

DATE IN <u>1.10.11</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>1.10.11</u>	TYPE <u>OLM</u>	APP NO. <u>1101053730</u>
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PTGW

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

Eddy FT State Com 3
30-015-33293

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]**

State
Eddy

[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 _____ Off Lease Gas Sales _____

2011 JAN 11 11:07
RECEIVED OCT

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Melanie Crawford
Print or Type Name

Melanie Crawford
Signature

Regulatory Analyst
Title

12-29-10
Date

Melanie.Crawford@dvn.com
e-mail Address

OLM - 38



Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dvn.com

December 29, 2010

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

**Re: Off-Lease Gas Measurement & Sales Approval
Eddy FT State Com 3
API # 30-015-33293
Sec 26-T20S-R27E
Lease L-6865
Burton Flat; Morrow (Gas) - Pool Code: 73280
Eddy County, New Mexico**

2011 JAN -5 A 11:09
RECEIVED OCD

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B and OCD Form C-103 Sundry Notice of Intent for Off-Lease Gas Measurement and Sales. The working interest, royalty interest and overriding royalty interest owners are not identical; parties have been notified via certified mail.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Melanie Crawford
Regulatory Analyst

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: 20 North Broadway, Ste 1500
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
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

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

- (1) Complete Sections A and E.

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

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Melanie Crawford TITLE: Regulatory Analyst DATE: 12-29-10
TYPE OR PRINT NAME Melanie Crawford TELEPHONE NO.: (405)-552-4524
E-MAIL ADDRESS: Melanie.Crawford@dvn.com

Eddy "FT" State Com 3
 Sec 26 R20S T27E
 1570' FNL and 660' FWL
 Eddy County, NM

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.  1

(2) Valve 3 sealed closed.  3

(3) Valve 4 sealed closed.  4

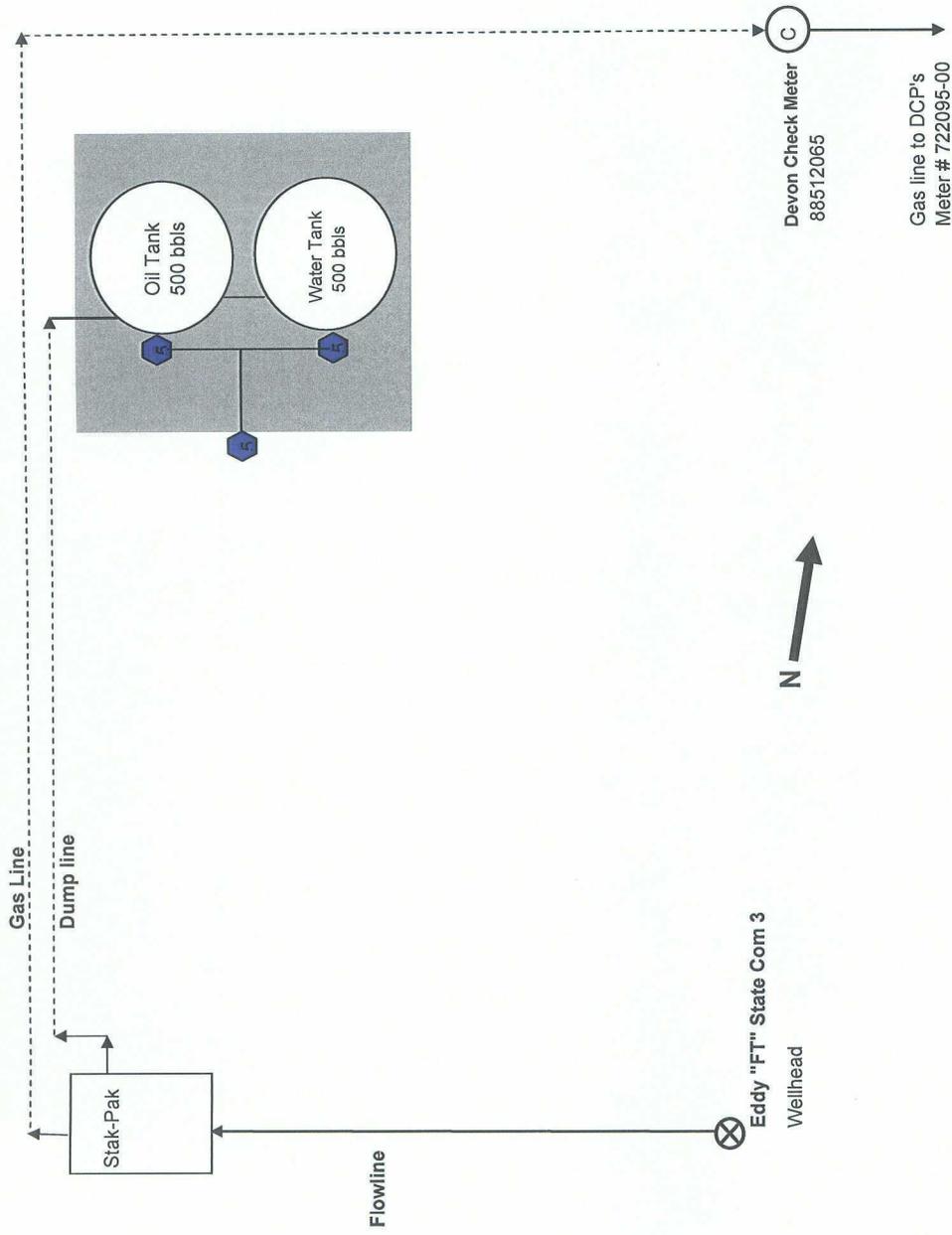
(4) Valve 5 sealed closed.  5

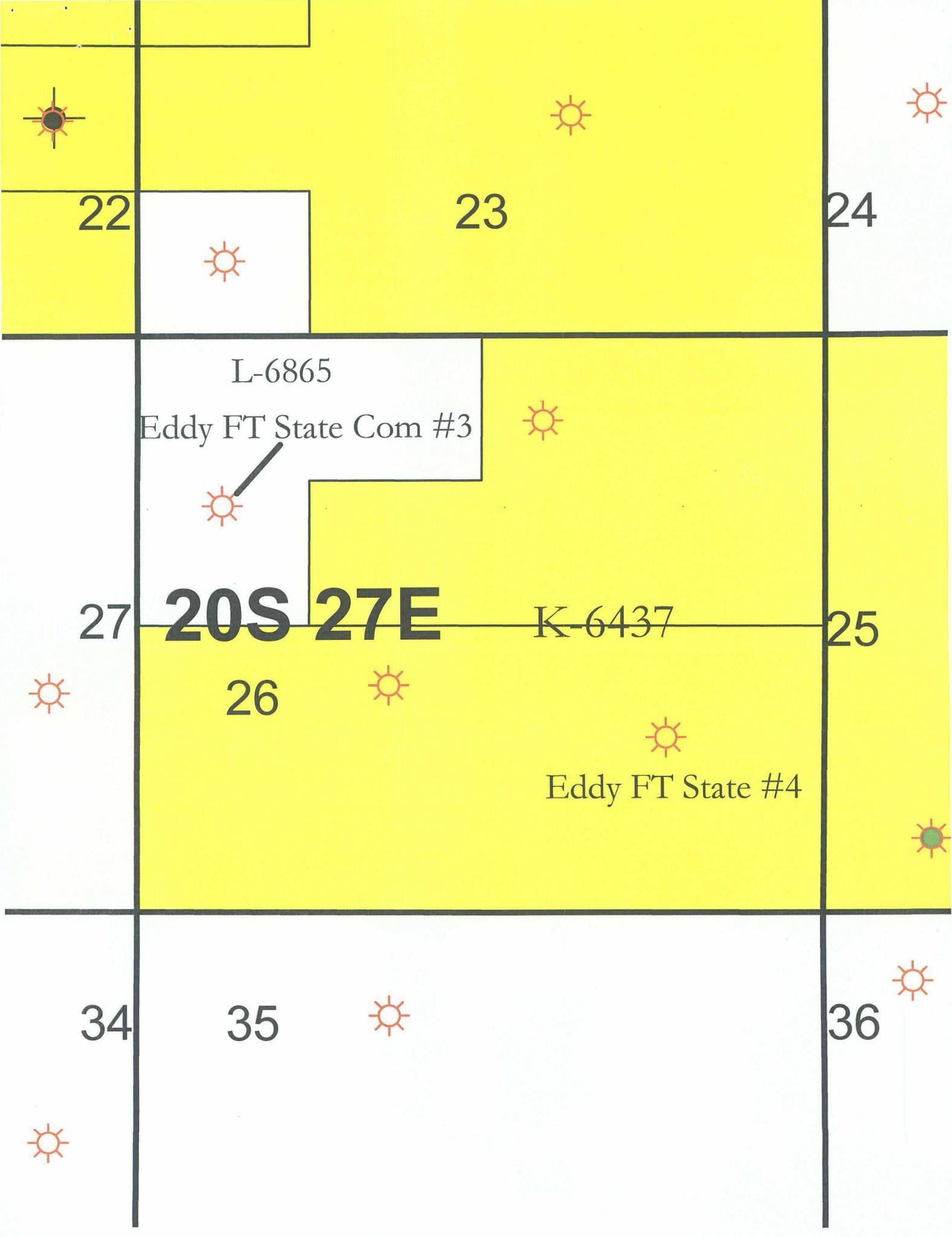
{5} Misc. Valves: Plugged or otherwise unaccessible.  

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.  2

- Legend for Site Diagram**
- Valve #1: Production Line  1
 - Valve #2: Test or Roll line  2
 - Valve #3: Circ./Drain Line  3
 - Valve #4: Equalizer Line  4
 - Valve #5: Sies Line  5
 - Valve #6: BS&W Load Line  6

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





22

23

24



L-6865

Eddy FT State Com #3



27

20S 27E

K-6437

25



26



Eddy FT State #4



34

35



36





Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

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

WELL API NO. 30-015-33293
5. Indicate Type of Lease FED <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-6865
7. Lease Name or Unit Agreement Name Eddy FT State Com
8. Well Number 3
9. OGRID Number 6137
10. Pool name or Wildcat 73280 Burton Flat; Morrow (gas)
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Devon Energy Production Company, LP

3. Address of Operator
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location
 Unit Letter E : 1570 feet from the North line and 660 feet from the West line
 Section 26 Township 20S Range 27E NMPM Eddy County New Mexico

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Off Lease Gas Measurement & Sales <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LLP respectfully requests permission for Off-Lease Gas Sales for Eddy FT State Com 3. Produced gas flows 1st through a Stak-Pak then to the Devon Check Meter #88512065 on location before metering at the DCP CDP Gas Sales Meter #722095-00 located approximately 1/2 a mile east in section 26 T20S R27E in Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes. These volumes are compared against the check meter volumes. The Off Lease Gas Measurement & Sales is due to the Operator installed gathering systems. Waste is not induced and no correlative rights are impaired.

ROW will or has already been obtained

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE 12-29-10

Type or print name Melanie Crawford E-mail-address: Melanie.Crawford@dvn.com Telephone No. (405) 552-4524
 For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____



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

405 235 3611 Phone
www.devonenergy.com

December 29, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Off Lease Gas Measurement & Sales Application
Eddy FT State Com 3
Sec 26-T20S-R27E
API # 30-015-33293
Pool 73280 - Burton Flat; Morrow (Pro Gas)
Eddy County, New Mexico

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 Off-Lease Gas Measurement & Sales.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-4524 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

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

Melanie Crawford
Regulatory Analyst

Enclosure

(FT 3)

Fasken Oil & Ranch Ltd
303 West Wall Avenue, Ste 1800
Midland, TX 79701-5116

Certified Mail Number: 7008 1830 0003 1984 6123

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

Certified Mail Number: 7008 1830 0003 1984 6130

Brooks Oil & Gas Interests, Ltd
PO Box 23314
Santa Fe, NM 87502

Certified Mail Number: 7008 1830 0003 1984 6147

Energen Resources Corporation
605 Richard Arrington Jr Bvd N
Birmingham, AL 35203-2707

Certified Mail Number: 7008 1830 0003 1984 6154