

DATE IN 3.11.11	SUSPENSE	ENGINEER RE	LOGGED IN 3.11.11	TYPE OLM	APP NO. 1107055717
-----------------	----------	-------------	-------------------	----------	--------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Devon
NANA 30 Fed 1H, 2H, 3

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-39365

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

30-015-39579

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 _____ Off-Lease Gas Sales _____

[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

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

[4] **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.

Melanie Crawford
Print or Type Name

Signature

Melanie Crawford

Regulatory Analyst
Title

Date

1-17-2011

Melanie.Crawford@dmv.com
e-mail Address

OLM-45

RECEIVED OOD
2011 MAR 11 A 11:04

Fed
Lea


devon

RECEIVED OCD

2011 MAR 11 A 11:04

Devon Energy Production Company
20 North Broadway - CT 3.058
Oklahoma City, Oklahoma 73102-8260
Phone: (405)-552-4524
Fax (405)-552-1358
Melanie.Crawford@dev.com

January 17, 2011

Mr. Richard Ezeanyim
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: CTB, Off Lease Gas Measurement and Sales Approval
Nana 30 Federal 1H, Nana 30 Federal 2H, Nana 30 Federal 3
API # 30-015-39365, 30-015-39579 & 30-015-39580
Sec 30-T18S-R32E
Lease NMNM-98189
Lusk; Bone Spring, North - Pool Code: 41450
Lea County, New Mexico

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent for Off-Lease Gas Measurement & Sales. The working interest, royalty interest and overriding royalty interest owners in both leases are uniform; no further notification is required.

BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Melanie Crawford
Regulatory Analyst

Enclosures

OPERATOR'S COPY

Form 3160-5
(February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon Energy Production Co., LP

3a. Address
20 North Broadway
OKC, OK 73102

3b. Phone No. (include area code)
(405) 552-4524

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

See Below

5. Lease Serial No.

NM-98189

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

See Below

9. API Well No.

See Below

10. Field and Pool or Exploratory Area

41450 – Lusk; Bone Spring, North

11. Country or Parish, State

Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other CTB, Off-Lease Gas
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Measurement & Sales
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Co., LLP respectfully requests approval for Off-Lease Gas Measurement & Sales for the following wells:

Nana 30 Federal 1H	API: 30-025-39365	Sec 30-T18S-R32E
Nana 30 Federal 2H	API: 30-025-39579	Sec 30-T18S-R32E
Nana 30 Federal 3	API: 30-025-39580	Sec 30-T18S-R32E

A Central Tank Battery will be located at the Nana 30 Federal 3 location. The Well Test Method will be used to allocate production back to the wells (see attached facility diagram). A common DCP Gas Sales Meter # 726113-00 will be used for the wells and is located approximately 1 mile south of the Nana wells in Section 31-T18S-R32E. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes. Waste is not induced and no correlative rights are impaired.

ROW will or has already been obtained.

The working interest, royalty interest and overriding royalty interest owners in the lease are unformed; no additional notification is required.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Melanie Crawford

Title Regulatory Analyst

Signature

Melanie Crawford

Date

January 17, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

J.D. Little

Title

LPE 7

Date

2/27/11

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

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.

(Instructions on page 2)

APPLICATION FOR CTB, OFF-LEASE GAS MEASUREMENT AND SALES APPROVAL

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

CTB, Off-Lease Gas Measurement & Sales proposal for Nana:

Devon Energy Production Company, LP is requesting approval for CTB, Off-Lease Gas Measurement & Sales from the Lusk; Bone Springs, North (41450) from the following wells:

Federal Lease NM-98189

Well Name	Location	API #	Pool 41450	MCFPD	BTU
Nana 30 Federal 1H	Sec 30-T18S-R32E	30-015-39365	Lusk; Bone Spring, North	139.53	1320
Nana 30 Federal 2H	Sec 30-T18S-R32E	30-015-39579	Lusk; Bone Spring, North	682.61	1320
Nana 30 Federal 3	Sec 30-T18S-R32E	30-015-39580	Lusk; Bone Spring, North	85.86	1320

* The BTU's for the Nana wells is an Average Composite Sample

A map is enclosed showing the Federal leases and well locations in Section 30-T18S-R32E. The ownership in the Nana leases is uniformed; no additional notification is required.

Gas metering:

The gas hydrocarbon production from the Nana wells will be the only hydrocarbon being commingled, measured and sold off-lease. A common DCP Gas Sales Meter # 726113-00 is located approximately 1 mile south of the Nana wells in Section 31-T18S-R32E. The Nana wells will have no check meters, but will be allocated by the Well Test Method. There will be a Central Tank Battery that will be utilized and it is located at the Nana 30 Federal 3 location in Section 30-T18S-R32E on Federal Lease NM-98189 in Lea County, New Mexico.

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas and water. Well tests for each well will be conducted at least once per month.

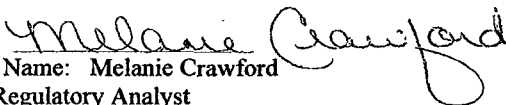
The BLM's interest in all three wells is the same. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOC and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

Please see attached diagram for the proposed Nana 30 Federal 3 Central Tank Battery. The flow of produced fluids is shown in detail, along with a description of each vessel.

The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

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. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOC section in your office, if we have not already done so.

Signed: 
Printed Name: Melanie Crawford
Title: Regulatory Analyst
Date: 1-17-2011



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

Jim Ball, Land Advisor
Jim.Ball@dvn.com
405-552-3384
FAX 405-552-8113

December 7, 2010

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

RE: Nana 30 Fed 1H
Nana 30 Fed 2H
Nana 30 Fed 3
Section 30-18S-32E
Lea County, New Mexico

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L. P. regarding the ownership of the referenced wells and the associated oil and gas lease and find that the ownership of the working interest, royalty and overriding royalty interest are uniform with respect to Devon's application for Off-Lease Gas Measurement & Sales pertaining to the following wells:

Nana 30 Fed 1H, API #30-025-39365, State of New Mexico Lease NM 98189
Nana 30 Fed 2H, API #30-025-39579, State of New Mexico Lease NM 98189
Nana 30 Fed 3, API #30-025-39580, State of New Mexico Lease NM 98189

If there are any questions, or if additional information is required, please contact me.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to be "J. Ball", enclosed within a large, loopy oval scribble.

Jim Ball
Land Advisor

devon

Nana Wells Lea County, NM

24

19

20

25

30

29

18S - 31E
EDDY

18S - 32E

NANA 30 FED 3

NANA 30 FED 2H

NANA 30 FED 1H

LEA

NM-98189

36

31

32

12/7/2010

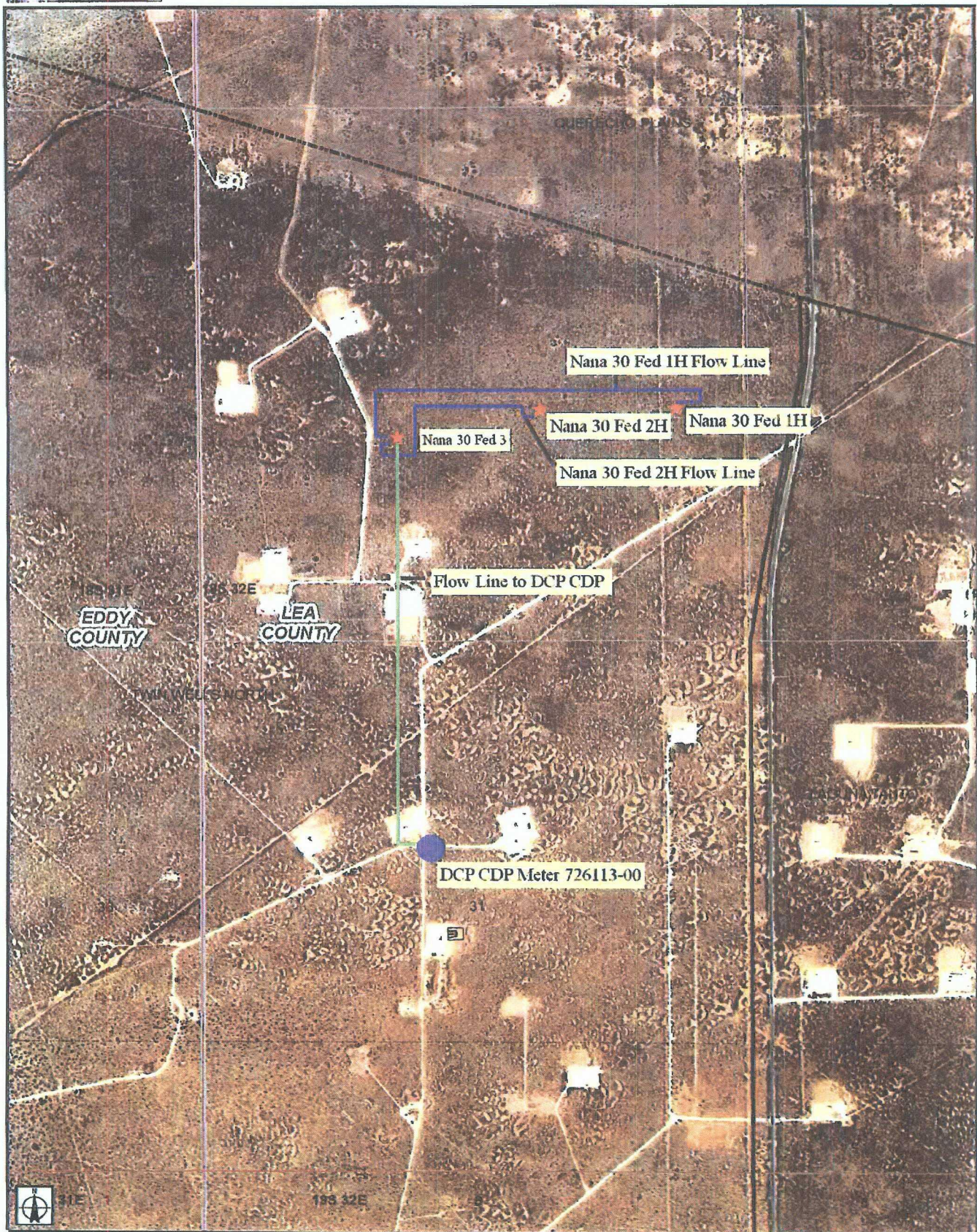
Legend

- COUNTIES
- TOWNSHIPS
- SECTIONS
- Devon Leases
- Devon Minerals

19S - 32E

6

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.



Nana 30 federal #3
 Section 30,T18S,R32E
 2040FSL&1980FWL
 Lea County, N.M
 API# N/A

Production System: Open

1) Oil sales by tank gauge to tank truck.
 2) Seal requirements:

A. Production Phase: On all Tanks.

(1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed.

(2) Valve 3 sealed closed.

(3) Valve 4 sealed closed.

(4) Valve 5 sealed closed.

(5) Misc. Valves: Plugged or otherwise unaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

Valve #1: Production Line

Valve #2: Test or Roll line

Valve #3: Equillizer Line

Valve #4: Circ./Drain Line

Valve #5: Sales Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

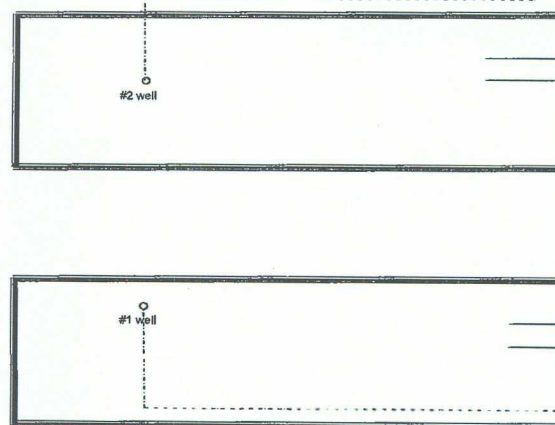
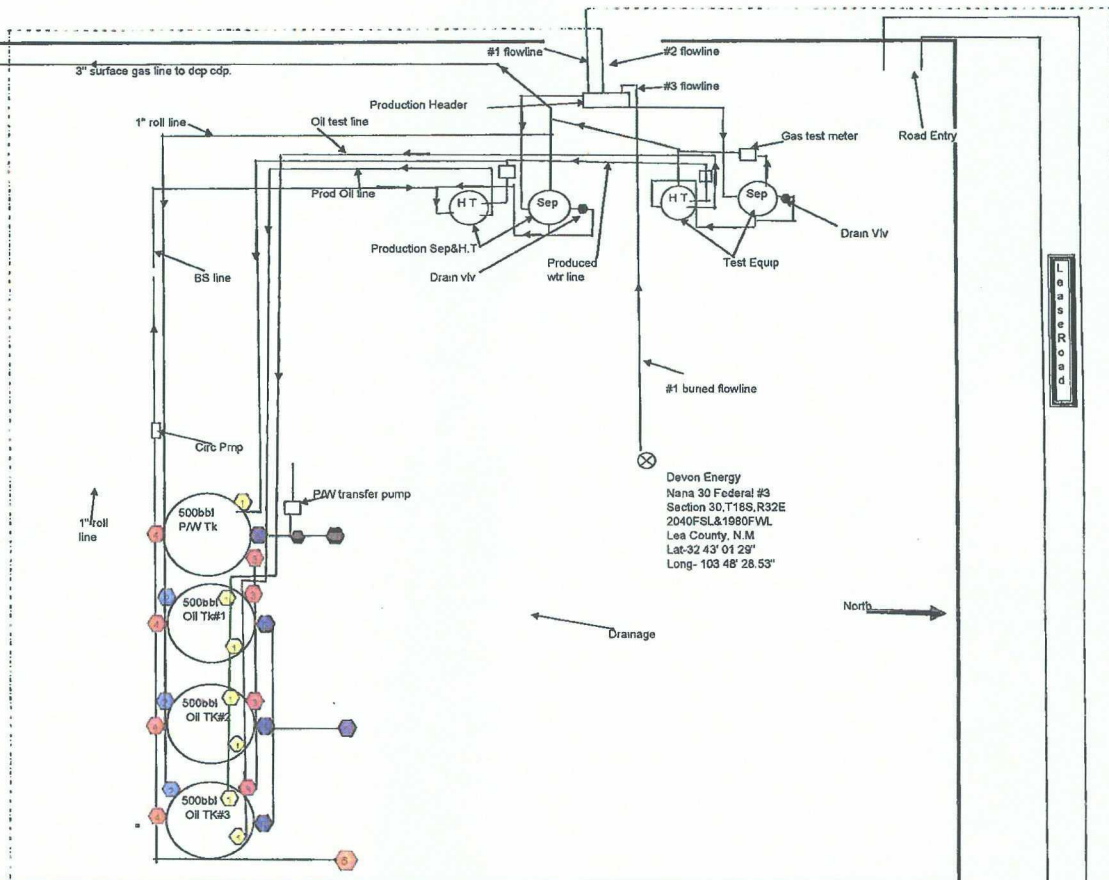
Wellhead:

Stak-pak:

Production line:

Water line:

Gas Meter



Monthly Meter Analysis

DCP Midstream LLC

December, 2010

726113-00 Nana 30 Fed #3

Component	Mole %	GPMs	Mass %	Property	Total Sample	C6 Plus Fraction
Carbon Dioxide, CO2	0.8780		1.7004	Pressure Base	14.730	
Nitrogen, N2	2.0760		2.5592	Temperature Base	60.00	
Methane, C1	74.6027		52.6658	HCDP @ Sample Pressure		
Ethane, C2	10.8381	2.9097	14.3408	Cricondentherm		
Propane, C3	5.9621	1.6489	11.5689	HV, Dry @ Base P, T	1320.62	
iso-Butane, iC4	0.7890	0.2592	2.0180	HV, Sat @ Base P, T	1297.51	
n-Butane, nC4	2.2310	0.7061	5.7062	HV, Sat @ Sample P, T		
iso-Pentane, iC5	0.6460	0.2372	2.0510	Relative Density	0.7875	
n-Pentane, nC5	0.7610	0.2769	2.4161	Fws Factor		
Hexanes Plus, C6+	1.2110	0.5305	4.9661	Free Water GPM		
Water, H2O	0.0000		0.0000	Stock Tank Condensate Brls/mm		
Hydrogen Sulfide, H2S	0.0050		0.0075	26 # RVP Gasoline	1.591	
Oxygen, O2	0.0000		0.0000	Testcar Permian	1.212	
Carbon Monoxide, CO	0.0000		0.0000	Testcar Panhandle	1.046	
Hydrogen, H2	0.0000		0.0000	Testcar Midcon	0.876	
Helium, He	0.0000		0.0000			
Argon, Ar	0.0000		0.0000			
Totals	99.9999	6.5685	100.0000			

Sample

Date: 11/15/2010

Pressure:

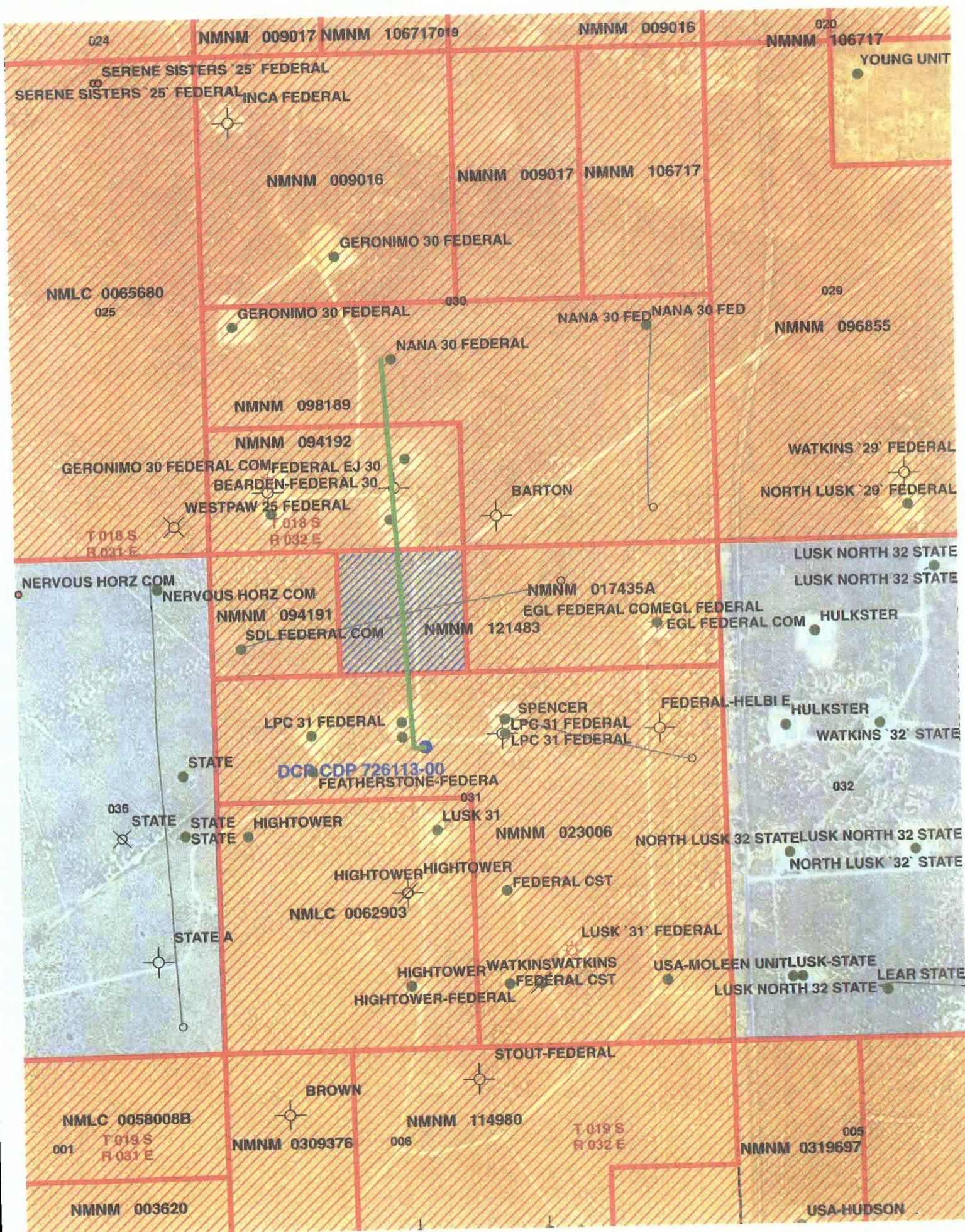
Type: Spot

Temperature:

*** End of Report ***

OFF LEASE PRODUCTION - LEA COUNTY

	08/01/10	09/01/10	10/01/10	11/01/10	12/01/10	01/01/11
Well Name	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas	Sum Est Gas
Nana 30 Federal 1H	3,289.19	6,345.98	6,578.95	6,100.45	4,445.17	1,268.59
Nana 30 Federal 2H	0.	0.	0.	0.	10,280.17	6,212.74
Nana 30 Federal 3	3,105.82	3,238.29	2,979.6	2,488.6	2,469.86	780.66



**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease Measurement

Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.