NM OIL CONSERVATION

ARTESIA DISTRICT

MAR 2 4 2016

RECEIVED

<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 District II 81! S. First St., 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

Form C-129 Revised August 1, 2011

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate District Office

NFO Permit No. (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)		
A.	Applicant Devon Energy Pro	duction Company, LP
	whose address is333 West Sheridan Avenue, OKC, OK 73102,	
	hereby requests an exception to Rule 19.15.	18.12 for 90 days or until
	411/20 KbA, Yr, for the	ne following described tank battery (or LACT):
	Name of Lease Emerald PWU 20-1H Name of Pool (55510) Scanlon Draw; Bone Spring	
	Location of Battery: Unit Letter D Secti	on <u>20</u> Township <u>19S</u> Range <u>29E</u>
	Number of wells producing into battery 9 wells -Emerald PWU 20 - 1H (30-015-38338), 2H (30-015-38421, 3H (30-015-39365, 4H (30-015-40037), 7H (30-015-40587), 8H (30-015-40513), 9H(30-015-42946), 10H (30-015-43322), & 66H (30-015-43322).	
В.	Based upon oil production ofbarrels per day, the estimated * volume	
	of gas to be flared is 4.2 MCF; Valu	eper day.
C.	Name and location of nearest gas gathering facility: <u>Currently tied into DCP Midstream</u>	
D.	Distance Estimated	cost of connection
E.	This exception is requested for the following reasons: Devon requesting flare because DCP has safety issues on a	
	sales line. We are requesting 90 days starting 03.03.16 to 06.01.16. (Verbal with Randy Dade 03.03.16)	
OPERATOR I hereby certify that the rules and regulations of the Oil Conservation		OIL CONSERVATION DIVISION
Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		Approved Until June 1, 2014
Signature Enu Workmen		By Unglia Poistamante RANDE
Printed Name		Title
& Title Frin Workman, Regulatory Compliance Prof.		13/1/2011
E-mail Address <u>Frin.workman@dyn.com</u>		* Please) attached C.O.A.'s
Date 03.23.16	Telephone No. (405) 552-7970	* Mease uttached count,s

Gas-Oil ratio test may be required to verify estimated gas volume.

NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- 2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- 3. Flared volumes of gas are to be metered & reported.
- **4.** Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- 5. Flares WILL NOT be left unattended.
- 6. No flaring operations to be conducted during red-flag days. http://www.gacc.nifc.gov/swcc (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- **8.** Permit may be rescinded at any time by NMOCD.
- **9.** If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
- 10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here AB

DATE: 3/2016

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David Catanach
Division Director
Oil Conservation Division



FOR IMMEDIATE RELEASE

Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 460 fires have burned 25,475 acres on state and private land in calendar year 2012.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures could also be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to www.nmforestry.com for updates or call your local district office.

New Mexico State Forestry offers the following guidelines for establishing effective defensible space:

- Create a "Lean, Clean and Green" firebreak area by removing flammable vegetation and growth
 within 30 feet of each structure. Single trees and shrubs may be retained if they are well
 spaced, pruned and placed so they avoid the spread of fire. Maintain an irrigation system for
 any vegetation near structures.
- Keep grass and weeds mowed.
- Prune lower tree limbs to at least 6 feet up to 15 feet (or lower 1/3 of branches on smaller trees).
- Remove vegetation and debris around propane tanks.

For the latest fire weather information please visit USDA Forest Service website: http://activefiremaps.fs.fed.us/current.php

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



NOTICE TO OPERATORS

The Oil Conservation Division ("OCD") has been tasked to study flaring and develop a gas capture plan by the end of the year with the ultimate goal to reduce natural gas emissions.

Current OCD reporting has no specific method to differentiate flared and vented volumes reported on C-115 reports. This prevents the OCD from having quantifiable flaring data per Rule 19.15.18.12.F NMAC.

Therefore, to collect flaring volumes and differentiate actual vented volumes going forward, NMOCD will implement a new "Non-Transported Disposition" Code (for gas) to be reported on the C-115 reports. The new code will be "F" for Flared. The new code "F" is to be used to report the volume of gas that is flared on a well basis, or total volume if flared at a common battery or gathering system and reported under one point of disposition. Operators must report vented and flared volumes separately to their respective "Non Transported Disposition" code ("V" for vented and "F" for flared).

The change will become effective for the November 2015 production month with reporting due by January 15, 2016.

The NMOCD will be conducting operator outreach training sessions in the Southeast and Northwest to provide information and answer questions regarding the process.

Meeting notices will be posted on NMOCD website at: http://www.emnrd.state.nm.us/OCD/announcements.html

The C-115 instructions are available on NMOCD website at: http://www.emnrd.state.nm.us/OCD/documents/eC115 FullInstructions.pdf

RULES

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of Subsection A of 19.15.18.12 NMAC, the operator shall burn all gas produced and not used, and report the estimated volume on form C-115.

Thank you for your assistance in this matter. If you have any questions please contact the appropriate OCD District Office.

Sincerely,

David R. Catanach

Director, Oil Conservation Division

Submit 1 Copy To Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources Revised August 1, 2011 <u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240 WELL API NO. 30-025-42946 30-015-426 District II - (575) 748-1283 OIL CONSERVATION DIVISION 811 S. First St., Artesia, NM 88210 5. Indicate Type of Lease District III - (505) 334-6178 1220 South St. Francis Dr. STATE 🛛 FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe. NM 87505 6. State Oil & Gas Lease No. District IV -- (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILLOR TO DEEPENOR PLUGBACK TO A 7. Lease Name or Unit Agreement Name Emerald PWU 20 DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other 2. Name of Operator 9. OGRID Number Devon Energy Production Company, L.P. 3. Address of Operator 10. Pool name or Wildcat 333 W. Sheridan Avenue, Oklahoma City, Oklahoma 73102 (405) 552-7970 55510 Scanlon Draw; Bone Spring 4. Well Location Unit Letter ___ D : __ 940 __ feet from the __ North __ line and __ 195 ___ feet from the 20 Range 29E NMPM Section Township 19S Eddy, County New Mexico 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3347.6 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLINGOPNS. P AND A MULTIPLE COMPL \Box PULL OR ALTER CASING CASING/CEMENT JOB DOWNHOLF COMMINGLE \boxtimes OTHER: Flare Extension OTHER: 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. Devon Energy Production Company, LP respectfully requests to amend the approved flare extension submitted on 03.03.16 for the Emerald PWU 20 - 9H (30-015-42946), 10H (30-015-43322), & 66H (30-015-43322), we need to add all the wells producing to the Emerald PWU 20 Fed 1H Battery, this would add the Emerald PWU 20 State 1H (30-015-38338), 2H (30-015-38421), 3H (30-015-39365), 4H (30-015-40037), 7H, (30-015-40587), & 8H (30-015-40513) Flare extension requested because DCP has safety issues on a sales line. We are requesting 90 days starting 03.03.16 to 06.01.16. Attached: C-129 NM OIL CONSERVATION ARTESIA DISTRICT Thank you! MAR 2 4 2016 I hereby certify that the information above is true and complete to the best of my knowledge and belief. RECEIVED Frie Worken TITLE Regulatory Compliance Professional E-mail address: Erin.workman@dvn.com PHONE: (405) 552-7970 Erin Workman Type or print name _ For State Use Only TITLE TAISINESS UP. 50

APPROVED BY:

Conditions of Approval (if any):