

October 4, 2022

# CERTIFIED MAIL RETURN RECEIPT REQUESTED

Interest Owners

Re: Central Tank Battery ORE IDA 14-1 BATTERY:

Sec., T, R: Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4) of S14, T24S, R29E

Lease: NMNM96222, NMNM88137

Pool: 96473 PIERCE CROSSING; BONESPRING, EAST

11540 CEDAR CANYON, DELAWARE

County: Eddy Co., New Mexico

#### To whom it may concern:

This is to advise you that Devon Energy Production Company, L.P., is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery for the below mentioned wells.

			POOL		
WELL NAME	LOCATION	API	CODE		LEASE
ORE IDA 14 FEDERAL #001	D-14-24S-	3001528956	96473	PIERCE CROSSING; BONE	NMNM96222
	29E			SPRING, EAST	-12.5%
ORE IDA 14 FEDERAL #003	F-14-24S-	3001529042	96473	PIERCE CROSSING; BONE	NMNM96222-
	29E			SPRING, EAST	12.5%
H B 15 FEDERAL #001	A-15-24S-	3001529490	11540	CEDAR CANYON;	NMNM88137-
	29E			DELAWARE	12.5%

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.

Subsequently drilled wells that produce from the subject pools within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Please contact the undersigned at (405) 552-6560 should you have any questions or need anything further. Sincerely,

Sonny Honons

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

Enclosure

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD I	DIVISION USE ONLY	
	NEW MEXIC	O OIL CONSERV	ATION DIVISION	ANY OF NEW MESTIC
		cal & Engineering		
	1220 South St. Fr		_	**
				CASERVATION OFF
		ATIVE APPLICATI		
THIS	CHECKLIST IS MANDATORY FOR AL REGULATIONS WHICH RE		ATIONS FOR EXCEPTIONS TO E DIVISION LEVEL IN SANTA F	
		0		/107
Applicant: Dev	on Energy Production	Co., L.P.	OGRII	Number: <u>6137</u>
Well Name:see	e attachments for mu	liple wells and A		
	RCE CROSSING; BON		Pool C	ode:
	DAR CANYON; DELAWA		DED TO PROCESS T	HE TYPE OF APPLICATION
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1) TYPE OF APPL	ICATION OF THE			
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			SP(proration unit)	D
	INOL INOI (PR	OJECT AREA)	(PRORATION UNIT)	D
B. Check of	one only for [I] or [II]			
[I] Con	nmingling <u>–</u> Storage <u>–</u> M	easur <u>e</u> ment		
[	□DHC □CTB ☑PI		<del>-</del> -	
[ II ] Inje	ction - Disposal - Pressu			У
L	□ WFX □ PMX □ S\	WD □IPI □E	OR PPR	FOR OCD ONLY
2) NOTIFICATIO	N REQUIRED TO: Check	those which apply	<i>I</i> .	
,	t operators or lease hole	, , ,		■ Notice Complete
	Ity, overriding royalty ov		vners	□ Application
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	Il of the above, proof o	f notification or pu	ıblication is attach	ed, and/or,
H. No ne	otice required .	·		
0)	<b></b>			
	N: I hereby certify that to approval is accurate a			
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	are submitted to the Div		ation antil the requ	
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			10-4-2022	
lonn, Herre			Date	
Jenny Harms				
Print or Type Name			<u>405-552-6560</u>	
			Phone Number	_
Denny Ho	nnw			
<i>0</i>	-		jenny.harms@d	vn.com
Signature			e-mail Address	

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 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.

APPLIC			COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:	Devon Energy Pr					
OPERATOR ADDRESS: APPLICATION TYPE:	333 W Sheridan	Avenue, C	Oklahoma City, OK	73102		
	e Commingling	ool and Lease (	Commingling Off-Lease	Storage and Measur	ement (Only if not Surface	Commingled)
_				Storage and Measur	ement (only if not surface	(Commingica)
LEASE TYPE: For Figure 1. For Figure 1. For Figure 2. For	_			ha annuaniata C	udar Na	
Have the Bureau of Land M						ingling
Yes No	anagement (BEIVI) an	a State Earle	a office (SEO) occir not	arred in writing (	or the proposed commi	
	Please a		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities Non-Con Productio		Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See attachments	Troductio	•				
See atmenments			_			
			_			
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(2) Are any wells producing	-44	es No				
(4) Measurement type: X (5) Will commingling decrea	Metering  Other (Space the value of production	on? Yes	⊠No If "yes", descri	be why commingli	ng should be approved	
	Please s		SE COMMINGLINGS with the following in			
(1) Pool Name and Code. (2) Is all production from sar (3) Has all interest owners bee (4) Measurement type:	ne source of supply? [	Yes □N	lo .	⊠Yes □N	0	
	Please a		LEASE COMMIN			
(1) Complete Sections A and	Е.					
	` '		ORAGE and MEA			
(1) Is all production from sar		Yes XN	ets with the following	information		
(2) Include proof of notice to			10			
1 1						
			<b>PRMATION</b> (for all its with the following in		pes)	
<ol> <li>A schematic diagram of f</li> <li>A plat with lease boundar</li> <li>Lease Names, Lease and</li> </ol>	acility, including legal lories showing all well and	ocation. facility locati	ions. Include lease number		ate lands are involved.	
I hereby certify that the information	ation above is true and co	omplete to the	best of my knowledge an	d belief.		
Khoni	1 DEMINA	_	_		2	
SIGNATURE:	8	<u>T</u> ]	ITLE: Regulatory Special	- -		
TYPE OR PRINT NAME Jenr	ny Harms			TEL	EPHONE NO.: 405-552	-6560
F-MAII ADDRESS: ienny.ha	rms@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 **ORE IDA 14-1 BATTERY:**

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

WELL NAME	LOCATION	API	POOL CODE		LEASE	notes
ORE IDA 14	D-14-24S-29E	3001528956	96473	PIERCE CROSSING; BONE	NMNM96222 -12.5%	
FEDERAL #001				SPRING, EAST		vertical well
ORE IDA 14	F-14-24S-29E	3001529042	96473	PIERCE CROSSING; BONE	NMNM96222-12.5%	
FEDERAL #003				SPRING, EAST		vertical well
H B 15	A-15-24S-29E	3001529490	11540	CEDAR CANYON; DELAWARE	NMNM88137-12.5%	
FEDERAL #001						vertical well

**<u>CA:</u>** One federal lease for each location

#### Oil & Gas metering:

The tank battery, Ore Ida 14-1 Battery, is located in the Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4) of S14, T24S, R29E in Eddy County, New Mexico.

Each well flows to a header and is directed to a production and test train setup.

Test Train: During a well test the well flows to a 3-Phase Separator where the full well stream is separated into independent gas, oil, and water streams.

- 3-Phase gas flows through an independent and designated orifice meter for rate allocation. The gas flows into a manifold where it is combined with gas from the Production Train. The combined stream flows through an orifice meter for Federal Measurement Point/Sales/Royalty Payment.
- 3-Phase oil flows through an independent and designated turbine meter for rate allocation. The oil then flows into a manifold where it is combined with oil from the Production Train. The combined stream flows into the Heater Treater and then into one of the oil tanks for storage. The stored oil is gauged during truck loading for Federal Measurement Point/Sales/Royalty Payment.
- 3-Phase water flows through an independent and designated vane meter for rate allocation. The water then flows into a manifold where it is combined with water from the Heater Treater. The combined stream flows into the water tank for storage.

Production Train: Well flows combine at header and flow to a 2-phase Separator.

2-phase gas combines with gas from the Test Train and flows through an orifice meter for Federal Measurement Point/Sales/Royalty Payment.

2-phase oil and water flow to the Heater Treater then to oil and water tanks respectively for storage. The stored oil is gauged during truck loading for Federal Measurement/Sales/Royalty Payment.

The battery has four oil tanks and one water tank that all wells utilize. All wells have one common gas delivery point on location and one common oil delivery point on location.

	Individual Meters								
Well Name	Gas Allocation	Oil Allocation	Water Allocation						
ORE IDA 14 FED 1	DVN / 885-49-044	DVN / MC-459659	DVN / 66900D						
ORE IDA 14 FED 3	DVN / 885-49-044	DVN / MC-459659	DVN / 66900D						
H B FEDERAL 15B	DVN / 885-49-044	DVN / MC-459659	DVN / 66900D						
Commo	n Meters								
Gas FMP	DCP / 33169165								

Meter Owner / Serial Number:

<sup>\*</sup> Meter serial numbers to be provided upon receipt.

#### **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 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 (see attached). NMOCD Notice Variance Requested: Devon Energy Production Company, LP request approval to add new leases and pools and/or new wells producing from the authorized leases and pools. Devon Energy Production Company, LP request approval to only notice the interest owners of new leases and pools to be added via amendment (reference rule 19.15.12.10(C)(4)(g) NMAC)

#### Additional information:

- 1. The CAA will not negatively affect the royalty revenue of the federal government.
- 2. A list of all Federal or Indian lease, unit PA, or CA numbers in the proposed Commingling and Allocation Approval (CAA). There will not be a CA created due to having one federal lease.
- 3. A proposed allocation agreement (including allocation of produced water) that includes: Information provided on Allocation Methodology Attachment. (100% going to one federal lease)
- a. An allocation methodology
- b. An example of how the methodology is applied (multiple examples may be included to ensure clarity) Provided on Applied Allocation Spreadsheet Examples Attachment.
- c. A statement that any allocation meters (non-FMPs) will meet either FMP regulations or API measurement standards:

Devon allocation measurements will be determined by either continuous metering for each well or by well test method. When Devon elects to employ the well test method, each wells full well stream will be routed to a three (3) phase separator where the full well stream will be separated into independent gas, oil, and water streams. The independent stream measurements will be determined per API MPMS Chapter 20.1 – 2013, as applicable.

- i. Devon orifice meters installed and maintained for the allocation of gas measurement will meet the requirements set forth in API MPMS Chapter 20.1- 2013 and API MPMS Chapter 20.2-2016 as applicable. When applicable and as recommended in API MPMS 20.1 and 20.2, Devon orifice meters used for allocation measurement upstream of the FMP will meet API MPMS Chapter 14.3.2-2016 specification and installation standard requirements. All orifice plates used for allocation measurement will also meet the API MPMS Chapter 14.3.2–2016 standard for construction and condition. Any electronic flow meter (EFM) installed for allocation measurement will meet the requirements for measurement volume calculations provided in API MPMS Chapter 21.1-2013 Flow Measurement using Electronic Metering Systems – Electronic Gas Measurement. Gas quality determination for Devon allocation measurement will meet the requirements of API Chapter 14.1 and GPA 2166- 2017. Devon Coriolis meters installed and maintained for the allocation of oil measurement will meet the requirements set forth in API MPMS Chapter 20.1-2013 and API MPMS Chapter 20.2-2016 as applicable. When applicable and as recommended in API MPMS 20.1 and 20.2, Devon will reference API MPMS Chapter 5.6-2013 for guidance when operating Coriolis meters installed for oil allocation measurement applications, temperature measurement will be in accordance with API MPMS Chapter 7, Devon will reference API MPMS Chapter 11.1-2012 for temperature and pressure volume correction factors when appropriate, Calculations of oil quantities will be determined per API MPMS Chapter 12.2.1-2014 as applicable.
- d. A copy of the agreement signed by each operator of each of the leases, unit PAs, or CAs from which production would be included in the CAA (if more than one operator is involved)
- 4. A topographic map of appropriate scale (multiple maps may be included to ensure clarity) that includes Please see Lease Map

#### **Allocation Methodology**

#### PRORATED ALLOCATION - WELL TEST METHOD

#### **GAS ALLOCATION**

Each well's gas volume will be determined by well test (TEST) at least once a every three months. This volume will be used as the basis for allocating production to the well. 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 determined by well test (TEST).
- 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 allocated gas determined by well test (TEST).
- 9. Allocated Production is all gas produced by CTB and is calculated by adding Total Net FMP Volumes+ HP Flare + Lease Use.

#### OIL ALLOCATION

Each well's oil volume will be determined by well test (TEST) at least once a every three months. This volume will be used as the basis for allocating production to the well. This volume is used as the allocation point to prorate Allocated Production and Total Sales Volume (FMP) back to each well.

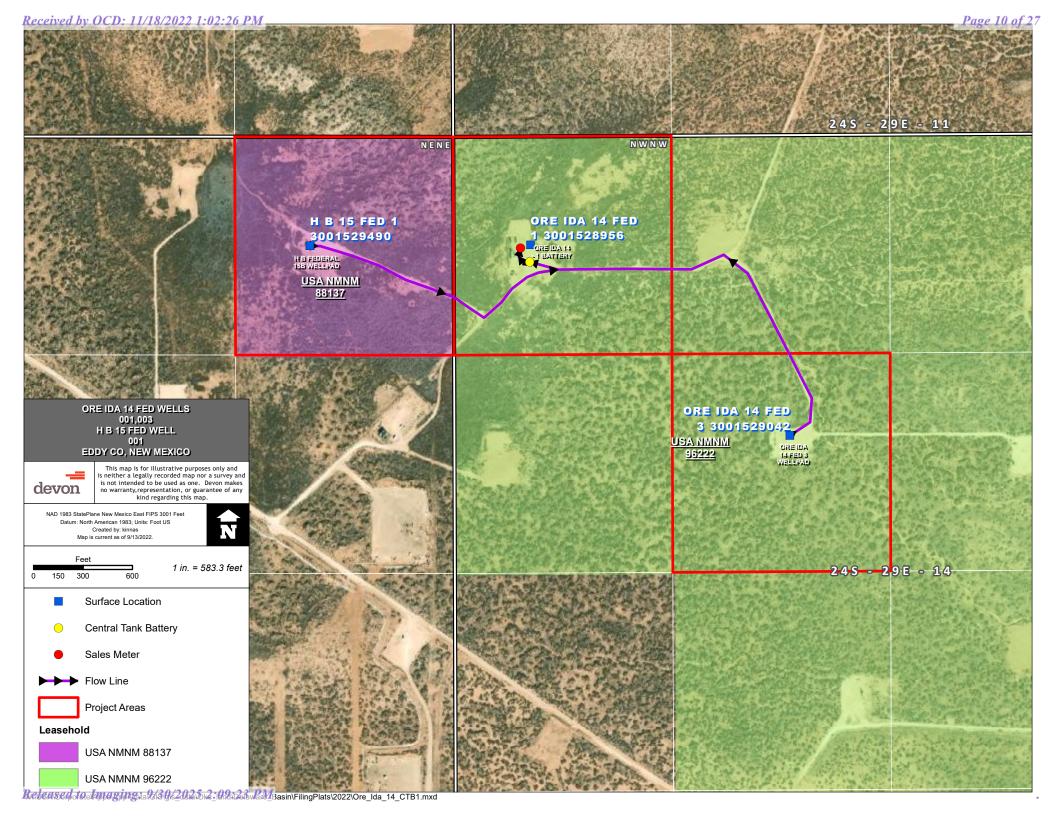
- 1. Allocated production is volume of oil produced by the CTB and is calculated by Ending Tank Inventory + Pipeline LACT (FMP) Beginning Tank Inventory.
- 2. Available oil for sale is calculated by Pipeline LACT (FMP) + Beginning Tank Inventory.

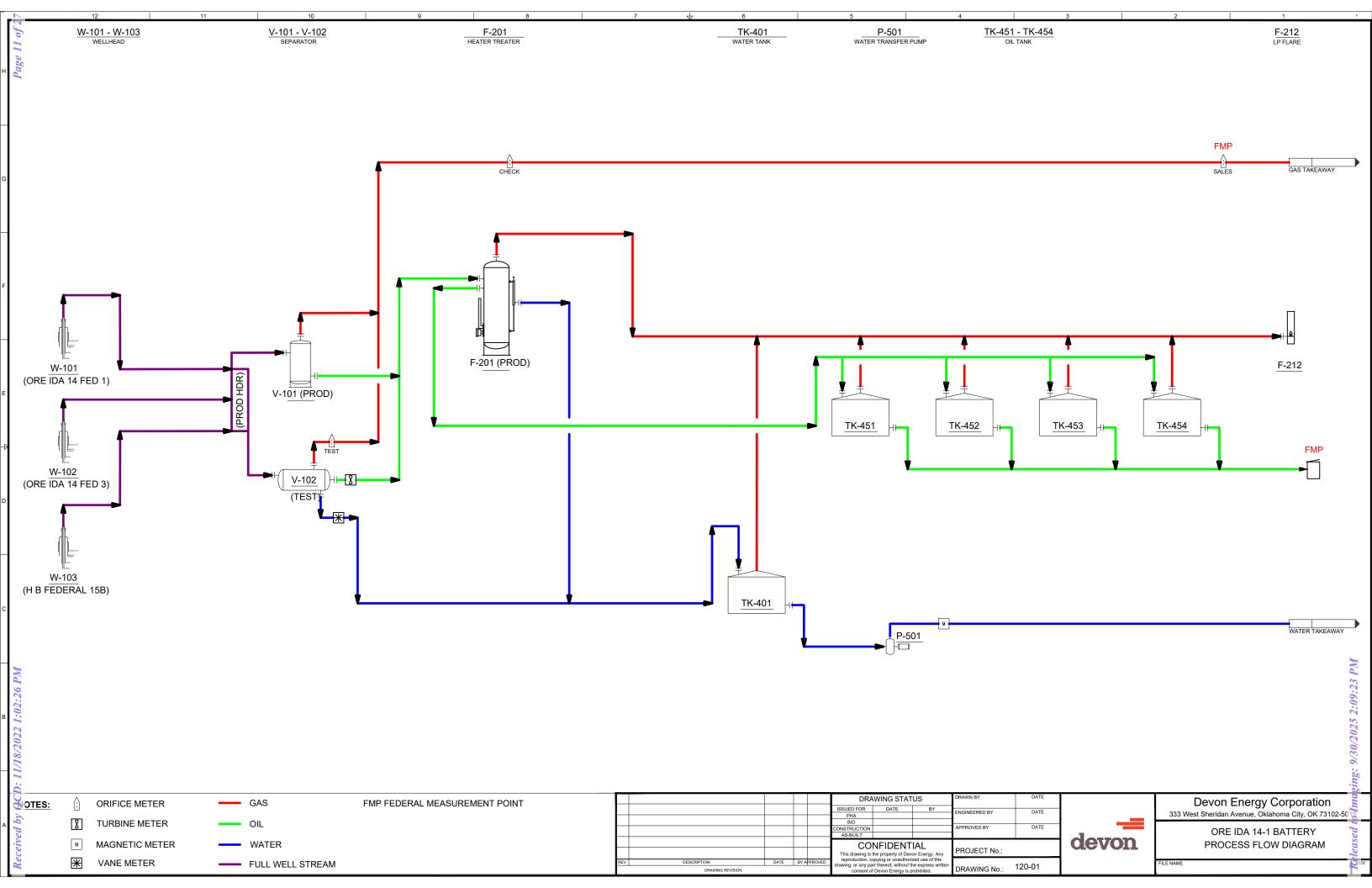
- Theoretical % is calculated by dividing each oil meter volume into the sum of oil meters.
- 4. The Theoretical % available for sale is the well sales available divided by the total available sales.
- 5. Total Sales Volume is the volume of oil sold through the FMP meter
- 6. Beginning Inventory comes 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.

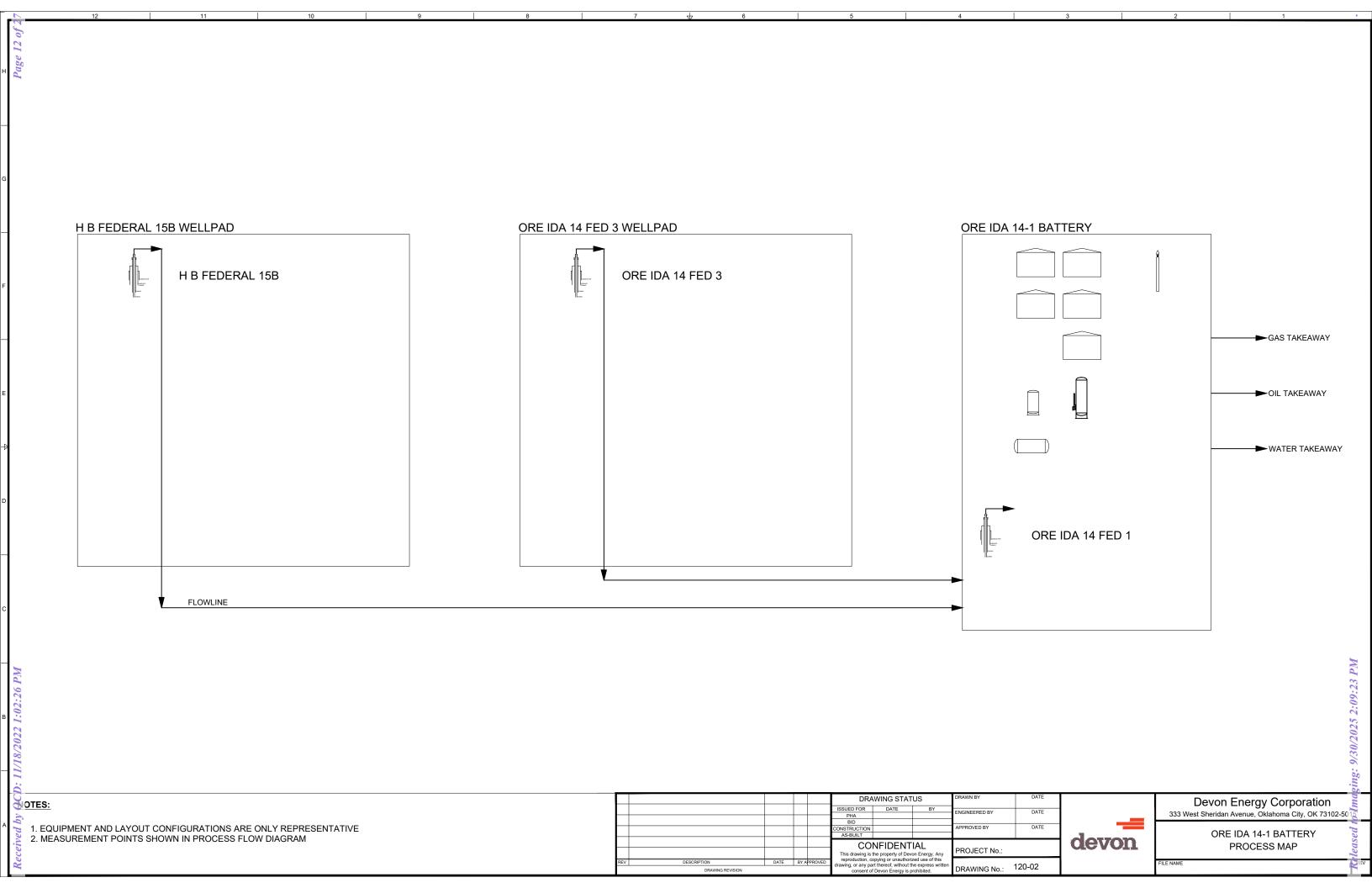
#### **WATER ALLOCATION**

Each well's water volume will be determined by well test (TEST) at least once a every three months. This volume will be used as the basis for allocating production to 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.







45.1

98.0

1194.8

14.0

### **Economic Justification Report**

Well Name & Number	Туре	Fed Lease 1	Royalty Rate	Fed Lease 2 (if applicable)	Royalty Rate		yalty ate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
ORE IDA 14 FEDERAL #001	Sweet	See attachm	ent		-	-		3	44.2	56	1177
ORE IDA 14 FEDERAL #003	Sweet					-		3	44.2	32	1177
H B 15 FEDERAL #001	Sweet					-		8	45.8	10	1351
						-					
*These calcualtions are based off of offset well production and are only a proposal*											

Signed: Signey Hanno	Date: 10/31/2022	Econon	nic Comb	ined Pro	duction
Printed Name: Jenny Harms	Title: Regulatory Compliance Specialist	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU

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

Tracking #: USPS	Delievery confirmed 10/17/2022	Owner Name 1	Owner Name 2	Owner Name 3	Vendor Name 3	Vendor Name 4	SAP Lease ID	Address	City	District	State Cd	State	Postal Code	PO Box		Res. Region	Res.
	& 10/21/2022														Reigion Cd		Country
9405509898642552935042	Delivered	MW OIL INVESTMENT COMPANY						1180 COMMERCE DR	LAS CRUCES	DONA ANA			88013		CO	Colorado	US
9405509898642240437872	Delivered	JAREED PARTNERS LTD	A TEXAS LIMITED PARTNERSHIP					PO BOX 51451	MIDLAND	MIDLAND		Texas	79710-1451		TX	Texas	US
9405509898642240437896	Delivered	FFF INC						PO BOX 20129	SARASOTA	SARASOTA		Florida	34276-3129		FL	Florida	US
9405509898642240437902	Delivered	TKM RESOURCES LLC						1775 SHERMAN ST STE 2015	DENVER	DENVER	CO	Colorado	80203		CO	Colorado	US
9405509898642240437933	Delivered	MAP98B-NET	PATRICK K SMITH AIF					PO BOX 268984	OKLAHOMA CIT	Y OKLAHOMA	OK	Oklahoma	73126-8984		OK	Oklahoma	US
9405509898642240437988	Delivered	MAP 98A-OK	PATRICK K SMITH AIF					PO BOX 268988	OKLAHOMA CIT	Y OKLAHOMA	OK	Oklahoma	73126-8988		OK	Oklahoma	US
9405509898642240438008	Delivered	SHAWN P HANNIFIN &	FRANCES A HANNIFIN AS JOINT	TENANTS WITH FULL RIGHTS O	TENANTS WITH FULL RIGHTS O	SURVIVORSHIP		PO BOX 350010	WESTMINSTER	ADAMS	CO	Colorado	80035		CO	Colorado	US
9405509898642240438077	Delivered	ALAN R HANNIFIN						PO BOX 20129	SARASOTA	SARASOTA	FL	Florida	34276		FL	Florida	US
9405509898642240438091	Delivered	S & E ROYALTY LLC	LYLE GALLIVAN MANAGER					8470 W 4TH AVE	LAKEWOOD	JEFFERSON	CO	Colorado	80226		CO	Colorado	US
9405509898642240438114	Delivered	ONRR	ROYALTY MANAGEMENT PROGR					PO BOX 25627	DENVER	JEFFERSON	CO	Colorado	80225-0627		CO	Colorado	US
9405509898642240438169	Delivered	CHISOS MINERALS LLC						PO BOX 470788	FORT WORTH	TARRANT	TX	Texas	76147		TX	Texas	US
9405509898642240438183	Delivered	WAMBAUGH EXPLORATION LLC						29 KENNEBEC DR	DURANGO	SAN JUAN	CO	Colorado	81301		CO	Colorado	US
9405509898642240438206	Delivered	GEORGE G VAUGHT JR						PO BOX 13557	DENVER	DENVER	CO	Colorado	80201-3557		CO	Colorado	US
9405509898642240438213	Delivered	KINGDOM INVESTMENTS LIMITED						2101 CEDAR SPRINGS RD ST	DALLAS	DALLAS	TX	Texas	75201		TX	Texas	US
9405509898642240438268	Delivered	LOWE ROYALTY PARTNERS LP						PO BOX 4887 DEPT 4	HOUSTON	HARRIS	TX	Texas	77210-4887		TX	Texas	US
9405509898642549313655	Delivered	YMC ROYALTY COMPANY LP						1900 SAINT JAMES PLACE ST	HOUSTON	HARRIS	TX	Texas	77056		TX	Texas	US
9405509898642240438305	Delivered	RAVE ENERGY INC						PO BOX 3087	HOUSTON	HARRIS	TX	Texas	77253-3087		TX	Texas	US
9405509898642549313730	Delivered	TAURUS ROYALTY LLC	% ROBERT B PAYNE JR					PO BOX 1477	LITTLE ELM	DENTON	TX	Texas	75068-1477		TX	Texas	US
9405509898642549313785	Delivered	RAVE ENERGY INC	DBA GEP III					P O BOX 3087	HOUSTON	HARRIS	TX	Texas	77253-3087		TX	Texas	US
9405509898642549313822	Delivered	CROWNROCK MINERALS LP						PO BOX 51933	MIDLAND	MIDLAND	TX	Texas	79710		TX	Texas	US
9405509898642549313860	Delivered	CORNERSTONE FAMILY TRUST	JOHN KYLE THOMA SUCC TTEE					PO BOX 558	PEYTON	EL PASO	CO	Colorado	80831		CO	Colorado	US
9405509898642240438367	Delivered	RUSK CAPITAL MANAGEMENT LLC						7600 W TIDWELL RD STE 80		HARRIS	TX	Texas	77040		TX	Texas	US
9405509898642549313914	Delivered	KRP LEGACY ISLES LLC						DEPT 300 PO BOX 59000	LAFAYETTE		LA	Louisiana	70505		LA	Louisiana	US



BUREAU OF LAND MANAGEMENT



Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
ORE IDA 14 FED	1	300152895600S1	NMNM96222	NMNM96222	DEVON
ORE IDA 14 FED	3	300152904200S1	NMNM96222	NMNM96222	DEVON
H B 15 FEDERAL	1	300152949000S2	NMNM88137	NMNM88137	DEVON

#### **Notice of Intent**

**Sundry ID: 2692167** 

Type of Submission: Notice of Intent Type of Action: Commingling (Surface)

Date Sundry Submitted: 09/13/2022 Time Sundry Submitted: 11:35

Date proposed operation will begin: 09/13/2022

Procedure Description: 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 ORE IDA 14-1 BATTERY Please see attachment.

#### **Surface Disturbance**

Is any additional surface disturbance proposed?: No

#### **NOI Attachments**

**Procedure Description** 

COMMINGLE\_ATTACHMENTS\_BLM\_9\_13\_2022\_20220913113408.pdf

Page 1 of 2

#### **Operator**

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

Operator Electronic Signature: JENNY HARMS Signed on: SEP 13, 2022 11:35 AM

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

R	e	pr	es	er	ıtati	ive	N	am	e:
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**Street Address:** 

City: State: Zip

Phone:

**Email address:** 

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
ORE IDA 14 FED	1	300152895600S1	NMNM96222	NMNM96222	DEVON
ORE IDA 14 FED	3	300152904200S1	NMNM96222	NMNM96222	DEVON
H B 15 FEDERAL	1	300152949000S2	NMNM88137	NMNM88137	DEVON

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Date Sundry Submitted: 09/13/2022 Time Sundry Submitted: 11:35

Date proposed operation will begin: 09/13/2022

**Procedure Description:** 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 ORE IDA 14-1 BATTERY Please see attachment.

#### **Surface Disturbance**

Is any additional surface disturbance proposed?: No

#### **NOI Attachments**

#### **Procedure Description**

COMMINGLE\_ATTACHMENTS\_BLM\_9\_13\_2022\_20220913113408.pdf

#### **Conditions of Approval**

#### **Specialist Review**

Surface\_Commingling\_COA\_20221208195251.pdf

#### Operator

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

Operator Electronic Signature: JENNY HARMS Signed on: SEP 13, 2022 11:35 AM

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 Name:

Street Address:

City: State: Zip:

Phone:

Email address:

**BLM Point of Contact** 

**BLM POC Name:** Jonathon W Shepard **BLM POC Title:** Petroleum Engineer

BLM POC Phone: 5752345972 BLM POC Email Address: jshepard@blm.gov

**Disposition:** Approved **Disposition Date:** 12/08/2022

Signature: Jonathon Shepard

LISTRICT I P.O. Box 1980, Hobbs, NM 88240

#### State of New Mexico

Energy, Minerals and Natural Resources Department

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Revised February 10, 1994
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DASIN SURVEYS

DISTRICT II P.O. Drawer DD, Artesia. NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT III

OIL CONSERVATION DIVISION
P.O. Box 2088

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

MAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pience Crossingool Name Bow 30-015-28956 Corral Draw SE Bone Spring Property Name Well Number Ore Ida 14 Federal 1 OGRID No. Operator Name **Elevation** Penwell Energy Inc. 2934' Surface Location UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County D 14 24 S 29 E 660 NORTH 480 WEST Eddy Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the Bast/West line County Dedicated Acres Joint or Infill Consolidation Code Order No. 40 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION 2933.9, 8 2935.6 I hereby certify the the information contained herein is true and complete to the 2932.5 2933.81 Brenda Coffman Printed Name Production Analyst Title \_1996 April 8. Date 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 supervison, and that the same is true and correct to the best of my belief. April 3, 1996 Date Surveyed
Signature le Seal of ofessional Surveyor No. 81786 7977

DISTRICT I P.O. Box 1980, Hubbs, NM 86240 State of New Mexico

Form C-102
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1000 Rio Brazos Rd., Artec, NM 67410

DISTRICT III

#### OIL CONSERVATION DIVISION

Energy, Minerals and Natural Resources Department

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

E AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Code  Property Name Ore ido 14 Federal  OGRID No.  OGRID No.  OFFRATOR Name Penwell Energy Inc.  Surface Location  UL or lot No. Section Township Range I Let Ida Feet from the Rorth/South line Feet from the Rost/West line County  Bottom Hole Location If Different From Surface  UI or lot No. Section Township Range Let Ida Feet from the North/South line Feet from the Rost/West line County  Bottom Hole Location If Different From Surface  UI or lot No. Section Township Range Let Ida Feet from the North/South line Feet from the Rost/West line County  Dedicated Acres Joint or Infill Consolidation Code Order No.  4.0  NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE REEN CONSOLIDATED OR A NON-STANDARD UNTI HAS BEEN APPROVED BY THE DIVISION  OPERATOR CERTIFICATION  I hereby carrify the the information contained herein in true and complete to the less of my knowledge and belief  Signature Signature Signature Printed Name
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Brenda Coffman
2949.7'   2954.4'I
Production Analyst
2952 3 2961 9 April 8, 1996
2952.3' 2961.9'
SURVEYOR CERTIFICATION
I hereby certify that the well location shown
en this plat was plotted from field notes of actual energy made by me or under my
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April 3, 1996
Date Surgered
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DISTRICT I P.O. Box 1980, Hobbs, NM 88240 State of New Mexico
Energy, Minerals and Natural Resources Department

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> OIL CONSERVATION DIVISION P.O. Box 2088

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☐ AMENDED REPORT

DISTRICT III 1000 Rie Brazos Rd., Axtee, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AP1 Number 30-015-29490	Pool Code		ool Name Canyon; Delaware
Property Code		perty Name 15 Federal	Well Number
OGRID No. 6137		rator Name y Production Co., LP	Elevation 2938'

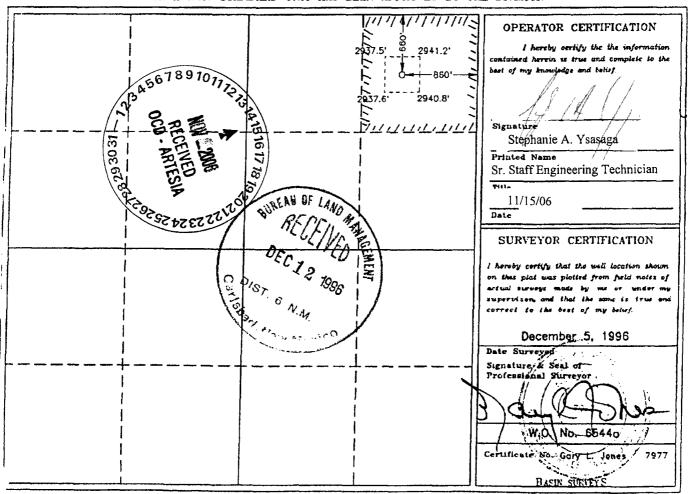
Surface Location

	UL or lat No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County	
į	Α	15	24 S	29 E		660	North	860	East	Eddy	

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County
Dedicated Acres	Joint of	n Infill Co	nsolidation (	ode Ore	der No.				
40									

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



#### 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-1035** 

#### **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 as described 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. 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. 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.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

#### **CONCLUSIONS OF LAW**

8. 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.

Order No. PLC-1035 Page 1 of 4

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
- 12. 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) NMAC and 19.15.12.10 C.(4)(h) NMAC.
- 13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 14. 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 as described in Exhibit A.

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

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. For matters of surface commingling and off-lease storing and measuring oil and gas production and for the wells identified in Exhibit A, this Order supersedes Order PC-1040.
- 3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

Order No. PLC-1035

- 4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 5. 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.
- 6. Applicant shall measure and market the commingled gas at a well pad, 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.
- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
- 8. 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.
- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. 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).

Order No. PLC-1035 Page 3 of 4

13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**DATE:** 9/29/2025

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ALBERT C. S. CHANG

Albert Chang

**DIRECTOR** 

Order No. PLC-1035 Page 4 of 4

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

#### Exhibit A

Order: PLC-1035

**Operator: Devon Energy Production Company, LP (6137)** 

Central Tank Battery: Ore Ida 14-1 Central Tank Battery

Central Tank Battery Location: UL D, Section 14, Township 24 South, Range 29 East Gas Title Transfer Meter Location: UL D, Section 14, Township 24 South, Range 29 East

#### **Pools**

Pool Name Pool Code
CEDAR CANYON; DELAWARE 11540
PIERCE CROSSING; BONE SPRING, EAST 96473

#### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
BLM Lease NMNM 105559245 (096222)	ALL	14-24S-29E
DLIVI Lease INVINIVI 105559245 (090222)	E2SE	20-24S-29E
BLM Lease NMNM 105444209 (088137)	NENE	15-24S-29E

#### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-28956	ORE IDA 14 FEDERAL #001	NWNW	14-24S-29E	96473
30-015-29042	ORE IDA 14 FEDERAL #003	SENW	14-24S-29E	96473
30-015-29490	H B 15 FEDERAL #001	NENE	15-24S-29E	11540

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 153251

#### **CONDITIONS**

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	153251
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created By		Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov.	9/30/2025