

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Devon Energy Production Company, LP,
whose address is 333 West Sheridan Avenue, OKC, OK 73102,
hereby requests an exception to Rule 19.15.18.12 for 15 days or until

N/A, Yr _____, for the following described tank battery (or LACT):

Name of Lease NMNM70928X Name of Pool (96441) Paduca; Bone Spring

Location of Battery: Unit Letter N Section 2 Township 24S Range 31E

Number of wells producing into battery 3 WELLS: Cotton Draw Unit 135H (30-015-38533), Cotton Draw Unit 136H (30-015-38534), Cotton Draw Unit 137H (30-015-38556)

B. Based upon oil production of 182 barrels per day, the estimated * volume
of gas to be flared is 1155 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility: Currently tied into DCP Midstream

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: _____

Devon requesting flare due to DCP plant going down. We are requesting 15 days starting

01.28.16 to 02.12.16. Verbal received 01.28.16

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Erin Workman

Printed Name
& Title Erin Workman, Regulatory Compliance Prof.

E-mail Address Erin.workman@dvn.com

Date 01.28.16 Telephone No. (405) 552-7970

OIL CONSERVATION DIVISION

Approved Until 2/12/16

By _____

Title _____

Date 4/20/16

*Accepted for record
NMSD AB*

* Gas-Oil ratio test may be required to verify estimated gas volume.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC D
Artesia

FORM 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. NMNM036379 |
| 2. Name of Operator DEVON ENERGY PRODUCTION CO Contact: ERIN WORKMAN Email: Erin.workman@dyn.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102 | 3b. Phone No. (include area code) Ph: 405-552-7970 | 7. If Unit or CA/Agreement, Name and/or No. 891005247X |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T25S R31E SESW 200FSL 1600FWL | | 8. Well Name and No. COTTON DRAW UNIT 135H |
| | | 9. API Well No. 30-015-38533-00-S1 |
| | | 10. Field and Pool, or Exploratory PADUCA |
| | | 11. County or Parish, and State EDDY 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 | Venting and/or Flaring |
| | <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 recomplete 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.)

Per verbal approval by Duncan Whitlock and confirmed via e-mail from Charles Nimmer on 01.28.16. Devon Energy Production Company, LP respectfully requests to flare the Cotton Draw Unit 135H Battery due to DCP Plant going down. We are requesting 15 days, to begin 01.28.16 to 02.12.16.

Wells contributing to the total flare volume

Cotton Draw Unit 135H 30-015-38533 ✓
Cotton Draw Unit 136H 30-015-38534 ✓
Cotton Draw Unit 137H 30-015-38556

Average daily Production

90 day approval
Accepted for record
NMOC D AB
4/20/16

NM OIL CONSERVATION
ARTESIA DISTRICT
APR 08 2016
RECEIVED
SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

Electronic Submission #330536 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 02/04/2016 (16PP0413SE)

| | |
|-----------------------------------|-------------------------------------|
| Name (Printed/Typed) ERIN WORKMAN | Title REGULATORY COMPLIANCE ANALYST |
| Signature (Electronic Submission) | Date 02/02/2016 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------|---------------------------|
| Approved By _____ | Title _____ | DATE MAR 29 2016 |
| 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 _____ | BUREAU OF LAND MANAGEMENT |

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #330536 that would not fit on the form

32. Additional remarks, continued

BOPD 182
MCFPD 1155

ATTACHED: C-129