

DATE IN <u>5.10.11</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>5.10.11</u>	TYPE <u>OLM</u>	APP NO. <u>1113057408</u>
------------------------	----------	--------------------	--------------------------	-----------------	---------------------------

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

6 wells

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 _____

[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

Signature

Melanie Crawford

Regulatory Analyst
 Title

Date

3/15/11

Melanie.Crawford@dmv.com
 e-mail Address

OLM-SD

RECEIVED OOD
 2011 MAY 10 A 10:55



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@devn.com

March 15, 2011

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

Re: Central Tank Battery, Off Lease Gas Measurement & Sales
Laguna Salado 22 Federal 2, Laguna Salado 22 Federal 3H
Laguna Salado 22 Federal 4H, Laguna Salado 22 Federal 5H
Laguna 22 Federal 6H, & Laguna Salado South Unit 1
API # 30-015-34677, 30-015-35073, 30-015-36461, 30-015-36738, 30-015-37371, &
30-015-26407
Sec 22-T23S-29E
Lease NM-66425
Harroun Ranch; Delaware NE - Pool Code: 96878
Eddy County, New Mexico

RECEIVED
OCD
2011 MAY 10 A 10:55

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for a Central Tank Battery and Off Lease Gas Measurement & Sales of the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners in the lease are uniformed; no additional notification is required.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM66425
2. Name of Operator DEVON ENERGY		6. If Indian, Allottee or Tribe Name
3a. Address 20 NORTH BROADWAY OKLAHOMA CITY, OK 73102		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405-552-4524		8. Well Name and No. LAGUNA SALADO 22 FEDERAL 6H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T23S R29E		9. API Well No. 30-015-37371
		10. Field and Pool, or Exploratory HARROUN RANCH, DELAWARE NE
		11. County or Parish, and State EDDY COUNTY COUNTY, NM

12. CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measurem t
	<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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 the CTB, Off Lease Gas Measurement & Sales for the following wells:

Laguna Salado 22 Federal 2 (API: 30-015-34677), Laguna Salado 22 Federal 3H (API: 30-015-35073),
Laguna Salado 22 Federal 4H (API: 30-015-36461), Laguna Salado 22 Federal 5H (API: 30-015-36738),
Laguna Salado 22 Federal 6H (API: 30-015-37371), Laguna Salado South 1 (API: 30-015-26407)

The CTB and header are located at the Laguna Salado South Unit 1 site. Production from all the wells will flow to the header, then the P/W Separator. The gas will then flow to DCP CDP Sales Meter 718711-000 located approximately 1/2 a mile north in Sec 15, T23S, R29E, Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****RECEIVED**

APR 14 2011

NMOCD ARTESIA

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

Electronic Submission #104462 verified by the BLM Well Information System
For DEVON ENERGY, sent to the Carlsbad

Name (Printed/Typed) MELANIE CRAWFORD

Title OPERATIONS

Signature (Electronic Submission)

Date 03/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. W. Little</i>	Title <i>LPE 7</i>	Date <i>4/12/11</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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Accepted for record - NMOCD

4-18-11

Additional data for EC transaction #104462 that would not fit on the form

32. Additional remarks, continued

ROW will or has already been obtained.

The working interest, royalty interest and overriding royalty interest owners in the lease are uniformed; no additional notification is required.

API 30-015-26407
22-23S-29E

1} Oil sales by tank gauge to tank truck.

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 inaccessible.  

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: Sales Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

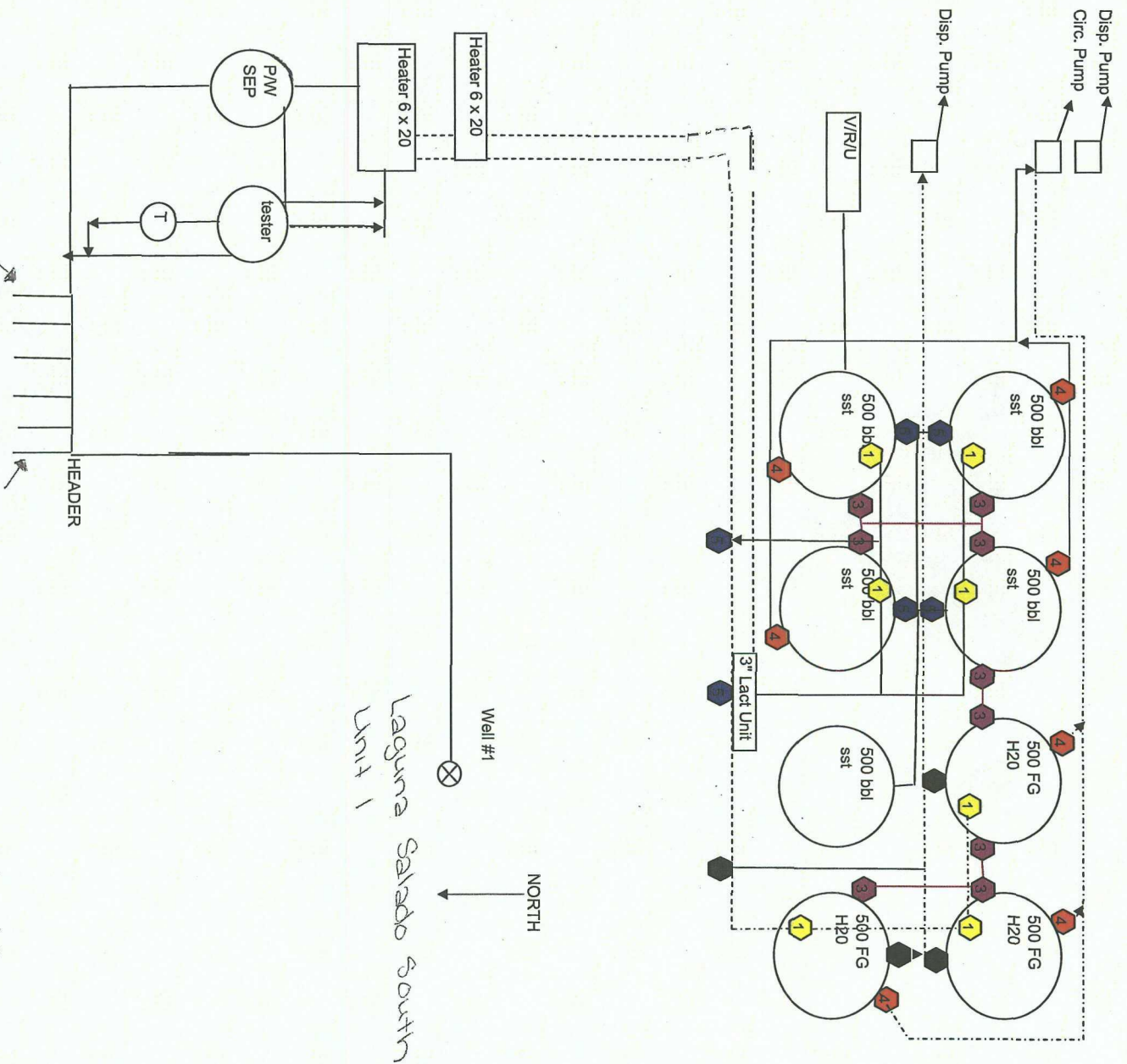
Wellhead:

Stak-pak:

Production line:

Water line:

Gas Meter





Ken Gray
Senior Advisor, Land

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Office: (405) 552-4633
Fax: (405) 552-8113

February 24, 2011

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

Re: Off Lease Gas Measurement and Sales
Laguna Salado Lease
Section 22-T23S-R29E
Eddy County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. ("Devon") regarding the ownership of the wells listed below and the associated federal oil and gas lease NM-66425 and find that the ownership of the working interest, royalty and overriding royalty interests are uniform with respect to Devon's application for Off Lease Gas Measurement and Sales from the following pool, insofar as such pool covers the following wells:

Laguna Salado 22 Federal 2	API: 30-015-34677	96878 – Harroun Ranch; Delaware NE
Laguna Salado 22 Federal 3	API: 30-015-35073	96878 – Harroun Ranch; Delaware NE
Laguna Salado 22 Federal 4H	API: 30-015-36461	96878 – Harroun Ranch; Delaware NE
Laguna Salado 22 Federal 5H	API: 30-015-36738	96878 – Harroun Ranch; Delaware NE
Laguna Salado 22 Federal 6H	API: 30-015-37371	96878 – Harroun Ranch; Delaware NE
Laguna Salado South Unit 1	API: 30-015-26407	96878 – Harroun Ranch; Delaware NE

If there are any questions or if additional information is required feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Ken Gray".

Ken Gray
Senior Advisor, Land

CHK, Liberty, etal
11/2013

16



15

14

NM-66425

Laguna Salada 22 Fed #4H

Laguna Salada 22 Fed #2H

Laguna Salada 22 Fed #6H

Laguna Salada 22 Fed #5H



Laguna Salada South Unit #1

21

~~23S~~229E

23

/2017

Laguna Salada 22 Fed #3H

Yeso
Salazar
McHines
Double R
Star
McHeb

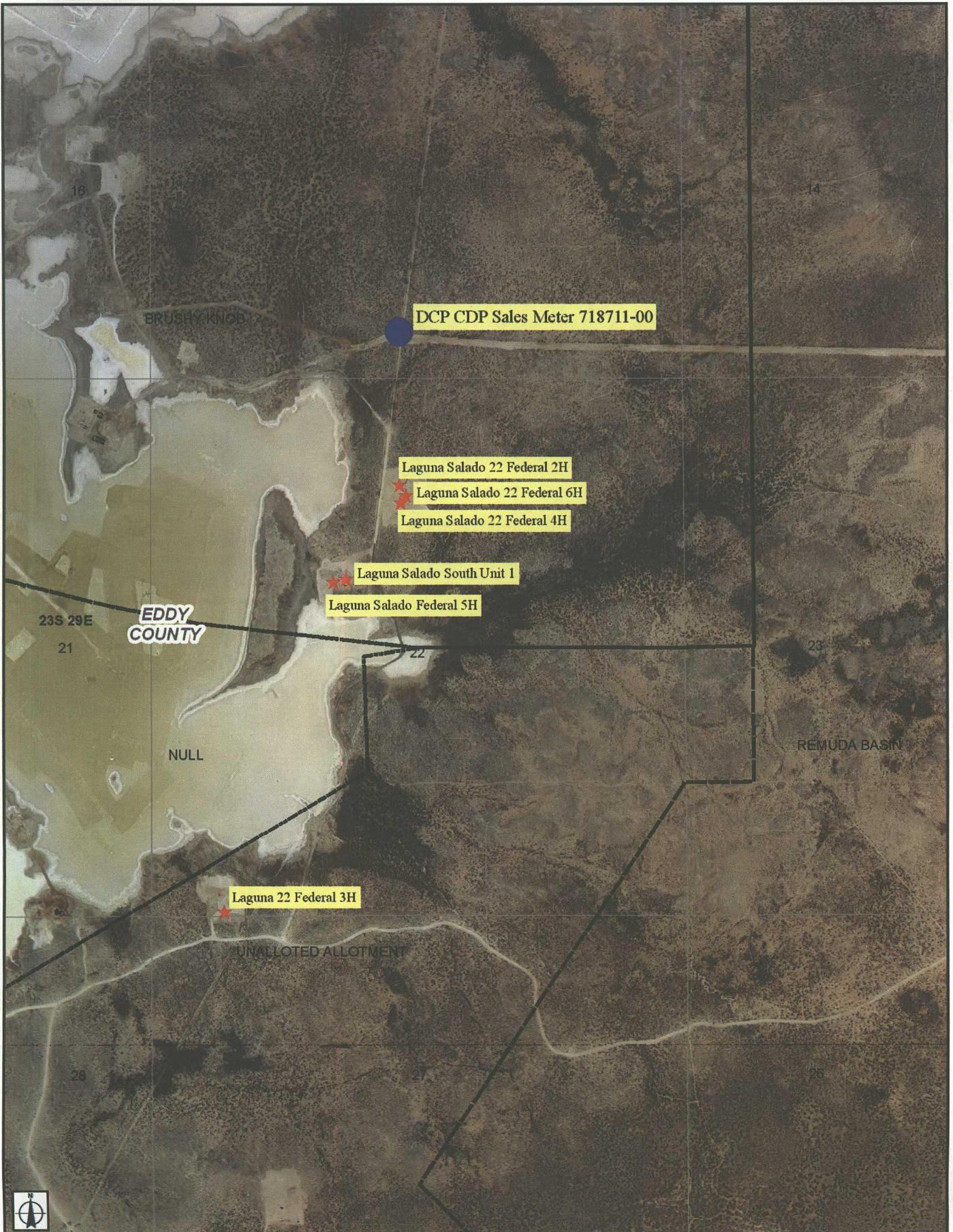
Chesapeake
Oxy
Chevron
Allar
Twin Montana

26

27

28

OFF LEASE PRODUCTION - EDDY COUNTY								
	08/01/10	09/01/10	10/01/10	11/01/10	12/01/10	01/01/11	02/01/11	03/01/11
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Laguna Salado 22 Federal 2H	2,568.2	2,503.71	2,750.73	2,394.05	2,583.31	2,105.21	1,776.42	151.21
Laguna Salado 22 Federal 3H	9,321.17	4,696.98	6,029.19	6,026.1	6,128.85	5,559.74	4,801.13	408.68
Laguna Salado 22 Federal 4H	4,898.77	5,036.18	1,594.93	0.	0.	0.	0.	0.
Laguna Salado 22 Federal 5H	4,803.87	4,898.54	6,459.55	6,323.2	6,312.97	5,625.63	4,825.15	410.73
Laguna Salado 22 Federal 6H	0.	0.	0.	0.	0.	0.	0.	0.
Laguna Salado South Unit 1	1,828.13	1,691.67	2,041.65	1,796.73	1,773.96	1,520.36	1,320.35	112.39



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

Off-Lease Measurement

Conditions of Approval: Laguna Salado Wells, Devon Energy

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.