OCD-HOBBS

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM100569

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
MEAN GREEN 27 FED 1

2. Name of Operator
DEVON ENERGY PRODUCTION CO.,LP
Contact: ERIN WORKMAN
E-Mail: ERIN.WORKMAN@DVN.COM

9. API Well No.
30-025-41433

3a. Address
333 WEST SHERIDAN AVENUE
OKC, OK 73102

3b. Phone No. (include area code)
Ph: 405-552-7970

HOBBS OCD

10. Field and Pool, or Exploratory
WC 025 G-06 S263422P; DEL

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 22 T26S R34E 100FSL 480FEL

SEP 12 2014

RECEIVED

11. County or Parish, and State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Surface Commingling
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 an approval for a Central Tank Battery, Pool Commingle for the following wells

Mean Green 27 Fed 1
SESE, Sec. 22, T26S, 34E
30-025-41433
WC 025 G-06 S263422P; Delaware
NMNM100569

Mean Green 26 Fed 1H
NENE, Sec. 26, T26S, 34E
30-025-41246

SEE ATTACHED FOR CONDITIONS OF APPROVAL

PLC-402

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

Electronic Submission #254080 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO.,LP, sent to the Hobbs

Name *(Printed/Typed)* ERIN WORKMAN — Title REGULATORY COMPLIANCE PROF

Signature (Electronic Submission) — Date 07/22/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By J. W. Whitlock — Title EPS — Date 9/8/14

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #254080 that would not fit on the form

32. Additional remarks, continued

Jabaline; Delaware, SW
NMNM100568

Mean Green 22 Fed 1H
SESE, Sec. 22, T26S, 34E
30-025-41434
WC 025 G-06 S263422P; Delaware
NMNM112941

The central tank battery is located on the Mean Green 27 Fed 1H location in Sec 22, T26S, R34E. The production from each well will flow through it?s own three phase separator with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production. The Mean Green 27 Fed 1 Battery will have six oil tanks that these three wells will utilize and they have a common SUG Central Delivery Point (Number provided upon receipt) which is on location in Sec. 14, T26S, R34E in Lea County, NM. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual test separator/heater treaters for each well at the proposed facility.

ROW has or will be obtained. Working, royalty, and overriding interest owners are identical so no further notification is necessary.

APPLICATION FOR CENTRAL TANK BATTERY, POOL COMMINGLE, OFF LEASE MEASUREMENT, SALES, & STORAGE

Proposal for Mean Green Wells:
Devon Energy Production Company, LP is requesting approval for the Central Tank Battery, Pool Commingle, Off-lease Measurement, Sales, & Storage for the following wells:

Federal Lease NMNM112941 (12.5% Royalty Rate)							
Well Name	**Location**	**API #**	**Pool 98049**	**BOPD**	**Oil Gravities**	**MCFPD**	**BTU**
Mean Green 22 Fed 1H	SESE, Sec. 22, T26S, R34E	30-025-41434	WC 025 G-06 S263422P; Delaware	500*	32.6*	No gas at this time*	

Federal Lease NMNM100569 (12.5% Royalty Rate)							
Well Name	**Location**	**API #**	**Pool 98049**	**BOPD**	**Oil Gravities**	**MCFPD**	**BTU**
Mean Green 27 Fed 1	SESE, Sec. 22, T26S, R34E	30-025-41433	WC 025 G-06 S263422P; Delaware	9	32.6	No gas at this time	

Federal Lease NMNM100568 (12.5% Royalty Rate)							
Well Name	**Location**	**API #**	**Pool 97597**	**BOPD**	**Oil Gravities**	**MCFPD**	**BTU**
Mean Green 26 Fed 1H	NENE, Sec. 26, T26S, R34E	30-025-41246	Jabaline; Delaware, SW	500*	32.6*	No gas at this time*	

*These are proposed numbers

Attached is a map which displays the federal leases and well locations in Section 22, T26S, R34E.

The BLM's interest in these wells are identical at 12.5%.

Oil & Gas metering:

The central tank battery is located on the Mean Green 27 Fed 1 location in Sec 22, SESE, T26S, R34E. The production from each well will flow through its own three phase metering separator with a Micro Motion Coriolis Meter to meter the oil, flow meter to meter the water, and gas allocation meter to meter the gas. Once the water has gone through the flow meter, it will flow to the FWKO in case of equipment upset, any oil carried over will be meter by a flow meter to be allocated back to the proper well. VRU will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Mean Green 27 Fed 1 Battery will have Six oil tanks that these three wells will utilize and they have a common SUG, (Southern Union Gas) Central Delivery Point **(Number provided upon receipt)** which is located At the Ragin Cajun 14 CTB in Sec. 14, SESE, T26S, R34E in Lea County, NM. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metering separator. Oil sold through a common Coriolis Lact Meter (information provided upon receipt).

The Mean Green 22 Fed 1H flows to a three phase metering separator, where after separation gas is routed to the gas allocation meter **(number provided upon receipt),** then to the SUG CDP **(number provided upon receipt)** located on the Ragin Cajun 14 CTB in Sec.14, SESE, T26S, R34E. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter **(number provided upon receipt)** combines with the other wells oil along with the FWKO oil and flows into one of the heater/treaters, then into a common production line and to one of the 500 bbl. oil tanks. The water is metered using a turbine meter and then flows to one of the 500 bbl. water tanks, along with the water from the other wells.

The Mean Green 27 Fed 1 flows to a three phase test separator, where after separation gas is routed to the gas allocation meter **(number provided upon receipt),** then to the SUG CDP **(number provided upon receipt)** located on the Ragin Cajun14 CTB in Sec.14, SESE, T26S, R34E. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter **(number provided upon receipt)** combines with the other wells oil along with the FWKO oil and flows into one of the heater/treaters, then into a common production line and to one of the 500 bbl. oil tanks. The water is metered using a turbine meter and then flows to one of the 500 bbl. water tanks, along with the water from the other wells.

The Mean Green 26 Fed 1H flows to a three phase test separator, where after separation gas is routed to the gas allocation meter **(number provided upon receipt),** then to the SUG CDP **(number provided upon receipt)** located on the Ragin Cajun14 CTB in Sec.14, SESE, T26S, R34E. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis meter **(number provided upon receipt)** combines with the other wells oil along with the FWKO oil and flows into one of the heater/treaters, then into a common production line and to one of the 500 bbl. oil tanks. The water is metered using a turbine meter and then flows to one of the 500 bbl. water tanks, along with the water from the other wells.

Oil production will be allocated on a daily basis based on the Coriolis Allocation meter located downstream of the metering separator and daily tank gauges. The Coriolis meters will be proven, as per API, NMOCD, and BLM specifications, when

installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Gas production will be allocated on a daily basis utilizing the gas allocation meters for each well. The gas production from the wells and the gas allocation meters will commingle and flow to the Ragin Cajun 14 CTB and the SUG CDP sales meter, **(number provided upon receipt)** these meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed Mean Green & Ragin Cajun Process Flow Diagrams along with a description of each vessel and map which shows the lease boundaries, location of the wells, facility, and gas sales meter. The commingling of this production is the most effective, economic means of producing the reserves 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. Devon will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Working, royalty, and overriding interest owners are identical so no further notification is necessary.

Signed: _____
Printed Name: Erin Workman
Title: Regulatory Compliance Professional
Date: 09.04.14