

DATE IN <u>4/14/11</u>	SUSPENSE	ENGINEER <u>RE</u>	LOGGED IN <u>4/14/11</u>	TYPE <u>OLM</u>	APP NO. <u>1105358530</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Devon 6137

Pacheco Fed #8

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-35774

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 _____ Off Lease Gas Sales _____

*Gas
Eldy
Fed*

[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

Angel Ranch (70310)

[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

Melanie Crawford

Signature

Regulatory Analyst

Title

1-7-11

Date

Melanie.Crawford@dmv.com
 e-mail Address

OLM-46



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@devon.com

December 28, 2010

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

**Re: Off-Lease Gas Measurement & Sales Approval
Pacheco 31 Federal Com 8
API # 30-015-35774
Sec 31-T19S-R28E
Lease: NMNM-25869 CA: NM-072652
Angel Ranch; Atoka Morrow (gas) - Pool Code: 70310
Eddy 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 additional 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.

A handwritten signature in black ink that reads "Melanie Crawford". The signature is written in a cursive, flowing style.

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.**

5. Lease Serial No.
NM-25869

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.
CA: NM-072652

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Pacheco 31 Federal Com 8

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

9. API Well No.
30-015-35774

3a. Address
20 North Broadway
OKC, OK 73102

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

10. Field and Pool or Exploratory Area
70310 Angel Ranch; Atoka Morrow (Gas)

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

SSWSW 860' FSL & 980' FWL Section 31-T19S-R28E

11. Country or Parish, State
Eddy 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 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 recompleat 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 recompleat 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 permission for Off-Lease Gas Measurement & Sales for the Pacheco 31 Federal Com 8. Produced gas flows through a 3-Phase Separator before going to Devon Check Meter 885-12099 on location and then flows to the DCP CDP Gas Sales Meter 724917-00 located approximately 1.5 miles east in the NE SW of section 22 T23S R26E, Eddy County, New Mexico. No other wells are connected to the gas line and reported gas volumes are the CDP sales meter volumes. These volumes are compared against the check meter volumes.

The Off Lease Gas Measurement & Sales is due to the Operator installed gathering systems. 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 is 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

1-7-2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

J. P. V. Hittler

Title

LPE7

Date

2/10/11

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

CEO

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.

(Insert date on page 2)



Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102-8260

Janelle Miller
405-228-8421
Fax 405 - 552-8113

December 29, 2010

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87502-0115

Re: Off Lease Gas Measurement and Sales
Pacheco 31 Federal Com 8, API 30-015-35774
860' FSL & 980' FWL, Section 31-19S-28E, Eddy Co., NM

Gentlemen:

I have reviewed the files of Devon Energy Production Company, L.P. regarding the ownership of the referenced well and find that the ownership of working interest, royalty and overriding royalty interest are uniform in the entire W/2 of Section 31-19S-28E, Eddy County, NM for the following pools/intervals:

Angel Ranch, Atoka and Morrow (GAS) - Pool #70310 ✓

You may contact the undersigned with any questions or comments.

Sincerely,
Devon Energy Production Company, L.P.

A handwritten signature in cursive script that reads "Janelle Miller".

Janelle Miller
Sr. Land Technician
405-228-8421 / janelle.miller@dvn.com

25

30

29

Eddy County, NM

19S 27E

USA NM 4986

19S 28E

Enterprise CDP

36

31

32

USA NM 25869

Pacheco 31 Fed Com 8

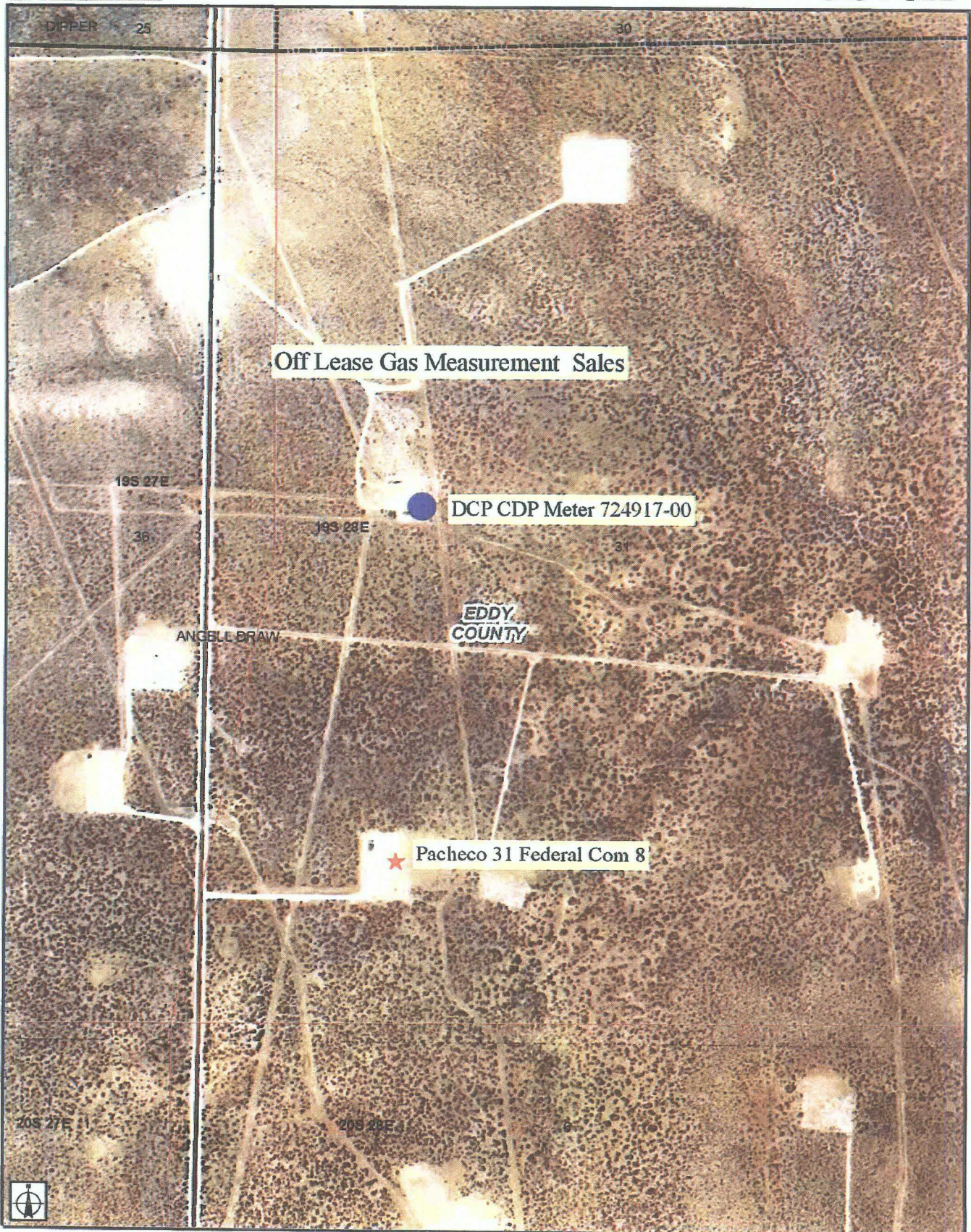
1

6

20S 27E

20S 28E

5



Devon Energy Corp
Pacheco 31 Fed Com 8
SW/4 S31 T19S R28E
Eddy County, NM

Production System: Closed

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.

Legend for Site Diagram

Valve #1: Production Line

Valve #2: Test or Roll line

Valve #3: Circ./Drain Line

Valve #4: Equilizer Line

Valve #5: Sies Line

Valve #6: BS&W Load Line

Buried Lines:

Firewall:

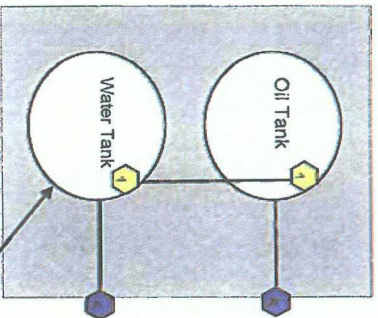
Wellhead:

Stak-pak:

Production line:

Water line:

Gas Meter



Dump line

Pacheco 31 Fed Com 8
Wellhead

Flowline

3-phase separator

Gas line

Gas line to DCP CDP 724917-00

Devon Check Meter
885-12099

C

A

C

**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.