

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 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

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

Form C-129  
Revised August 1, 2011

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 Production Company, LP  
whose address is 333 West Sheridan Avenue, OKC, OK 73102  
hereby requests an exception to Rule 19.15.18.12 for 90 days or until  
N/A, Yr       , for the following described tank battery (or LACT):  
Name of Lease NMNM0503, Name of Pool (96757) Cotton Draw, Delaware South  
Location of Battery: Unit Letter A Section 10 Township 25S Range 31E  
Number of wells producing into battery 4 Wells: Cotton Draw 10 Fed Com 1H (30-015-39229), Cotton Draw 10 Fed Com 2H (30-015-39230), Cotton Draw 10 Fed Com 3H (30-015-42126), Cotton Draw 10 Fed Com 4H (30-015-42127)
- B. Based upon oil production of 324 barrels per day, the estimated \* volume  
of gas to be flared is 1919 MCF; Value                      per day.
- C. Name and location of nearest gas gathering facility: Currently tied into DCP Midstream
- D. Distance                      Estimated cost of connection
- E. This exception is requested for the following reasons:

Devon requesting flare due to upcoming Zia Maintenance on Tuesday March 22nd. Received verbal from Charles Nimmer (BLM) on 03.21.16. We are requesting a flare extension for 90 days, starting March 21, 2016 to June 20, 2016.

<b>OPERATOR</b> I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature <u>Linda Good</u> Printed Name & Title <u>Linda Good, Regulatory Compliance Spec.</u> E-mail Address <u>linda.good@dvn.com</u> Date <u>03.22.16</u> Telephone No. <u>(405) 552-6558</u>	<b>OIL CONSERVATION DIVISION</b> Approved Until <u>6/20/16</u> By <u>Accepted for record</u> Title <u>NMDCS AB</u> Date <u>4/14/16</u>
--	--

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

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

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

### **Condition of Approval to Flare Gas**

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

**Definition:** As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

**43CFR3162.7-1 (a)** The operator shall put into marketable condition, if economically feasible; all oil, other hydrocarbons, gas and sulphur produced from the leased land.

**43CFR3162.1 (a)** The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**NMOC**  
**Artesia**

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**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 reverse side.**

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 CO Contact: LINDA GOOD Email: linda.good@dvn.com		6. If Indian, Allottee or Tribe Name
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-6558	7. If Unit or CA/Agreement, Name and/or No. NMNM128657
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T25S R31E NENE 330FNL 660FEL 32.152267 N Lat, 103.757231 W Lon		8. Well Name and No. COTTON DRAW 10 FED COM 2H
		9. API Well No. 30-015-39230-00-S1
		10. Field and Pool, or Exploratory COTTON DRAW
		11. County or Parish, and State EDDY COUNTY, NM

**12. CHECK 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 checked="" type="checkbox"/> Other Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 Company, LP respectfully requests to flare the Cotton Draw Unit 158H Battery. We are requesting a flare extension for 90 days, starting March 21, 2016 to June 20, 2016. Flare is needed Due to upcoming Zia Maintenance on Tuesday March 22nd. Received verbal from Charles Nimmer on 03.21.16.

**NM OIL CONSERVATION**

BOPD: 324  
MCFPD: 1919

**SEE ATTACHED FOR ARTESIA DISTRICT  
CONDITIONS OF APPROVAL**

The following wells contribute to the total flared volume:

- Cotton Draw 10 Fed Com 1H (30-015-39229) ✓
- Cotton Draw 10 Fed Com 2H (30-015-39230) ✓

Accepted for record  
NIMCOD A111111  
**RECEIVED**

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

**Electronic Submission #334362 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/28/2016 (16PP0720SE)**

Name (Printed/Typed) LINDA GOOD	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 03/22/2016

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

Approved By	Title	Date
	APR 8 2016	
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	

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.

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

**Additional data for EC transaction #334362 that would not fit on the form**

**32. Additional remarks, continued**

Cotton Draw 10 Fed Com 3H (30-015-42126) ✓  
Cotton Draw 10 Fed Com 4H (30-015-42127) ✓

Attachment: C-129

---