

ABOVE THE LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



195

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☒ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

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

CERTIFICATION: I hereby certify that the information submitted with this application for administrative action 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.

Signature

Title

Date

Serial Address



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

April 26, 2007

New Mexico Oil Conservation Division
1220 S St. Francis Drive
Santa Fe, New Mexico 87505

30-015-35095

Attn: David Catanach

Re: Application for Off-Lease Storage and Measurement (Form C-107-B)
Simpson 15A #1
Section 15 Township 18 South, Range 26 East
Eddy County, New Mexico
API # 30-015-35095

Mr. Catanach:

Devon Energy Production Company, LP requests approval for off lease storage and measurement of hydrocarbon production from the Simpson 15A #1 well located on the Simpson Lease at 330' FNL 330' FEL Section 15-18S-26E. The battery for storage and measurement is located on the existing Atoka San Andres Unit #162 well site located at 375' FNL 330' FWL Section 14, Township 18 South, Range 26 East.

Exhibit I is a schematic, which shows the current temporary equipment setup that will be utilized until the battery is completed. After the battery is completed, production will go to the permanent equipment displayed in Exhibit II. A map (Exhibit III) is enclosed that shows the location of the well, battery, and the boundaries of both leases.

Devon Energy Production Company, LP has 100% WI in the referenced well.

The reason for the proposed off lease storage and measurement is that no surface location agreement for the battery could be reached with the surface owner on the Simpson lease.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Please contact me at 405-552-8152 should you have any questions.

Sincerely,

Mr. David Catanach

Devon Energy Production Company, LP

Marcos Ortiz
Operations Engineer

Enclosure

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, 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 June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

2007 MAY 11 AM 9 46

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 Company, L.P.

OPERATOR ADDRESS: 20 North Broadway, Oklahoma City, Oklahoma 73102-8260

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

(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:  TITLE: Sr. Staff Engineering Technician DATE: May 9, 2007

TYPE OR PRINT NAME: Norvella Adams TELEPHONE NO.: 405-552-8198

E-MAIL ADDRESS: norvella.adams@dvn.com

Submit 3 Copies To Appropriate District Office
District I
1625 N. Franklin Ave., Hobbs, NM 88240
District II
1301 W. 1st Ave., Artesia, NM 88210
District III
1000 Rio Pecos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-35095
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Simpson 15 A
8. Well Number 1
9. OGRID Number 6137
10. Pool name or Wildcat Red Lake; Glorieta-Yeso; NE

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Devon Energy Production Company, LP	
3. Address of Operator 20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-8198	
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line Section <u>15</u> Township <u>18S</u> Range <u>26E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3327' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Drilling Operations <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

3/05/07 MIRU. Spud well.

3/06/07 TD 12 1/4" hole at 880'. Ran in with 80 joints, 8 5/8", 24#, J-55, ST&C casing and set at 880'. Cement lead with 440 sacks 35:65 Class C and tail with 200 sacks Class C. WOC 21 1/2" hours.

3/07/07 Test BOP and choke to 1000 psi - ok. Test casing to 600 psi - ok.

3/14/07 TD 7 7/8" hole at 3505'.

3/15/07 Ran in with 83 joints of 5 1/2", 15.5#, J-55, LT&C casing. Cement with 200 sacks of 35:65 Class C, tail with 360 sacks 60:40 Class C. Release rig.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Norvella Adams TITLE Sr. Staff Engineering Technician DATE 3/26/07

Type or print name Norvella Adams E-mail address: norvella.adams@devon.com Telephone No. (405) 552-8198
For State Use Only

APPROVED BY: _____ TITLE _____ DATE MAR 30 2007
Conditions of Approval (if any):

FOR RECORDS ONLY



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Meg Muhlinghouse
Land Advisor

Phone: (405) 228-4416
Fax: (405) 552-8113

April 26, 2007


Mr. David Catanach
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: Simpson 15A #1 well
330' FNL & 330' FEL
Section 15, T-18-S, R-26-E
Eddy County, New Mexico

Mr. Catanach:

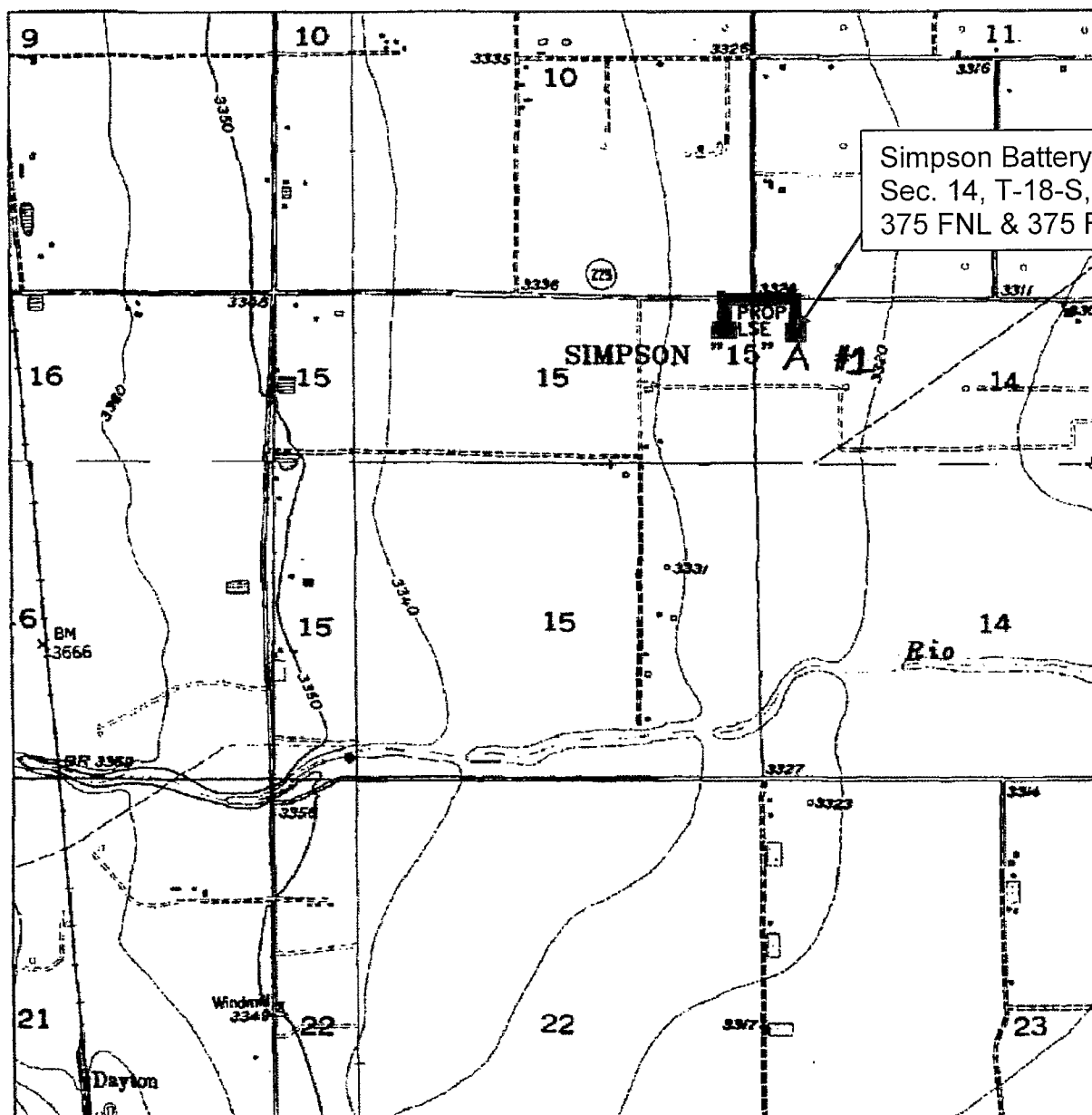
Upon review of the title information in Devon's records, please be advised that the working interest ownership in Devon's captioned well is identical to the ownership in Devon's Atoka San Andres Unit #162 well located 175' FNL & 375' FWL in Section 14, T-18-S, R-26-E, Eddy County, NM. This statement is true for the Red Lake Glorieta-Yeso Pool. Should you have any questions or need anything additional, please advise.

Sincerely,



Meg Muhlinghouse
Land Advisor

* ALL Leases are Fee Leases.

**SIMPSON "15" A #1**

Located at 330' FNL AND 330' FEL
 Section 15, Township 18 South, Range 26 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 6498AA - JMS

Survey Date: 04-17-2006

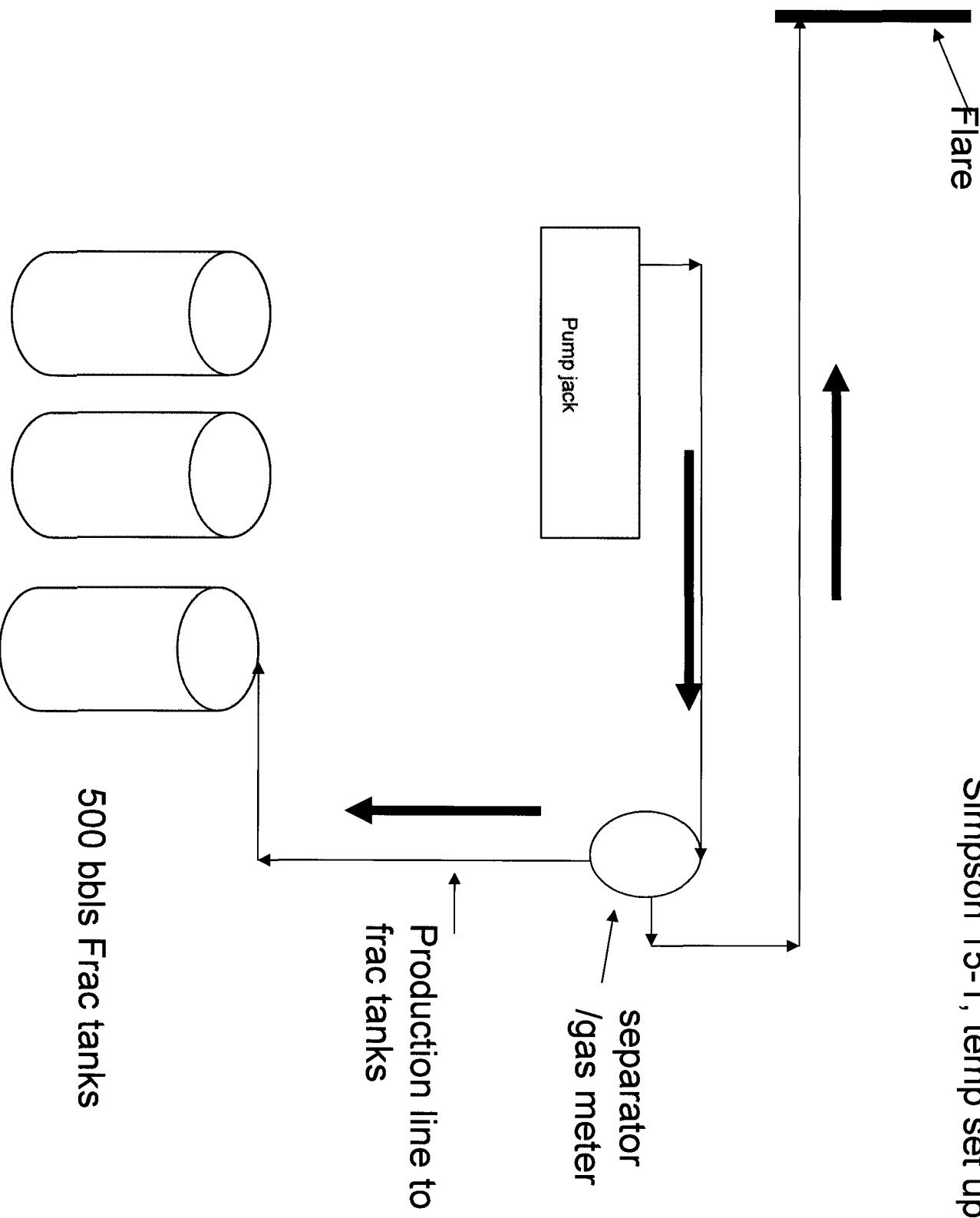
Scale: 1" = 2000'

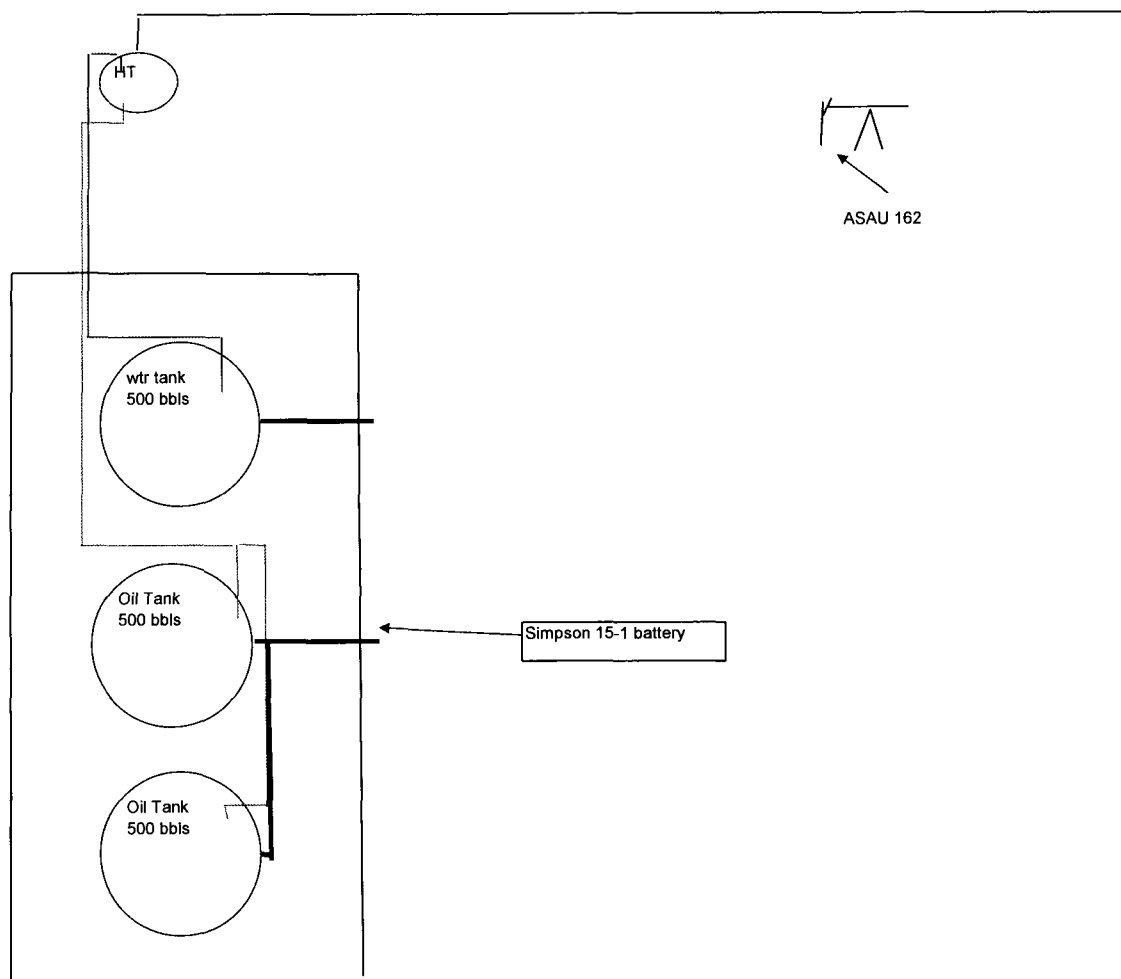
Date: 04-19-2006

DEVON ENERGY
PROD. CO., L.P.

Flare

Simpson 15-1, temp set up





==