

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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

Applicant: Devon Energy Production Co., L.P. **OGRID Number:** 6137

Well Name: see attachments for multiple wells and API's **API:** _____

Pool: 96721 LAGUNA SALADO; BONE SPRING **Pool Code:** _____

98220 PURPLE SAGE; WOLFCAMP (GAS)

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.

Jenny Harms
Print or Type Name

Jenny Harms
Signature

4-15-2021
Date

405-552-6560
Phone Number

jenny.harms@dvn.com
e-mail Address

District I
1625 N. French Drive, 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 Department

Form C-107-B
Revised August 1, 2011

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., L.P.
OPERATOR ADDRESS: 333 W Sheridan Avenue, Oklahoma City, OK 73102
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

Table with 5 columns: (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: Jenny Harms TITLE: Regulatory Specialist 4-15-2021

TYPE OR PRINT NAME Jenny Harms TELEPHONE NO.: 405-552-6560

E-MAIL ADDRESS: jenny.harms@dvn.com

APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

43 CFR 3173.14 (a)(1)(i-iv)

(1) The proposed commingling includes production from more than one:

(i) Federal lease, unit PA, or CA, where each lease, unit PA, or CA proposed for commingling has 100 percent Federal mineral interest, the same fixed royalty rate and, and the same revenue distribution;

Proposal for **HOT POTATO 26 CTB 2:**

Devon Energy Production Company, LP is requesting approval for a Pool Commingle for the following wells:

WELL NAME	API	LOCATION	POOL CODE	POOL	LEASE- 12.5%
HOT POTATO 26-23 FED 333H	3001547176	O-26-23S-29E 325 FSL 1499 FEL	96721	LAGUNA SALADO; BONE SPRING	NMNM103603
HOT POTATO 26-23 FED 622H	3001547178	O-26-23S-29E 325 FSL 1559 FEL	98220	PURPLE SAGE; WOLFCAMP (GAS)	NMNM103603
HOT POTATO 26-23 FED 712H	3001547269	O-26-23S-29E 325 FSL 1529 FEL	98220	PURPLE SAGE; WOLFCAMP (GAS)	NMNM103603

CA: One federal lease for all locations, CA not required

Oil & Gas metering:

The central tank battery, Hot Potato 26 CTB 2, is located in the South Half (S1/2) of the Southeast Quarter (SE1/4) of S26, T23S, R29E in Eddy County, New Mexico.

Each well is routed to its own 3-phase separator where the full well stream is separated into gas, oil, and water streams. For each well, after separation, gas is measured with an independent, designated orifice meter for the purpose of allocation, then flows into a gas production line where it is combined with gas from the other wells and flows through a gas orifice sales meter(s) for the purpose of Federal Measurement Point/Sales/Royalty Payment. The oil from the 3-phase separator is measured with an independent, designated Coriolis Meter for the purpose of allocation. It then combines with the oil production from the other wells, flows into the heater treater(s), then into the Ultra-Low Pressure Separator(s) (ULPS), and into one of the oil tanks. The oil is then pumped out of the common tanks to an oil sales meter (LACT unit) for the purpose of Federal Measurement Point/Sales/Royalty Payment. The water from the 3-phase separator is measured with an independent, designated Mag meter for allocation, combines with the water from the other wells, then flows into one of the produced water tanks. Flash gas that exits the heater treater(s) and ULPS(s) flows to the Vapor Recovery Unit (VRU). After exiting the VRU, the gas will be measured through a designated orifice meter for allocation.

The central tank battery will have 3 oil tanks and 2 water tanks that all wells will utilize. All wells will have 1 common gas delivery point(s) on location. They will also share 1 common oil delivery point(s) (LACT) on or directly adjacent to location.

Well Name	Gas Allocation Meter	Oil Allocation Meter	Gas FMP	Oil FMP	Water Allocation Meter	VRU Allocation Meter
HOT POTATO 26-23 FED 333H	DVN *	DVN *	DCP*	Enlink*	DVN *	DVN *
HOT POTATO 26-23 FED 622H	DVN *	DVN *	DCP*	Enlink*	DVN *	DVN *
HOT POTATO 26-23 FED 712H	DVN *	DVN *	DCP*	Enlink*	DVN *	DVN *

Meter Owner / Serial Number:

* Meter serial numbers to be provided after construction of facility.

Process and Flow Descriptions:

The flow of produced fluids is described above and shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, location of wells, facility, and gas sales meter.

The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail.

Allocation Methodology

PRORATED ALLOCATION

GAS ALLOCATION

Each well has a Wellhead Allocation (WH ALLOC) meter and a Gas Lift Injection (GL INJ) meter. The CTB has a commingled gas Meter (BATT ALLOC or 3rd Party Sales) that measures the volume of gas that leaves the CTB, this meter would be considered the FMP. Any Buy Back meter that measures off-lease gas coming on lease used for gas lift injection from the gathering line would be considered an FMP.

1. Buyback is the volume of off-lease gas used for gas lift, compression fuel, and well injection.
2. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting gas lift injection (GL INJ) volume from the wellhead allocation (WH ALLOC) meter reading.
3. Lease use gas is allocated by theoretical % for each well * total amount of lease use volume.
4. Theoretical % used for the allocation of production/sales is calculated by dividing the Net Well Production volume for each well into the sum of the Net Well Production.
5. Net CTB Gas is Battery Allocation (BATT ALLOC) or 3rd Party Sales meter measuring commingled CTB gas less any Buy Back. All off lease Buy Back will be metered as an FMP and netted out of the BATT ALLOC FMP metered volume to derive both the Total Net FMP and total Net CTB production.
6. Theoretical % for each well is multiplied by the Net CTB Gas.
7. HP Flare is volume of gas flared from the CTB, allocated to wells by Theoretical % for each well * HP FL volume.
8. VRU measures the gas that flashes from the ultra-low-pressure separator (ULPS) and is piped in upstream of the commingled CTB BATT ALLOC meter. The VRU volume will be allocated based on the same allocation methodology applied for WH ALLOC allocated gas.
9. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ HP Flare + Lease Use.

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) – Beginning Tank Inventory.
2. Available oil for sale is calculated by Pipeline LACT (FMP) + Beginning Tank Inventory.
3. Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
4. The Theoretical % available for sale is the well sales available divided by the total available sales.
5. Total Sales Volume is the volume of oil sold through the FMP meter
6. Beginning Inventory comes from previous accounting period's Ending Inventory for each well.
7. Ending Inventory for each well is calculated by multiplying the theoretical production % by total ending inventory.

WATER ALLOCATION

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Allocated Production and Total Transferred Volume back to each well.

1. CTB Allocated production is volume of water produced by the CTB and is calculated by Ending Tank Inventory + Water Transfer – Beginning Tank Inventory.
2. CTB Available Water to Transfer is calculated by Water Transfer + Tank Inventory.
3. Theoretical % is calculated by dividing each water meter volume into the sum of the water meters.
4. The Theoretical % available for transfer for each well is the well production available divided the total Available water.
5. Total Transfer Volume is the volume of water metered by the water transfer meter.
6. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
7. Ending Inventory for each well is calculated by multiplying the theoretical production % by total ending inventory.

Economic Justification Report

Well Name & Number	Type	Fed Lease 1	Royalty Rate	Fed Lease 2 (if applicable)	Royalty Rate	Fed Lease 3 (if applicable)	Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
HOT POTATO 26-23 FED 333H*	Sweet	NMNM103603-12.5%				-		1190	45.9	2580	1464
HOT POTATO 26-23 FED 622H*	Sweet	NMNM103603-12.5%				-		1400	45.9	3045	1464
HOT POTATO 26-23 FED 712H*	Sweet	NMNM103603-12.5%				-		1115	46.4	2490	1460
These calculations are based off of offset well production and are only a proposal											

Signed: Jenny Harms Date: 4/15/2021

Printed Name: Jenny Harms

Title: Regulatory Compliance Specialist

Economic Combined Production			
BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
3705.0	46.1	8115.0	1462.8

The combining of production between the wells above will not have any valuation impact due to any quality differences in the oil quality between the Bonespring and Wolfcamp formations.

Page 8 of 27
Received by OCD: 4/23/2021 8:17:42 AM
H
G
F
E
D
C
B
A

V-101 thru V-105
3PH SEPARATOR

F-201 & 202
HEATER TREATER

V-131
SALES GAS SEP

V-141
ULTRA LOW PRESURE SEP.

C-301 & C-302
VAPOR RECOVERY UNIT

TK-401
GUN BARREL

TK-413
SKIM TANK

TK-403 thru 405
WATER TANK

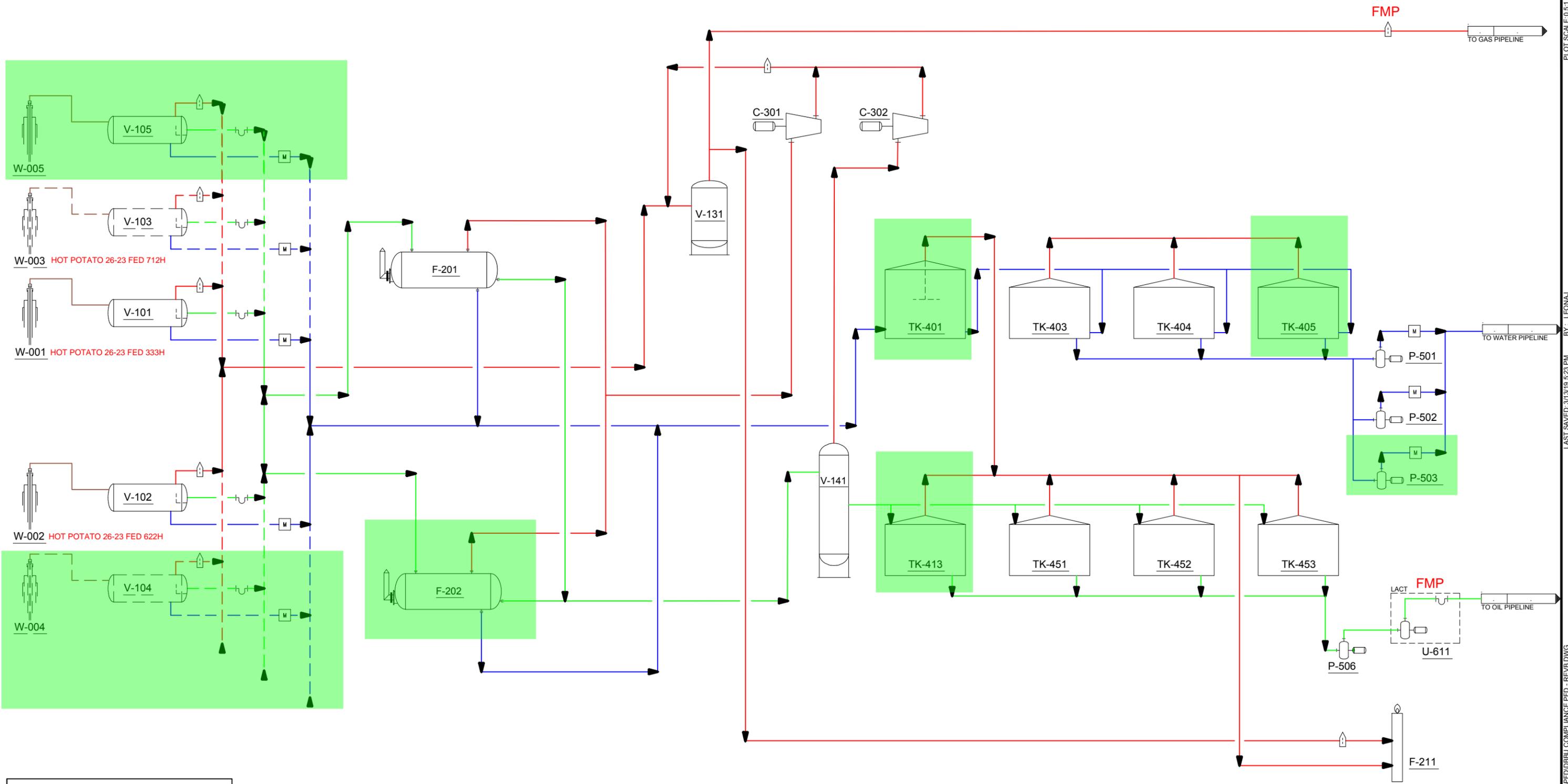
TK-451 thru 453
OIL TANK

P-501 thru P-503
WATER TRANSFER PUMP

P-506
LACT CHARGE PUMP

U-611
LACT

F-211
FLARE



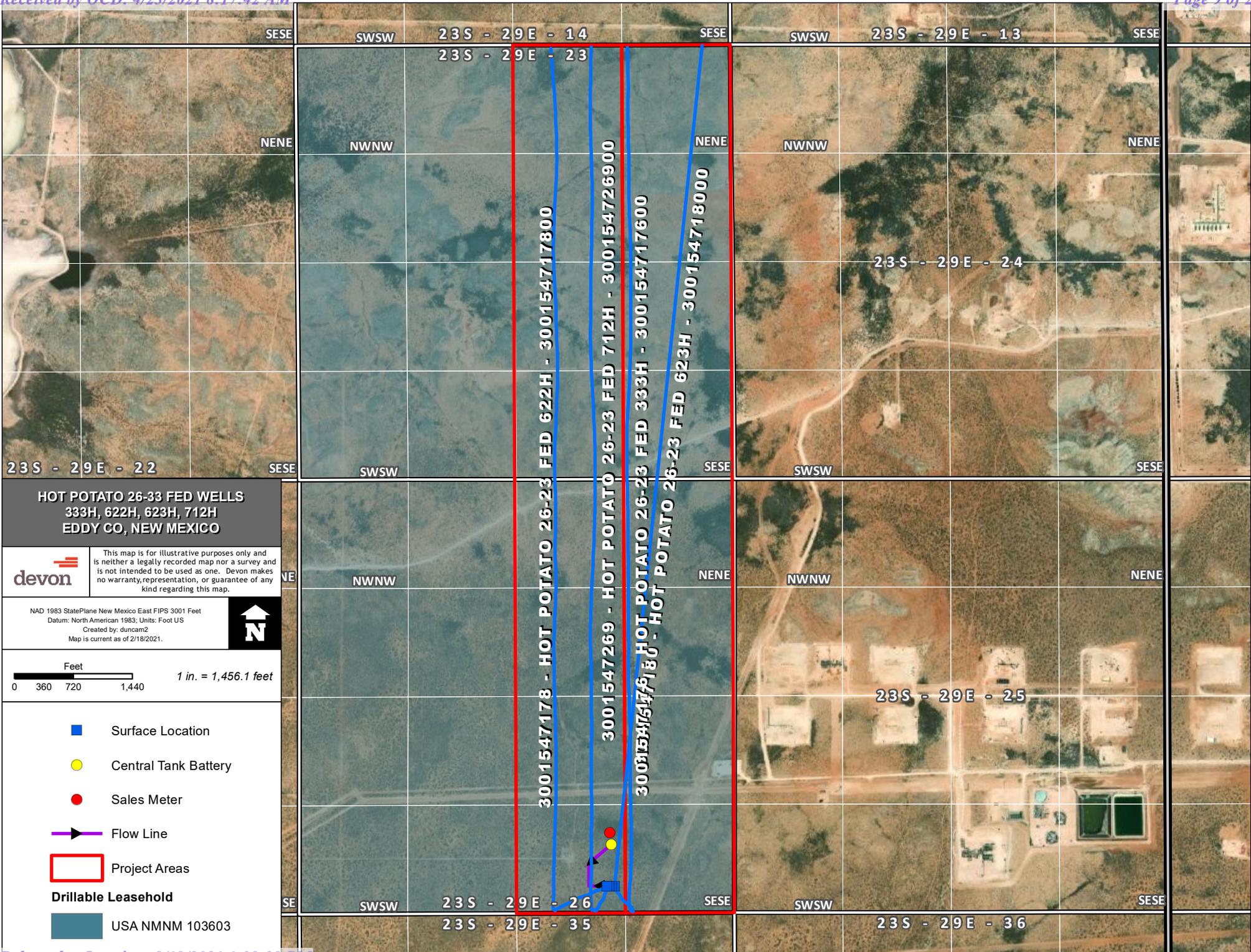
LEGEND	
	OIL
	GAS
	WATER

DRAWING STATUS			DRAWN BY		DATE	
ISSUED FOR	DATE	BY	ENGINEERED BY	DATE		
PHA						
BID			APPROVED BY	DATE		
CONSTRUCTION						
AS-BUILT						
CONFIDENTIAL			PROJECT No.:	000		
This drawing is the property of Devon Energy. Any reproduction, copying or unauthorized use of this drawing, or any part thereof, without the express written consent of Devon Energy is prohibited.			DRAWING No.:	110-01		



Devon Energy Corporation	
333 West Sheridan Avenue, Oklahoma City, OK 73102-5015	
HOT POTATO 26 CTB 2 COMPLIANCE PFD	
FILE NAME DBBU Compliance PFD	REV C

Printed: 2/5/19
PLOT SCALE: 0.5:1
BY: LEONAJ
LAST SAVED: 3/13/19 5:23 PM
H2019DBBU STANDARD DESIGN PFD/DBBU COMPLIANCE PFD - REV B.DWG
Released to Imaging: 8/18/2021 1:39:28 PM



HOT POTATO 26-33 FED WELLS
 333H, 622H, 623H, 712H
 EDDY CO, NEW MEXICO



This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
 Datum: North American 1983; Units: Foot US
 Created by: duncam2
 Map is current as of 2/18/2021.



- Surface Location
- Central Tank Battery
- Sales Meter
- ➔ Flow Line
- Project Areas

Drillable Leasehold
 USA NMNM 103603

CustomerReference	Priority Mail Tracking #		AttentionTo	Organization	Address1	Address2	Address3	City	Region	Country	PostalCode
	9405 5098 9864 2055 0336 72	Delivered	ALLAR COMPANY		PO BOX 1567			GRAHAM	US	TX	76450-1567
	9405 5098 9864 2674 8177 83	Delivered	ONRR	ROYALTY MANAGEMENT PROGRAM	PO BOX 25627			DENVER	US	CO	80225-0627
	9405 5098 9864 2674 8139 76	Delivered	ALLAR DEVELOPMENT LLC		PO BOX 1567			GRAHAM	US	TX	76450-7567
	9405 5098 9864 2674 8109 37	Delivered	CROWNROCK MINERALS LP		PO BOX 51933			MIDLAND	US	TX	79710
	9405 5098 9864 2674 7850 06	Delivered	CORNERSTONE FAMILY TRUST	JOHN KYLE THOMA SUCC TTEE	PO BOX 558			PEYTON	US	CO	80831
	9405 5098 9864 2674 7810 53	Delivered	HIGHLAND TEXAS ENERGY COMPANY		11886 GREENVILLE AVE STE 106			DALLAS	US	TX	75243
	9405 5098 9864 2674 7765 16	Delivered	VERITAS PERMIAN RESOURCES LLC		PO BOX 10850			FORT WORUS	US	TX	76114
	9405 5098 9864 2674 7713 82	Delivered	TIER 1 MERCED HOLDINGS LLC		601 CARLSON PARKWAY STE 200			MINNETON	US	MN	55305
	9405 5098 9864 2674 7645 44	Delivered	BELVEDERE OPERATING LLC		PO BOX 650695			DALLAS	US	TX	75265-0695
	9405 5098 9864 2674 7599 60	Delivered	BEXP I LP		5914 W COURTYARD DR STE 340			AUSTIN	US	TX	78730-4928
	9405 5098 9864 2055 0042 83	Delivered	WING RESOURCES V LLC		2100 MCKINNEY AVE STE 1540			DALLAS	US	TX	75201

Intent As Drilled

API #

Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: HOT POTATO 26-23 FED	Well Number 333H
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Kick Off Point (KOP)

UL	Section 26	Township 23S	Range 29E	Lot	Feet 50	From N/S SOUTH	Feet 1254	From E/W EAST	County EDDY
Latitude 32.268734					Longitude -103.950826				NAD 83

First Take Point (FTP)

UL P	Section 26	Township 23-S	Range 29-E	Lot	Feet 100	From N/S SOUTH	Feet 1254	From E/W EAST	County EDDY
Latitude 32.268875°					Longitude -103.950825°				NAD 83

Last Take Point (LTP)

UL A	Section 23	Township 23-S	Range 29-E	Lot	Feet 100	From N/S NORTH	Feet 1254	From E/W EAST	County EDDY
Latitude 32.297542°					Longitude -103.950872°				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes provide API if available, Operator name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
----------------	----------------	-------------

KZ 06/29/2018

Intent As Drilled

API #

Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: HOT POTATO 26-23 FED	Well Number 622H
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Kick Off Point (KOP)

UL	Section 26	Township 23S	Range 29E	Lot	Feet 50	From N/S SOUTH	Feet 2178	From E/W EAST	County EDDY
Latitude 30.268743					Longitude -103.953815				NAD 83

First Take Point (FTP)

UL O	Section 26	Township 23-S	Range 29-E	Lot	Feet 100	From N/S SOUTH	Feet 2178	From E/W EAST	County EDDY
Latitude 32.268873°					Longitude -103.953814°				NAD 83

Last Take Point (LTP)

UL B	Section 23	Township 23-S	Range 29-E	Lot	Feet 100	From N/S NORTH	Feet 2178	From E/W EAST	County EDDY
Latitude 32.297543°					Longitude -103.953862°				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes provide API if available, Operator name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
----------------	----------------	-------------

KZ 06/29/2018

Intent As Drilled

API #

Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: HOT POTATO 26-23 FED	Well Number 712H
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Kick Off Point (KOP)

UL	Section 26	Township 23S	Range 29E	Lot	Feet 50	From N/S SOUTH	Feet 1716	From E/W EAST	County EDDY
Latitude 32.268739					Longitude -103.95232			NAD 83	

First Take Point (FTP)

UL O	Section 26	Township 23-S	Range 29-E	Lot	Feet 100	From N/S SOUTH	Feet 1716	From E/W EAST	County EDDY
Latitude 32.268874°					Longitude -103.952319°			NAD 83	

Last Take Point (LTP)

UL B	Section 23	Township 23-S	Range 29-E	Lot	Feet 100	From N/S NORTH	Feet 1716	From E/W EAST	County EDDY
Latitude 32.297542°					Longitude -103.952367°			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit? NO

Is this well an infill well? YES

If infill is yes provide API if available, Operator name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name: Devon Energy Production Company, LP	Property Name: Hot Potato 26-23 Fed	Well Number 622H
---	--	---------------------

KZ 06/29/2018

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
HOT POTATO 26-	333H	300154717600X1	NMNM103603	NMNM103603	DEVON
HOT POTATO 26-	712H	300154726900X1	NMNM103603	NMNM103603	DEVON
HOT POTATO 26-	622H	300154717800X1	NMNM103603	NMNM103603	DEVON

Notice of Intent

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 04/15/2021

Time Sundry Submitted: 02:44

Date proposed operation will begin: 04/14/2021

Procedure Description: APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE - 43 CFR 3173.14 (a)(1)(i-iv) Proposal for HOT POTATO 26 CTB 2: Devon Energy Production Company, LP is requesting approval for a Pool Commingle. Please see attachments.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

DBBU_Comingling_Narative__HOT_POTATO_26_CTB_2_4_15_2021_r1_20210415144129.pdf

Conditions of Approval

Specialist Review

Surface_Comingling_COA_20210506144728.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: JENNY HARMS

Signed on: APR 15, 2021 02:43 PM

Name: DEVON ENERGY PRODUCTION COMPANY LP

Title: Regulatory Compliance Professional

Street Address: 333 West Sheridan Avenue

City: Oklahoma City **State:** OK

Phone: (405) 552-6560

Email address: jennifer.harms@dvn.com

Field Representative

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

BLM Point of Contact

BLM POC Name: Jonathon W Shepard

BLM POC Phone: 5752345972

Disposition: Approved

Signature: Jonathon Shepard

BLM POC Title: Petroleum Engineer

BLM POC Email Address: jshepard@blm.gov

Disposition Date: 05/06/2021

From: [Engineer, OCD, EMNRD](#)
To: [Harms, Jenny](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Hawkins, James , EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-764
Date: Wednesday, August 18, 2021 1:19:54 PM
Attachments: [PLC764 Order.pdf](#)

NMOCD has issued Administrative Order PLC-764 which authorizes Devon Energy Production Company, LP (6137) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-47176	Hot Potato 26 23 Federal #333H	E/2	23-23S-29E	96721
		E/2	26-23S-29E	
30-015-47178	Hot Potato 26 23 Federal #622H	E/2	23-23S-29E	98220
		E/2	26-23S-29E	
30-015-47269	Hot Potato 26 23 Federal #712H	E/2	23-23S-29E	98220
		E/2	26-23S-29E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

From: [Harms, Jenny](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [EXTERNAL] surface commingling application PLC-764
Date: Tuesday, August 10, 2021 1:20:13 PM
Attachments: [HOT POTATO 26 CTB 2 APPROVED FED COMMINGLE 5-6-2021.pdf](#)

Hi Dean,

Please see the attached approved federal commingle. Thank you very much for reviewing.

Have a great day!

Thank you,

Jenny Harms

Regulatory Compliance Professional
Work Phone: (405)552-6560
Jennifer.harms@dvn.com
Devon Energy Center-Tower
333 West Sheridan Avenue Oklahoma City OK 73102-5015

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, August 10, 2021 2:17 PM
To: Harms, Jenny <Jenny.Harms@dvn.com>
Subject: [EXTERNAL] surface commingling application PLC-764

Ms. Harms,

I am reviewing surface commingling application PLC-764 which involves the Hot Potato 26 Central Tank Battery 2 operated by Devon Energy Production Company, LP (6137).

Please confirm that the BLM was notified of this application.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: PLC-764

Operator: Devon Energy Production Company, LP (6137)

Publication Date:

Submittal Date: 4/23/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
4/22/2021	ALLAR COMPANY	9405 5098 9864 2055 0336 72	Delivered
4/22/2021	ONRR	9405 5098 9864 2674 8177 83	Delivered
4/22/2021	ALLAR DEVELOPMENT LLC	9405 5098 9864 2674 8139 76	Delivered
4/22/2021	CROWNROCK MINERALS LP	9405 5098 9864 2674 8109 37	Delivered
4/22/2021	CORNERSTONE FAMILY TRUST	9405 5098 9864 2674 7850 06	Delivered
4/22/2021	HIGHLAND TEXAS ENERGY COMPANY	9405 5098 9864 2674 7810 53	Delivered
4/22/2021	VERITAS PERMIAN RESOURCES LLC	9405 5098 9864 2674 7765 16	Delivered
4/22/2021	TIER 1 MERCED HOLDINGS LLC	9405 5098 9864 2674 7713 82	Delivered
4/22/2021	BELVEDERE OPERATING LLC	9405 5098 9864 2674 7645 44	Delivered
4/21/2021	BEXP I LP	9405 5098 9864 2674 7599 60	Delivered
4/22/2021	WING RESOURCES V LLC	9405 5098 9864 2055 0042 83	Delivered

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY DEVON ENERGY PRODUCTION
COMPANY, LP**

ORDER NO. PLC-764

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Devon Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12 NMAC, and 19.15.23 NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: _____ 8/12/2021 _____

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-764**
Operator: **Devon Energy Production Company, LP (6137)**
Central Tank Battery: **Hot Potato 26 Central Tank Battery 2**
Central Tank Battery Location: **O P, Section 26, Township 23 South, Range 29 East**
Gas Title Transfer Meter Location: **O P, Section 26, Township 23 South, Range 29 East**

Pools

Pool Name	Pool Code
LAGUNA SALADO; BONE SPRING	96721
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 103603	E/2	23-23S-29E
	E/2	26-23S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47176	Hot Potato 26 23 Federal #333H	E/2	23-23S-29E	96721
		E/2	26-23S-29E	
30-015-47178	Hot Potato 26 23 Federal #622H	E/2	23-23S-29E	98220
		E/2	26-23S-29E	
30-015-47269	Hot Potato 26 23 Federal #712H	E/2	23-23S-29E	98220
		E/2	26-23S-29E	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 25327

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 25327
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/18/2021