
11/12/2009	59	121	3
11/13/2009	53	110	3
11/14/2009	62	123	3
11/15/2009	50	122	2
11/16/2009	56	118	2

SHAKEPEARE 20 FEDERAL COM 1:

Date	Actual Oil Production	Actual Gas Production	Actual Water Production
11/17/2009	51	121	3
11/18/2009	53	120	3
11/19/2009	50	120	4
11/20/2009	53	117	4
11/21/2009	47	121	4
11/22/2009	50	118	3
11/23/2009	56	112	3
11/24/2009	56	117	8
11/25/2009	47	121	6
11/26/2009	53	116	3
11/27/2009	53	118	6
11/28/2009	45	119	6
11/29/2009	59	114	6
11/30/2009	47	114	4
	1582	3588	108
12/1/2009	50	113	6
12/2/2009	51	112	5
12/3/2009	52	110	3
12/4/2009	53	112	0
12/5/2009	53	112	0
12/6/2009	48	117	2
12/7/2009	53	110	3
12/8/2009	53	114	6
12/9/2009	50	113	3
12/10/2009	57	114	2
12/11/2009	53	116	3
12/12/2009	50	116	3
12/13/2009	52	118	4
12/14/2009	50	117	3
12/15/2009	53	111	3
12/16/2009	54	116	3
12/17/2009	53	116	3
12/18/2009	50	116	5
12/19/2009	50	116	6
12/20/2009	50	115	3
12/21/2009	53	113	3
12/22/2009	47	107	6
12/23/2009	48	113	3
12/24/2009	57	111	3
12/25/2009	56	112	3
12/26/2009	45	112	3
12/27/2009	324	110	4
12/28/2009	48	109	3
12/29/2009	48	112	3
12/30/2009	50	110	5
12/31/2009	47	111	3
	1859	3504	105