

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-823
Administrative Application Reference No. pKSC1715037985

June 16, 2017

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 the Sand Dunes; Bone Spring, South Pool (pool code 53805) located in Section 25, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico;

Lease: Federal Communitization Agreement CA NMNM 103507
Description: W/2 W/2 Section 25, Township 23 South, Range 31 East, NMPM
Wells: Aldabra 25 Federal Well No. 1H API 30-015-38612
Aldabra 25 Federal Well No. 2H API 30-015-38613

Lease: Federal Lease NMNM 0544986
Description: E/2 W/2 Section 25, Township 23 South, Range 31 East, NMPM
Well: Aldabra 25 Federal Well No. 3H API 30-015-38614

Lease: Federal Lease NMNM 0544986
Description: E/2 Section 25, Township 23 South, Range 31 East, NMPM
Wells: Aldabra 25 Federal Well No. 6H API 30-015-38602
Aldabra 25 Federal Well No. 7H API 30-015-38603

The combined project area for these wells include the Entire Section 25, Township 23 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 Aldabra 25 Federal Well No. 6H and Aldabra 25 Federal Well No. 7H shared Central Tank Battery (CTB), located in Unit P, Section 25, Township 23 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 the Aldabra 25 Federal Well No. 1H, Aldabra 25 Federal Well No. 2H, and Aldabra 25 Federal Well No. 3H well shall be continuously metered before commingling.

The oil and gas production for the Aldabra 25 Federal Well No. 6H and Aldabra 25 Federal Well No. 7H shall be allocated using periodic well testing. During testing, one well shall flow through the test separator, and the remaining wells shall flow through the production separator. Each well shall be tested monthly for a minimum of 24 hours.

It is understood that the test separator and meters are designed to accurately measure production from the well with the highest production rate. In addition, the hyperbolic behavior of the oil production from the Aldabra 25 Federal Well No. 6H and Aldabra 25 Federal Well No. 7H have stabilized into the Range 3 portion of the decline as described in Hearing Order R-14299, with a decline rate of less than 5 percent.

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

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 June 16, 2017.



DAVID R. CATANACH
Director

DRC/mam

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