

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-779
Administrative Application Reference No. pMAM1533656218

December 23, 2015

DEVON ENERGY PRODUCTION COMPANY, L.P.

Attention: Ms. Erin Workman

Devon Energy Production Company, L.P. (OGRID 6137) is hereby authorized to surface commingle oil and gas production from Shugart; Bone Spring Pool (pool code 56400) from the following diversely owned federal leases and wells in Eddy County, New Mexico:

Lease: Sargas "28" Federal Com. Well No. 3H and Well No. 4H Com. Agreement
Description: N/2 S/2 of Section 28, Township 18 South, Range 31 East, NMPM
Well: Sargas "28" Federal Com. Well No. 3H

Lease: Sargas "28" Federal Com. Well No. 3H and Well No. 4H Com. Agreement
Description: S/2 S/2 of Section 28, Township 18 South, Range 31 East, NMPM
Well: Sargas "28" Federal Com. Well No. 4H

The combined project area for these wells include the S/2 of Section 28, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Sargas "28" Federal Well No. 3H and 4H Central Tank Battery (CTB) located in Unit I, Section 29, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be separately metered using allocation meters.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

Both of the subject wells in the application are subject to a single federal communitization agreement; however, ownership is diverse.

Subsequently drilled wells that produce from the subject pool 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.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on December 23, 2015.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad