

DKB P.T.G-W

DATE IN 4.29.11	SUSPENSE	ENGINEER DHC	LOGGED IN 4.29.11	TYPE DHC	APP NO. 1111945681
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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



MIRO 35 FEDERAL 1 ✓
 CO: Devon Energy Prod. ✓
 Co. 6137

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-34897

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 _____

[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.

Print or Type Name	Signature	Title	Date
SPENCE LAIRD		REGULATORY ANALYST	3/30/11
e-mail Address			

RECEIVED OOD
 2011 APR 29 AM 11:50

*w/c Wolfcamp 97055
 13026'-13296'
 Hagoood Penn. (78010)
 St. v. m.*

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Devon Energy Production Company, LP

20 N. Broadway, Oklahoma City, OK 73102

Operator
NM-101610

Miro 35 Federal #1

Address
Unit D of Sec 35 T26S R35E

Lea

Lease Well No. 306519 Unit Letter-Section-Township-Range County

OGRID No. 6137 Property Code 25276 API No. 30-025-34897 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	HAGOOD; Wolfcamp OIL	UNDERS. S. ARENJA ROJA STRAIN OIL WILDCAT STRAIN OIL	
Pool Code	97055		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	13,026' - 14,245' Perforated	14,245' - 14,841' Perforated	
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	New Zone	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 10/28/2010 Rates: 0.5bod 2mcf 0.5bwd	Date: 12/8/2010 Rates: 0.5 bod 0mcf 0.25bwd	
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas Allocation % at a later date	Oil Gas Allocation % at a later date	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☒ See attached ltr from Portie McDaniel

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Spence Laird TITLE Regulatory Analyst DATE 3/28/2011

TYPE OR PRINT NAME Spence Laird TELEPHONE NO. (405) 228-8973

E-MAIL ADDRESS spence.laird@dvn.com



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

405 235 3611 Phone
www.devonenergy.com

April 19, 2011

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

Re: Downhole Commingling
Miro 35 Fed #1
NW/4 NW/4 Section 35-T26S-R35E
Lea County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. regarding the ownership of the referenced well and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's request to downhole commingle the following pools/intervals:

Hagood; Wolfcamp - Pool code: 97055
Wildcat Strawn

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

Yours very truly,

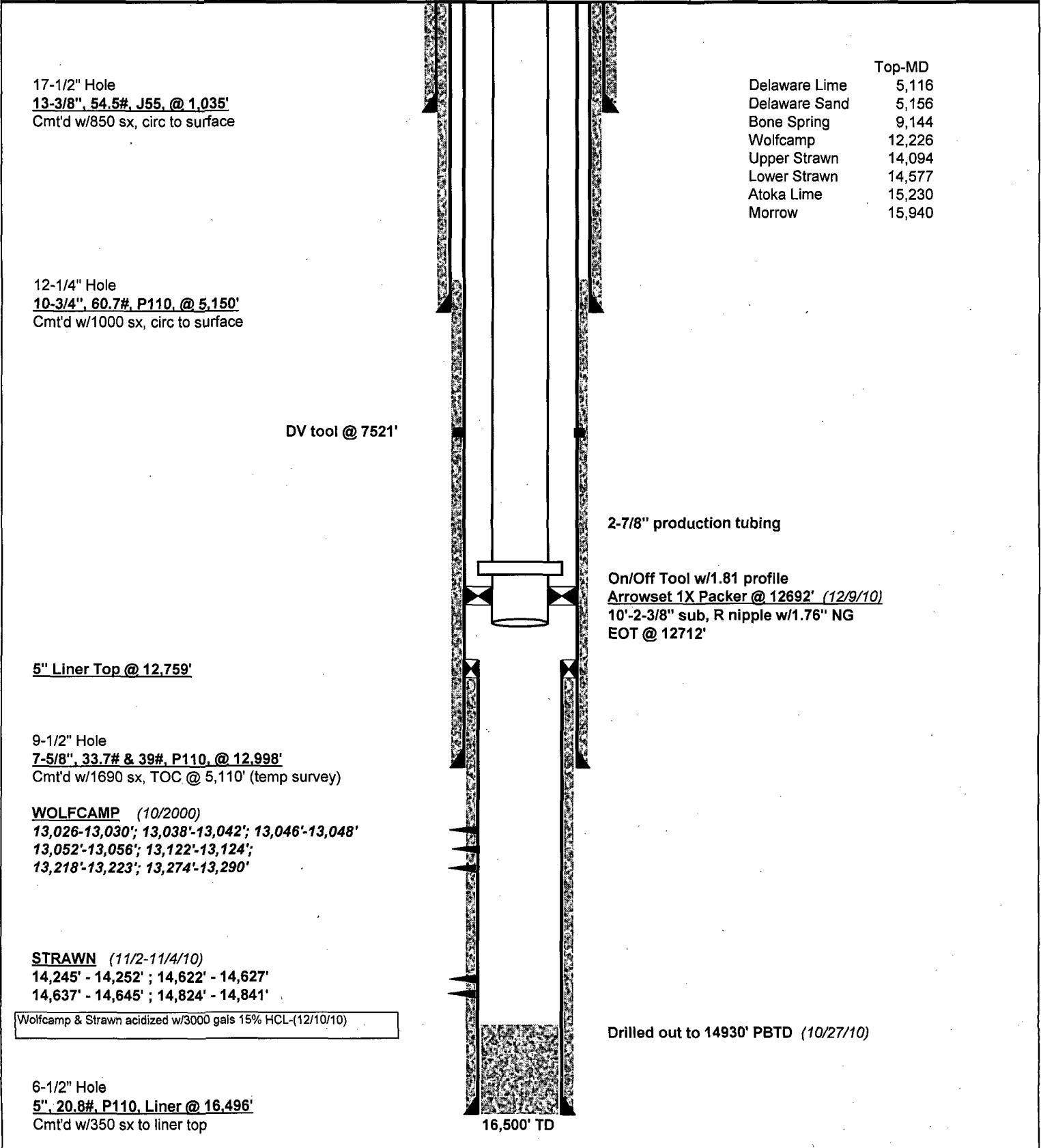
DEVON ENERGY PRODUCTION COMPANY, L.P.

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

Katie A. McDonnell
Landman

Devon Energy - purchased from Roden Oil Company

Well Name: MIRO 35 FED 1		Field: WILDCAT-WOLFCAMP	
Location: 1250' FNL & 1000' FWL; SEC 35-T26S-R35E		County: LEA	State: NM
Elevation: 3066' KB; 3040' GL; 26' KB to GL		Spud Date: 4/23/00	Compl Date: 10/9/00
API#: 30-025-34897	Prepared by: Derek Berg	Date: 12/15/10	Rev: R Slack-3/28/11



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

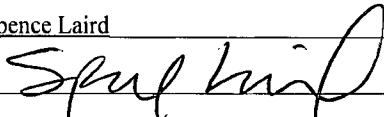
1.
Operator: Devon Energy Production Co., LP OGRID #: 6137
Address: 20 North Broadway OKC, OK 73102-8260
Facility or well name: Miro 35 Federal 1
API Number: 30-025-34897 OCD Permit Number: _____
U/L or Qtr/Qtr NWNW Section 35 Township 26S Range 35E County: Lea County, NM
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☒ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☒ Above Ground Steel Tanks or ☒ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.3.103 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CRI Disposal Facility Permit Number: R9166
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Spence Laird Title: Regulatory Analyst
Signature:  Date: 3/27/2011
e-mail address: Spence.Laird@dvn.com Telephone: (405)-228-8973

7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

State of New Mexico
Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 02-10-94
Instructions on back

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34897		2 Pool Code Oil "wildcat"		3 Pool Name Strawn					
4 Property Code 25276		5 Property Name MIRO FEDERAL '35'						6 Well Number 1	
7 OGRD No. 6137		8 Operator Name Devon Energy Production Company, L.P.						9 Elevation 3040'	
10 SURFACE LOCATION									
UL or lot no. D	Section 35	Township 26 SOUTH	Range 35 EAST, N.M.P.M.	Lot Ida	Feet from the	North/South line NORTH	Feet from the	East/West line WEST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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

OPERATOR CERTIFICATION

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

Signature: *Spence Laird*

Printed Name
SPENCE LAIRD

Title
REGULATORY ANALYST

Date
3/28/11

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.

Date of Survey
OCTOBER 14, 1999

Signature and Seal of
Professional Surveyor

V. L. Bezner 10-21-99

Certificate No.
V. L. BEZNER R.P.S. #7920

JOB #65757 / 21 OF 1115

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

State of New Mexico
Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 02-10-94
Instructions on back

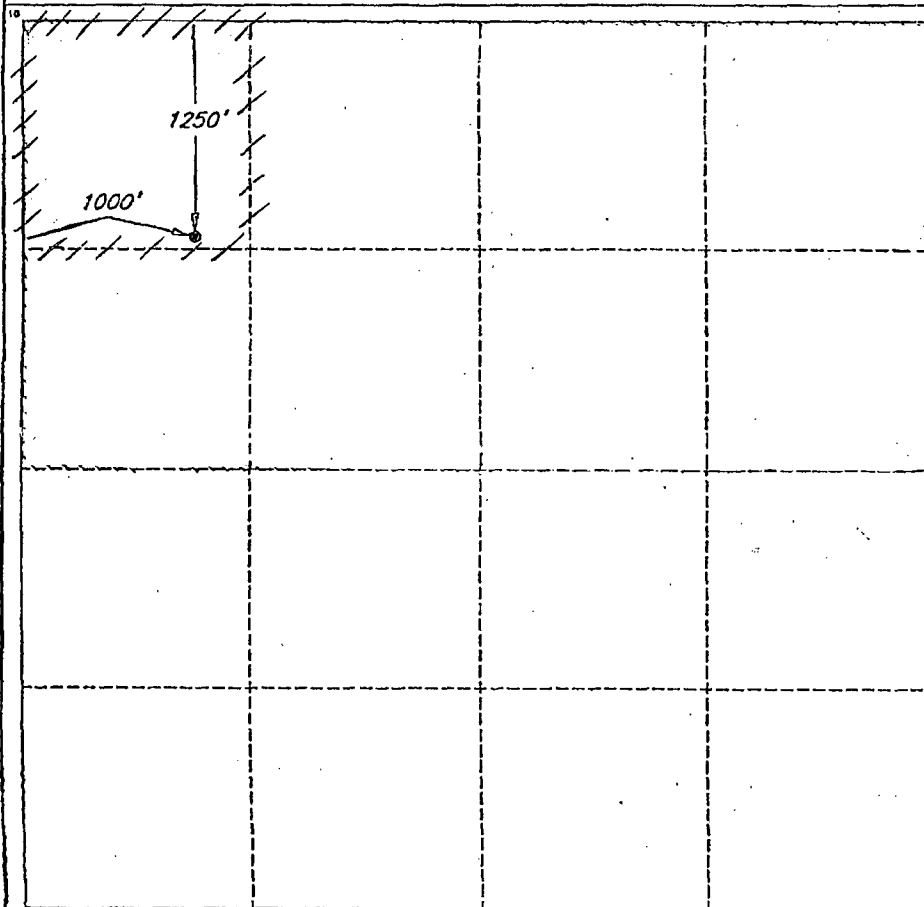
Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34897		2 Pool Code 97055		3 Pool Name Wolfcamp					
4 Property Code 25276		5 Property Name MIRO FEDERAL '35'				6 Well Number 1			
7 OGRID No. 6137		8 Operator Name Devon Energy Production Company, L.P.				9 Elevation 3040'			
10 SURFACE LOCATION									
UL or lot no. D	Section 35	Township 26 SOUTH	Range 35 EAST, N.M.P.M.	Lot Ida	Feet from the 1250'	North/South line NORTH	Feet from the 1000'	East/West line WEST	County LEA
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE"									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Printed Name

SPENCE LAIRD

Title

REGULATORY ANALYST

Date

3/28/11

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.

Date of Survey

OCTOBER 14, 1999

Signature and Seal of
Professional Surveyor

Certificate No.

V. E. BEZNER

R.P.S. #7920

JOB #65757 / 21 OF 1 VILE

Jones, William V., EMNRD

From: Laird, Spence [Spence.Laird@dvn.com]
Sent: Tuesday, May 24, 2011 10:41 AM
To: Jones, William V., EMNRD
Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897
Attachments: Miro 35 Fed #1 commingle C102.pdf

I hope I've got it correct this time. Thanks for your help.

Spence

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, May 24, 2011 11:29 AM
To: Laird, Spence
Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

On the C-102 – give it 40 acres in item 12 and outline the unit letter location on the section plat.

Thanks for this!

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Laird, Spence [mailto:Spence.Laird@dvn.com]
Sent: Tuesday, May 24, 2011 10:27 AM
To: Jones, William V., EMNRD
Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

I put Oil "Wildcat" in the Pool Code area, where should I put that info?

Thanks

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, May 24, 2011 11:23 AM
To: Laird, Spence
Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

And whether the Strawn is "Gas" or "Oil"?

From: Laird, Spence [mailto:Spence.Laird@dvn.com]
Sent: Tuesday, May 24, 2011 10:04 AM
To: Jones, William V., EMNRD
Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

That's my fault, I missed those. It's should be 40 acres on the Wolfcamp and Wildcat on the Strawn. I will get that fixed for you.

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, May 24, 2011 11:00 AM

To: Laird, Spence

Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

Hello Spence:

After you talk with the geologist and the engineer about whether these zones are "gas" or "oil" – let me know what they tell you, then pass that info to a Landman to ask about the spacing sizes.

The attachment you sent for the Wolfcamp still shows 320 dedicated acres in item 12 of that form – change that to 40 if this Wolfcamp zone produces "Oil".

The form for the Strawn says 320, but is not outlined which acres are dedicated.

Will Jones

New Mexico

Oil Conservation Division

Images Contacts

From: Laird, Spence [<mailto:Spence.Laird@div.com>]

Sent: Tuesday, May 24, 2011 9:40 AM

To: Jones, William V., EMNRD

Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD

Subject: RE: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

Will:

Sorry for the confusion. I have attached updated C102's for the Miro 35 Fed 1. If these plats are still incorrect I apologize and I will work with you to get them corrected.

Thank you for your help and patients with me.

Spence Laird

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]

Sent: Saturday, May 21, 2011 2:56 PM

To: Laird, Spence

Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD

Subject: Downhole Commingle application from Devon: Miro 35 Fed #1 30-025-34897

Hello Spence:

The two C-102's with your application are not too specific as to Pool names or whether the production is "oil" or "gas" and also both show 320 acre spacing (so I could assume gas?...)

Please let me know for sure about each of these Pools – are they "gas" or "Oil"?

There is a Hagood; Wolfcamp Pool (97055) over these lands that is an oil pool – but your C-102 shows "gas".... And the production test shown is not too detailed.

There are two Strawn Gas Pools within 1 mile – let me know if the Strawn is truly "gas" and which of these Pools applies... or if it is "oil" please let me know what Pool and correct the C-102.

You may need to talk with Paul Kautz or Donna Mull in our Hobbs district office.

Thank You,

William V Jones, P.E.

Engineering, Oil Conservation Division

1220 South St. Francis Drive, Santa Fe, NM 87505

Tel 505.476.3448 ~ Fax 505.476.3462