

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTCarlsbad Field Office  
OCD ArtesiaFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0503
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 333 WEST SHERIDAN AVENUE OKLAHOMA, OK 73102		7. If Unit or CA/Agreement, Name and/or No. NMNM136260
3b. Phone No. (include area code) Ph: 405-552-7970		8. Well Name and No. BELGIAN 15 FED COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T25S R31E SWSE 14FSL 1610FEL		9. API Well No. 30-015-43187-00-S1
		10. Field and Pool or Exploratory Area UNKNOWN WILDCAT
		11. County 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"/> Hydraulic Fracturing <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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon Onshore Order Variance
	<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 recomplete 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 recompletion 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.

Per NOWO 18JH211W received from Jim Hughes on 01/18/2018. Devon Energy Production Company, LP respectfully requests permission to install a Vapor Combustor Unit (VCU) at the Belgian Shire BS CTB. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. Devon Energy understands that the following conditions apply:

1. Devon Energy Prod. Co., LP may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
2. Devon Energy Prod. Co., LP will comply with 43 CFR 3179 requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered ?unavoidably lost?, therefore, no royalty obligation shall be accrued and will not be required to be reported.

RECEIVED

MAY 31 2018

GC 6-4-18  
Accepted for record - NMOCD

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #421331 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION COMPANY LP, sent to the Carlsbad Committed to AFMSS for processing by DUNCAN WHITLOCK on 05/24/2018 (18DW0155SE)	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 05/24/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LEAD PET</u>	Date <u>05/24/2018</u>
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 <u>Carlsbad</u>

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)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

## **Additional data for EC transaction #421331 that would not fit on the form**

### **32. Additional remarks, continued**

a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.

4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and volumes need to be reported on OGOR "B" reports as disposition code "33"

5. Per 43 CFR 3162.7 (d)/Onshore Order NO 3.III.I.1 site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

7. Subject to like approval from NMOCD.

#### **Attachments:**

\*Site Security Diagram of current tank battery, as well as the location of the VCU and the manifold line connecting the tanks to the VCU.

\*See attached vent gas rates, which is the Hysis model output used as the basis for our assertion that combusted tank gas is less than 50 MCFD at the Belgian Shire CTB. That facility is a second bone springs battery with production rates less than 300 bbl/d putting flash volumes comfortably below 50 CMFD.

\*Specification sheets for the VCU.

**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**CONDITIONS OF APPROVAL TO INSTALL  
VAPOR COMBUSTOR UNIT (VCU)**

1. These conditions of approval are for installation of a VCU on low-pressure oil storage tank facilities. This approval is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceeds the value of the gas over the life of the facility. The operator may be required to provide economic justification to the Authorized Officer upon request. The operator may be required to provide volume verification to the Authorized Officer upon request.
2. Comply with 43 CFR 3179 requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered "unavoidably lost", therefore, no royalty obligation shall be accrued and will not be required to be reported.
  - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low-pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and volumes need to be reported on OGOR "B" reports as disposition code "33".
5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.I.1, site facility diagram must be submitted within 60 days of equipment installation.
6. This approval does not authorize any additional surface disturbance.
7. Subject to like approval from NMOCD.