

DATE IN 3,11,11	SUSPENSE	ENGINEER RE	LOGGED IN 3,11,11	TYPE OLM	APP NO. 1107055593
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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

Ametlyst 22 Feb 11
30-025-30928

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 _____ Off Lease Gas Sales _____

[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

2-21-2011
Date

Melanie.Crawford@dmv.com
e-mail Address

OLM - 43

RECEIVED OGD
2011 MAR 11 A 11:05

Lea



RECEIVED OOD

2011 MAR 11 A 11:04

Devon Energy Production Company
Operations Engineering
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-8113
Melanie.Crawford@dev.com

January 19, 2011

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
Amethyst 22 Federal 1
API # 30-025-30928
Sec 22-T19S-33E
Lease NM-34850
Gem; Morrow (gas) Pool Code: 77370
Lea County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-107B, OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for Off Lease Gas Measurement & Sales. The working interest, royalty interest and overriding royalty interest owners in both leases are not uniform; parties have been notified via certified mail.

BLM sundry approval and BLM conditions of approval attached.

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: 2-21-2011

TYPE OR PRINT NAME Melanie Crawford

TELEPHONE NO.: (405)- 552-4524

E-MAIL ADDRESS: Melanie.Crawford@dvn.com

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

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.)		WELL API NO. 30-025-30928
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Devon Energy Production Company, LP		6. State Oil & Gas Lease No. NM-34850
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524		7. Lease Name or Unit Agreement Name Amethyst 22 Federal
4. Well Location (See Below) Unit Letter <u>C</u> : <u>760</u> feet from the <u>North</u> line and <u>2080</u> feet from the <u>West</u> line Section <u>22</u> Township <u>19S</u> Range <u>33E</u> NMPM Lea County New Mexico		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) n/a		9. OGRID Number 6137
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 _____		

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: Off - Lease Gas Measurement & Sales ☒

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

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 Measurement & Sales for the Amethyst 22 Federal 1. Produced gas flows through a Stak Pak on location before metering at a Frontier CDP Sales Meter 6045001 located approximately 1 mile NW in section 14 T19S R33E, Lea County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales 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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Melanie Crawford TITLE Regulatory Analyst DATE 2-21-11

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): _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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-34850
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Devon Energy Production Co., LP3a. Address
20 North Broadway
OKC, OK 731023b. Phone No. (include area code)
(405)- 552-4524

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

Unit C, 760' FNL & 2080' FWL Sec 22-T19S-R33E

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

8. Well Name and No.
Amethyst 22 Federal 1

9. API Well No. 30-025-30928

10. Field and Pool or Exploratory Area
77370 - Gem; Morrow (gas)11. Country 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"/> 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 Off Lease Gas
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Measurement & Sales
	<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 recomple 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 recompletion 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 permission for Off Lease Gas Measurement & Sales for the Amethyst 22 Federal 1. Produced gas flows through a Stak Pak on location before metering at a Frontier CDP Sales Meter 6045001 located approximately 1 mile NW in section 14 T19S R33E, Lea County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales 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).

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

FEB 26 2011

/s/ JD Whitlock Jr

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

Name (Printed/Typed)
Melanie Crawford

Title Regulatory Analyst

Signature

Melanie Crawford

Date

2-21-2011

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

BLM Carlsbad Field 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)

AMETHYST 22 FEDERAL 1

Lea County, New Mexico

8

12

17

16

15

14

13

19S - 33E



Amethyst 22 Fed 1

LEA

NM-34850

20

21

22

23

24

29

28

27

26

25

Legend



AMETHYST 22 FEDERAL 1



Devon Leasehold

1 inch equals 2,000 feet

Prepared By: bakerj

Printing Date: January 24, 2011

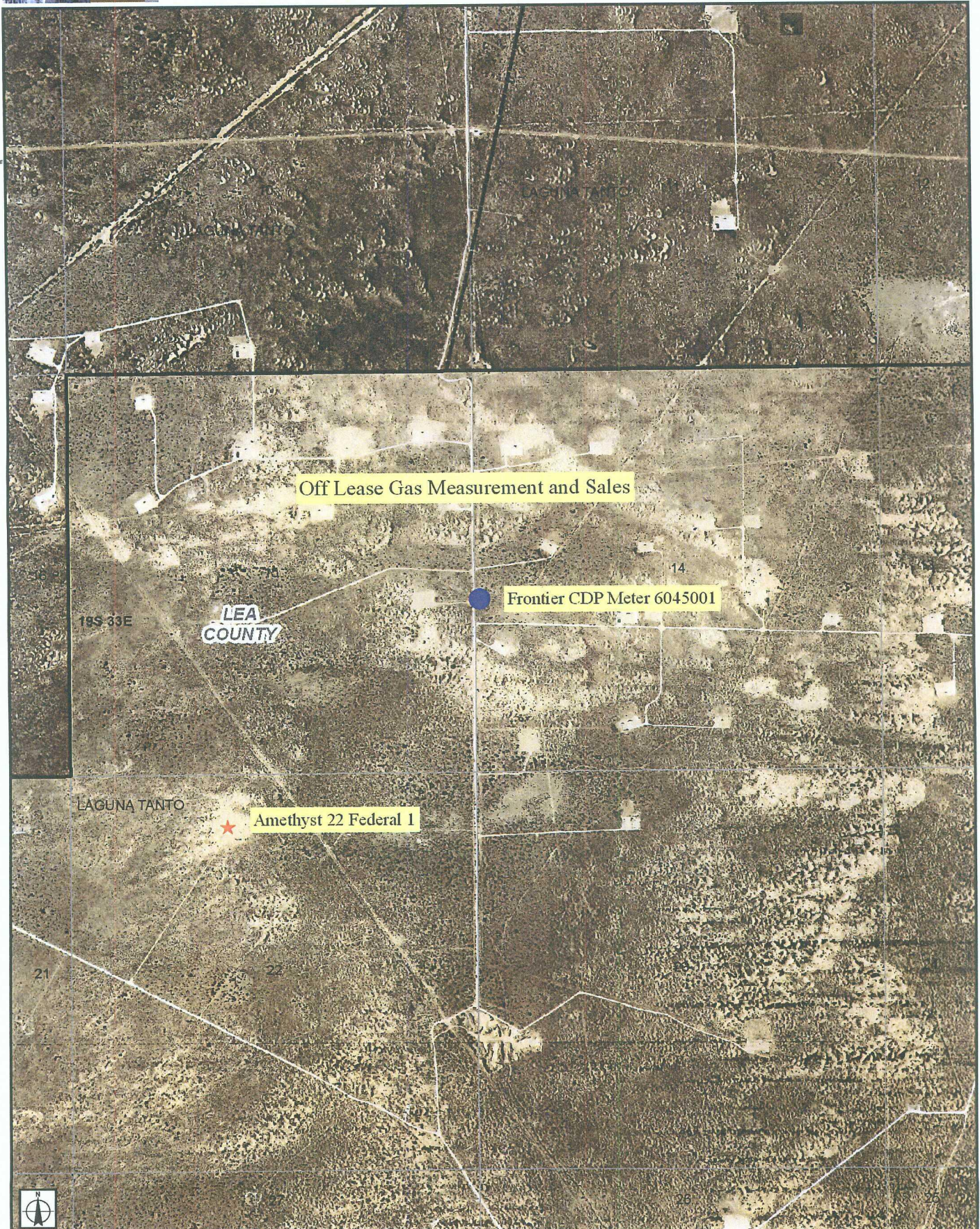
Projection Information:

Name: NAD 1927 StatePlane New Mexico East FIPS 3001

3

34

36

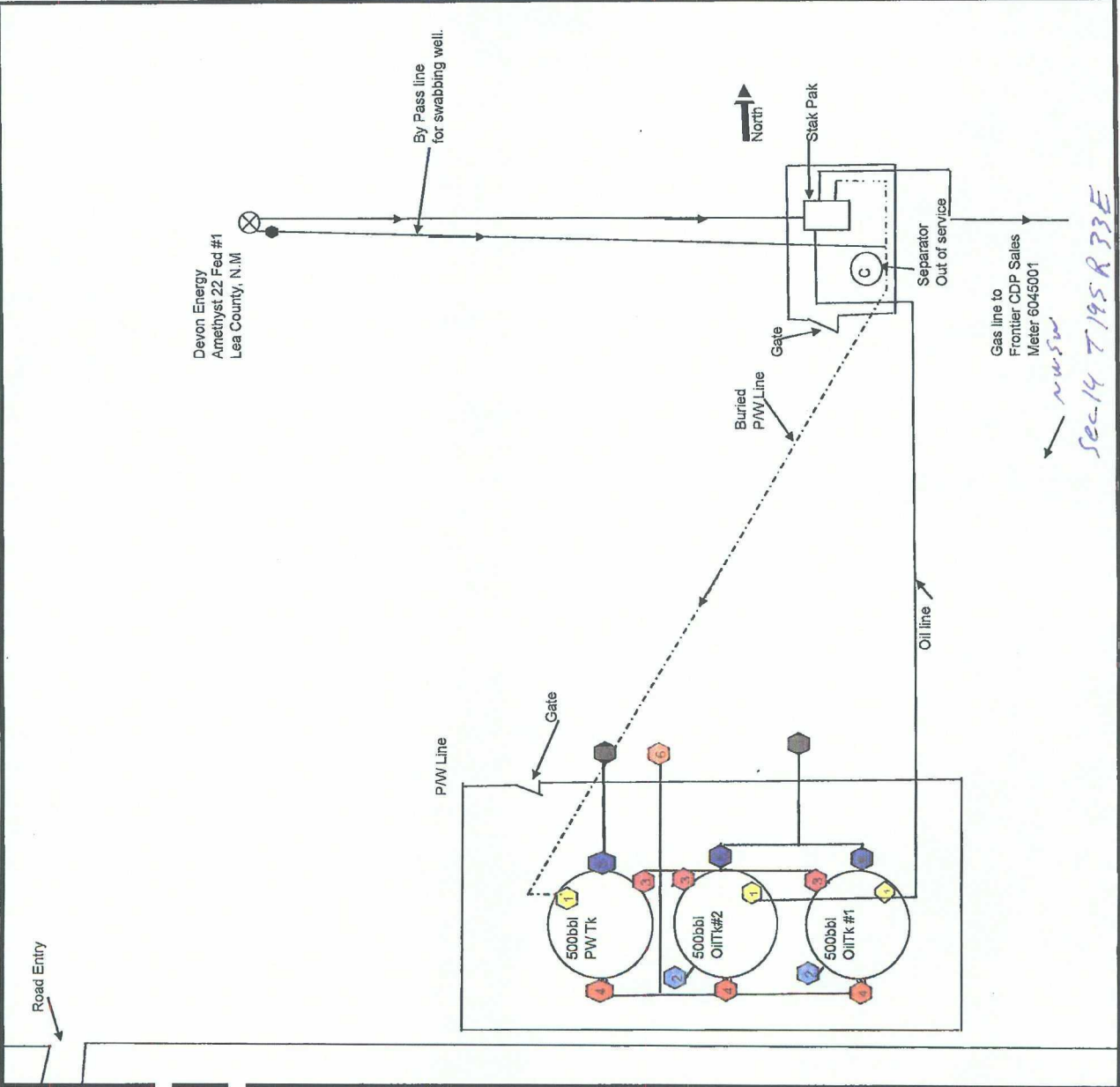


Devon Energy
Amethyst 22Federal #1
Sec-22,T19S,R33E
70FNL&2080FWL
API#30-025-30928

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.
{2} Valves 3 open
{3} Valves 2 & 4 sealed closed
{4} Valves 1 open on tk producing into.
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.

Ledge for Site Diagram
Valve #1: Production Line
Valve #2: Test or Roll Line
Valve #3: Equalizer Line
Valve #4: Circ/Drain Line
Valve #5: Sies Line
Valve #6: BS&W Load Line
Buried Lines:
Firewall:
Wellhead:
Stak-pak:
Production line:
Water line:
Gas Meter:





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

405 235 3611 Phone
www.devonenergy.com

February 21, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Off Lease Gas Measurement & Sales Application
Amethyst 22 Federal 1
Sec 22-T19S-R33E
API # 30-025-30928
Pool 77370 - Gem; Morrow (gas)
Lea 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 cursive script that reads "Melanie Crawford". The signature is written in dark ink and is positioned above the printed name and title.

Melanie Crawford
Regulatory Analyst

Enclosure

Nortex Corporation
1415 Louisiana, Ste 300
Houston, TX 77002-0000

A22

Certified Mail Number: 7008 1830 0003 1986 7067

Wills Royalty Inc
PO Box 1658
Carlsbad, NM 88221-1658

Certified Mail Number: 7008 1830 0003 1986 7081

Mary Spencer
4760 South Highland Dr #244
Salt Lake City, UT 84117

Certified Mail Number: 7008 1830 0003 1984 6635

McDaniels Family Trust
Sandy L McCullough & Diane M Ignation, Co Trustees
3 Montacnaïs TC
Cherokee Vlg, AR 72529

Certified Mail Number: 7008 1830 0003 1984 6628

Nancy Seaton Widener Liv Trust dated May 2, 1985
Nancy Seaton Widener
PO Box 47836
Phoenix, AZ 85068-7836

Certified Mail Number: 7008 1830 0003 1984 6641

Elizabeth Bate Brady
5860 Fitzpatrick Rd
Hidden Hills, CA 91302

Certified Mail Number: 7008 1830 0003 1984 6604

Minerals Management Service
Royalty Management Program
PO Box 5810
Denver, CO 80217-5810

Certified Mail Number: 7008 1830 0003 1984 6598

NMNM 101114

NMNM 032860

009

NMLC 0060549 010

011

012

NMNM 016357

NMNM 092774

016

NMNM 036915 015

NMNM 054882

NMNM 056749

014

NMNM 024489

013

Frontier CDP Meter 6045001

NMNM 056556

NMNM 100347

T 010 S
R 035 E

Amethyst 22 Federal #1

NMNM 053992

NMNM 084810

021

NMNM 034850 022

NMNM 063763

023

NMNM 100861 024

NMNM 123521

NMNM 123520

NMNM 027570

028

NMNM 092774 027

NMNM 034850

NMNM 030071

NMNM 015917

NMNM 083611

NMNM 011618

025

026

NMNM 094618

NMNM 029701
NMNM 0030941

NMNM 030071

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

Off-Lease Measurement

Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
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.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. 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.
7. Approval for off-lease measurement 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.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.