

**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.*

Lease Serial No.  
NMNM104685

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM135835

8. Well Name and No.  
Multiple--See Attached

9. API Well No.  
Multiple--See Attached

10. Field and Pool or Exploratory Area  
LUSK

11. County or Parish, State  
LEA COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

**HOBBS OGD**  
**MAY 16 2017**  
**RECEIVED**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
DEVON ENERGY PRODUCTION COMPANY  
Contact: ERIN WORKMAN  
Email: Erin.workman@dvn.com

3a. Address  
6488 SEVEN RIVERS HIGHWAY  
ARTESIA, NM 88211

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

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

**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	Surface Commingling
	<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.

Devon Energy Respectfully requests a Central Tank Battery\Off Lease Measurement, Sales, & Storage for the following wells:

Taylor Draw 7 Fed 1H ✓  
30-025-41146  
Sec. 7, NESE, T19S, R32E ✓  
Lusk; Bone Spring  
NMNM104685

30-025-42693  
Taylor Draw 7 Fed Com 2Y

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

**Electronic Submission #375423 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION COM LP, sent to the Hobbs  
Committed to AFMSS for processing by DUNCAN WHITLOCK on 05/09/2017 (17DW0059SE)**

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

Signature (Electronic Submission) Date 05/09/2017

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

Approved By J. D. Whitlock Title TLDET Date 5/19/17

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.

## Additional data for EC transaction #375423 that would not fit on the form

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM104685	NMNM104685	TAYLOR DRAW 7 FEDERAL 1H	30-025-41146-00-S1	Sec 7 T19S R32E NESE 1650FSL 0260FEL
NMNM135835	NMNM104685	TAYLOR DRAW 7 FED COM 2Y	30-025-42693-00-S1	Sec 7 T19S R32E SESE 665FSL 400FEL 32.669567 N Lat, 103.798226 W Lon

### 32. Additional remarks, continued

Sec. 7, NESE, T19S, R32E  
Lusk; Bone Spring  
NMNM025779A & NMNM104685

The central tank battery is located on the Taylor Draw 7 Fed 1H location in Sec. 7, T19S, R32E. The production from each well will flow into a common header then each well flows into its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, mag 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 Taylor Draw 7 Fed 1H Battery will have three oil tanks that these two wells will utilize and they have a common DCP CDP #723334-00 which is on location at the Coyote 14-1 Battery located in Section 14, T19S, 31E, Eddy County, NM. Oil, gas, and water volumes from each well producing to this battery will be determined utilizing individual metered separators. Oil sold through a common Smith LACT Meter 1335E10167.

Row NMNM105089, NMNM129860, NMNM129897, & NMNM129970 have been granted.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached.)

Attachments: Deliverables

# APPLICATION FOR CENTRAL TANK BATTERY\OFF LEASE MEASUREMENT, SALES, & STORAGE

## Proposal for Taylor Draw 7 Federal Wells:

Devon Energy Production Company, LP is requesting approval for the Central Tank Battery\Off Lease Measurement, Sales, & Storage for the following wells:

### Federal Lease NMNM104685 (12.5% Royalty Rate)

Well Name	Location	API	Pool 41440	BOPD	OG	MCFPD	BTU
Taylor Draw 7 Fed 1H	Sec. 7, NESE, T19S, R32E	30-025-41146	Lusk; Bone Spring	103	37.6	121	1189.7

### CA NMNM135835 which includes Federal Lease NMNM104685 (12.5% Royalty Rate) & NMNM025779A (12.5% Royalty Rate)

Well Name	Location	API	Pool 41440	BOPD	OG	MCFPD	BTU
Taylor Draw 7 Fed Com 2Y	Sec. 7, SESE, T19S, R32E	30-025-42693	Lusk; Bone Spring	103	38.0	121	1190.0

Attached is a map which displays the federal leases and well locations in Section 7, T19S, R32E.

The BLM's interest in these wells are identical

## Oil & Gas metering:

The central tank battery is located on the Taylor Draw 7 Fed 1H location in Sec. 7, NESE T19S, R32E. The production from each well will flow into a common header then each well flows into its own three phase separator with a Micro Motion Coriolis Meter to meter the oil, mag meter to meter the water, and gas allocation meter to meter the gas. VRU Meter #677-00-101 will be allocated back to each well utilizing a percentage of each wells monthly oil production.

The Taylor Draw 7 Fed 1H Battery will have three oil tanks that these two wells will utilize and they have a common DCP CDP #723334-00 which is on location at the Coyote 14-1 Battery located in Section 14, NWNE T19S, 31E, Eddy County, NM. Oil, gas, and water volumes from each well producing to this battery will be determined utilizing individual metered separators. Oil sold through a common Smith LACT Meter 1335E10167.

The Taylor Draw 7 Fed 1H flows into the common header then into a three phase separator, where after separation gas is routed to the gas allocation meter #677-49-100, then combines with the gas from the Taylor Draw 2Y and the VRU meter and flows to DCP CDP Meter #723334-00. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter S\N14380993 then flows into a common oil line with the Taylor Draw 7 Fed 2Y, then into a common heater/treater and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl. water tanks, along with the water from the other well.

The Taylor Draw 7 Fed 2Y flows into the common header, then to a three phase separator, where after separation gas is routed to the gas allocation meter #677-49-217, then combines with the gas from the Taylor Draw 7 Fed 1H and the VRU meter and flows to DCP CDP Meter #723334-00. The produced water and oil are separated, the oil is then metered with a Micro Motion Coriolis Meter S\N14504227, then flows into a common oil line with the Taylor Draw 7 Fed 1H, into a common heater/treater, and into one of the 500 bbl. oil tanks. The water is metered using a mag meter, then flows to the FWKO, and to one of the 500 bbl. water tanks, along with the water from the other well.

Oil production for each well will be allocated on a daily basis based on each well's Coriolis Micro Motion Meter located downstream of the metered separators. 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 meter for each well. The gas from the VRU #and the gas allocation meters will commingle and flow into the DCP CDP #723334-00, 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.

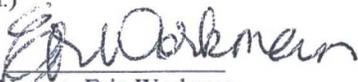
## Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed Taylor Draw 7 Fed 1H Process Flow Diagram 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. Row NMNM105089, NMNM129860, NMNM129897, & NMNM129970 have been granted.

Working, royalty, and overriding interest owners are not identical and have been notified of this proposal via certified mail (see attached.)

Signed:   
Printed Name: Erin Workman  
Title: Regulatory Compliance Professional  
Date: 05.04.17

Taylor Draw 7 Fed 1H Battery  
 Sec 7 T19S R32E  
 1650'FSL & 260'FWL  
 Eddy County, N.M  
 API# 30-025-41146

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 inaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed. 

Ledger for Site Diagram

- |                                     |                                                                                     |
|-------------------------------------|-------------------------------------------------------------------------------------|
| Valve #1: <u>Production Line</u>    |    |
| Valve #2: <u>Test or Roll line</u>  |    |
| Valve #3: <u>Equalizer Line</u>     |    |
| Valve #4: <u>Circ./Drain Line</u>   |    |
| Valve #5: <u>Sles Line</u>          |   |
| Valve #6: <u>BS&amp;W Load Line</u> |  |

Buried Lines: 

Firewall: 

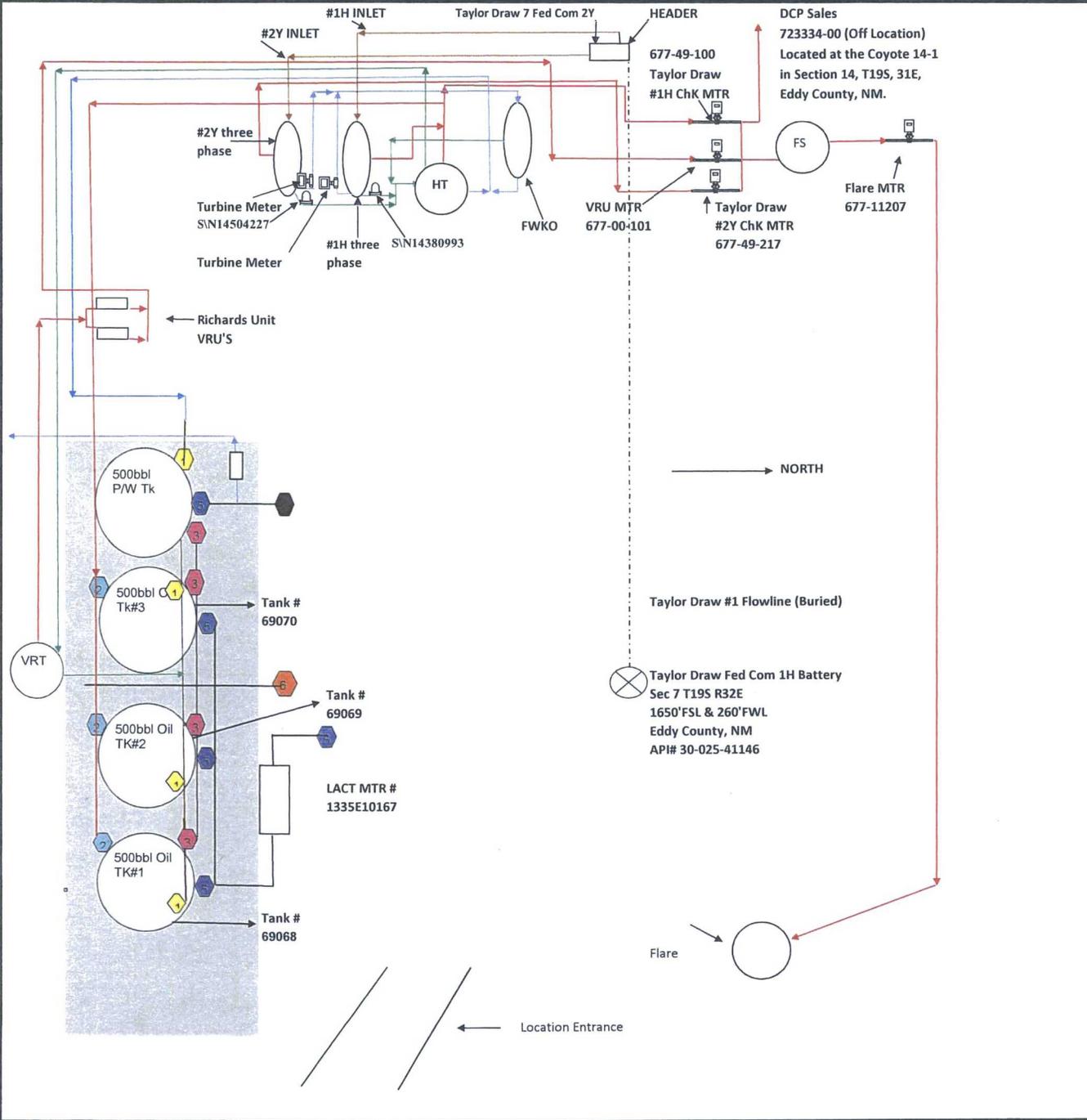
Wellhead: 

Stak-pak: 

Production line: 

Water line: 

Gas Meter   



DCP Sales  
 723334-00 (Off Location)  
 Located at the Coyote 14-1  
 in Section 14, T19S, 31E,  
 Eddy County, NM.

NORTH

Taylor Draw #1 Flowline (Buried)

Taylor Draw Fed Com 1H Battery  
 Sec 7 T19S R32E  
 1650'FSL & 260'FWL  
 Eddy County, NM  
 API# 30-025-41146

Location Entrance

Taylor Draw 7 Fed Com 2Y  
 SE/4 SE/4, S7, T19S, R32E  
 665' FSL & 400' FEL  
 Lea, New Mexico  
 API #30-025-42693 NMNM104685

Production System: Open

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. 

**Ledger for Site Diagram**

Valve #1: Production Line 

Valve #2: Test or Roll line 

Valve #3: Equilizer Line 

Valve #4: Circ./Drain Line 

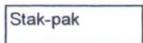
Valve #5: Sles Line 

Valve #6: BS&W Load Line 

Buried Lines: -----

Firewall: 

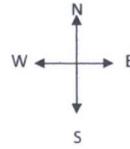
Wellhead: 

Stak-pak: 

Production line: \_\_\_\_\_

Water line: -----

Gas Meter   

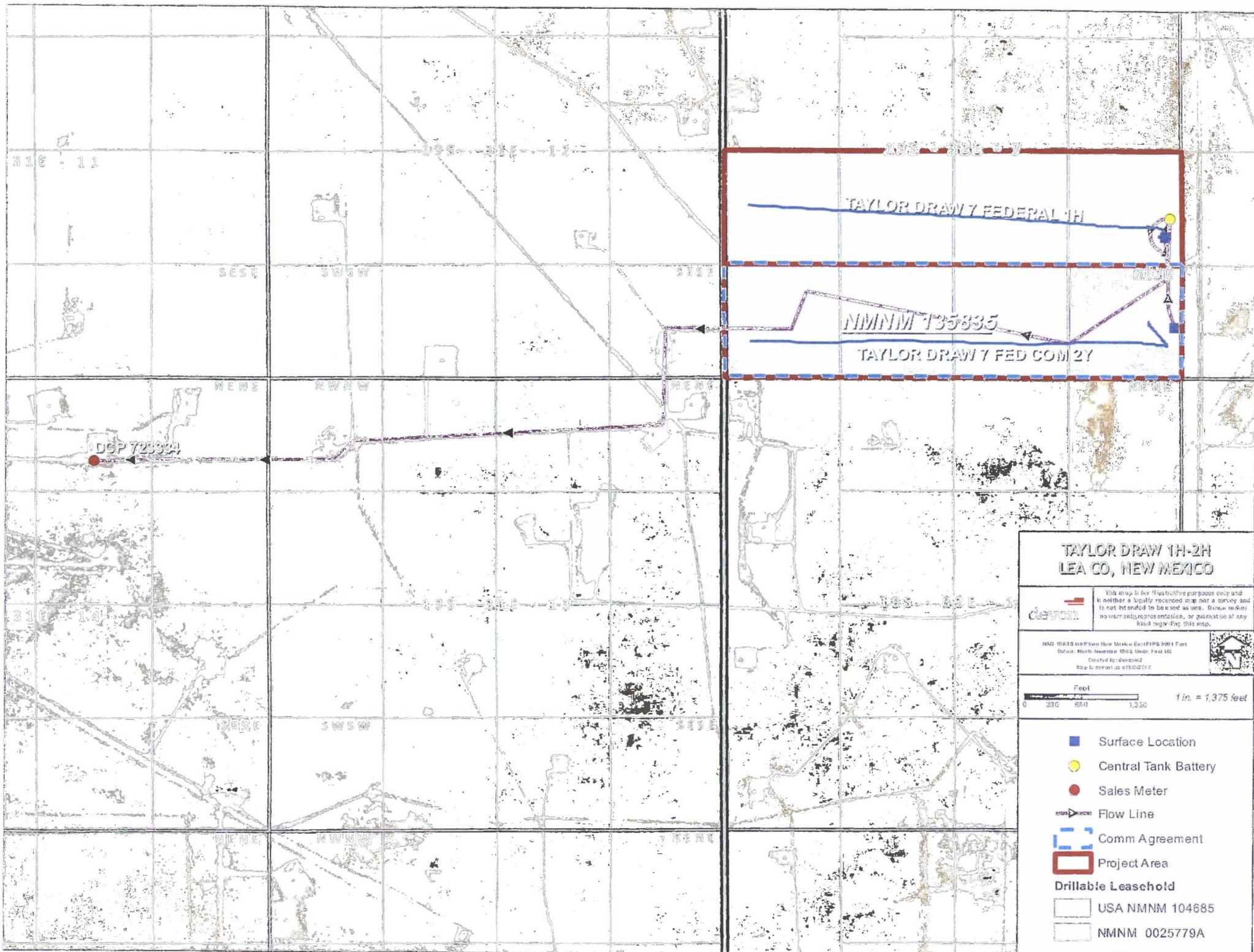


Taylor Draw 7 Fed Com 2Y well



Flow line to the Taylor Draw 7 Fed 1H Battery





**TAYLOR DRAW 1H-2H  
LEA CO, NEW MEXICO**

**CLAYTON**  
This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Clayton makes no warranty, representation, or guarantee of any kind regarding this map.

NAD 1983 datum New Mexico State Plane 3001 Foot  
 Datum: North American 1983 Unit: Feet US  
 Created by: dclawson  
 Map is based on 1/15/2022



- Surface Location
- Central Tank Battery
- Sales Meter
- Flow Line
- Comm Agreement
- Project Area
- Drillable Leasehold**
- USA NMNM 104685
- NMNM 0025779A

# Economic Justification Report

## Taylor Draw 7 Fed 1H Battery

Value (bbl): \$43.06

Value (mcf): \$2.37

Well Name & Number	Type	Fed Lease 1	Royalty Rate	Fed Lease 2 (if applicable)	Royalty Rate	Fed Lease 3 (if applicable)	Royalty Rate	BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
Taylor Draw 7 Fed 1H	Sweet	NMNM104685	12.50%					103	37.6	121	1189.7
Taylor Draw 7 Fed Com 2Y	Sweet	NMNM104685	12.50%	NMNM025779A	12.50%			65.2	38	35.2	1190

Signed: \_\_\_\_\_

Date: 5/9/2017

Printed Name: Erin Workman

Title: Regulatory Analyst

### Economic Combined Production

BOPD	Oil Gravity @ 60°	MCFPD	Dry BTU
168.2	37.8	156.2	1189.8

Both wells are bone spring so combining production will not affect royalty value.

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION**

Run Time: 10:16 AM

Page 1 of 2

Run Date: 09/23/2015

**(MASS) Serial Register Page**

**01 12-22-1987;101STAT1330;30USC181 ET SE**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres** 443.400  
**Serial Number** NMNM-- - 104685

**Serial Number: NMNM-- - 104685**

Name & Address			Int Rel	% Interest
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	LESSEE	100.000000000
ROBERT L BAYLESS PROD LLC	621 17TH ST #2300	DENVER CO 80293	OPERATING RIGHTS	0.000000000

**Serial Number: NMNM-- - 104685**

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0190S	0320E	007	ALIQ	E2W2,NESE,W2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0190S	0320E	007	LOTS	1,2,3,4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 104685**

Act Date	Code	Action	Action Remark	Pending Office
04/18/2000	387	CASE ESTABLISHED	200004139	
04/19/2000	191	SALE HELD		
04/19/2000	267	BID RECEIVED	\$417360.00;	
04/19/2000	392	MONIES RECEIVED	\$417360.00;	
05/30/2000	237	LEASE ISSUED		
05/30/2000	974	AUTOMATED RECORD VERIF	BCO	
06/01/2000	496	FUND CODE	05;145003	
06/01/2000	530	RLTY RATE - 12 1/2%		
06/01/2000	868	EFFECTIVE DATE		
09/12/2000	084	RENTAL RECEIVED BY ONRR	\$666.00;11/MULTIPLE	
09/30/2000	650	HELD BY PROD - ACTUAL	/1/	
01/26/2001	643	PRODUCTION DETERMINATION	/1/	
12/26/2001	658	MEMO OF 1ST PROD-ACTUAL	/1/#1 HAWKEYE 7 FED;;	
01/16/2002	963	CASE MICROFILMED/SCANNED		
10/30/2006	932	TRF OPER RGTS FILED	LYNX PETR/ROBERT L;1	
11/22/2006	933	TRF OPER RGTS APPROVED	EFF 11/01/06;	
11/22/2006	974	AUTOMATED RECORD VERIF	ANN	
04/16/2007	932	TRF OPER RGTS FILED	ROBERT L/LYNX PETR;1	
06/04/2007	933	TRF OPER RGTS APPROVED	EFF 05/01/07;	
06/04/2007	974	AUTOMATED RECORD VERIF	MV	
09/27/2011	140	ASGN FILED	LYNX PETR/DEVON ENE;1	
09/27/2011	932	TRF OPER RGTS FILED	ALEXANDER/DEVON ENE;1	
09/27/2011	932	TRF OPER RGTS FILED	DASCO ENE/DEVON ENE;1	
09/27/2011	932	TRF OPER RGTS FILED	FONAY OIL/DEVON ENE;2	
09/27/2011	932	TRF OPER RGTS FILED	LYNX PETR/DEVON ENE;2	
09/27/2011	932	TRF OPER RGTS FILED	MSC INVES/DEVON ENE;1	
09/27/2011	932	TRF OPER RGTS FILED	POWDER HO/DEVON ENE;1	
09/27/2011	932	TRF OPER RGTS FILED	TRAVCO RE/DEVON ENE;1	
09/27/2011	932	TRF OPER RGTS FILED	WATSON OI/DEVON ENE;1	
10/12/2011	932	TRF OPER RGTS FILED	E G I RES/DEVON ENE;1	
11/30/2011	933	TRF OPER RGTS APPROVED	EFF 11/01/11;	
11/30/2011	974	AUTOMATED RECORD VERIF	LBO	
12/01/2011	933	TRF OPER RGTS APPROVED	EFF 10/01/11;3	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 01:32 PM

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Run Date: 09/23/2015

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

40.000

NMNM-- 0 025779A

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 0 025779A

Name & Address			Int Rel	% Interest
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
CONCHO OIL & GAS LLC	600 W ILLINOIS AVE, ONE CONCHO CEI	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
SHACKELFORD WILBUR L	512 NEW MEXICO DR	ROSWELL NM 88201	LESSEE	100.000000000

Serial Number: NMNM-- 0 025779A

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0190S	0320E	007	ALIQ	SESE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 025779A

Act Date	Code	Action	Action Remark	Pending Office
10/01/1950	387	CASE ESTABLISHED		
10/01/1950	496	FUND CODE	05;145003	
10/01/1950	530	RLTY RATE - 12 1/2%		
10/01/1950	868	EFFECTIVE DATE		
08/10/1960	553	CASE CREATED BY ASGN	OUT OF NMNM025779;	
08/31/1960	235	EXTENDED	THRU 08/31/62;	
06/01/1961	232	LEASE COMMITTED TO UNIT	NMNM70982X;LUSK DEEP	
06/01/1961	660	MEMO OF 1ST PROD-ALLOC	LUSK DEEP	
03/19/1971	940	NAME CHANGE RECOGNIZED	PAN AMER PETRO/AMOCO	
06/17/1981	932	TRF OPER RGTS FILED	(1)	
06/17/1981	932	TRF OPER RGTS FILED	(2)	
09/16/1981	932	TRF OPER RGTS FILED		
05/22/1986	963	CASE MICROFILMED/SCANNED	CNUM 556,896 DS	
10/24/1986	933	TRF OPER RGTS APPROVED	(1)EFF 07/01/81;	
10/24/1986	933	TRF OPER RGTS APPROVED	(2)EFF 07/01/81;	
10/24/1986	933	TRF OPER RGTS APPROVED	EFF 10/01/81;	
02/11/1988	974	AUTOMATED RECORD VERIF	JAM/EB	
05/16/1988	817	MERGER RECOGNIZED	KANEB ETAL/KANEB ENE	
06/12/1992	974	AUTOMATED RECORD VERIF	RAYO/LR	
07/18/1994	140	ASGN FILED	AMOCO/SHACKELFORD	
10/14/1994	139	ASGN APPROVED	EFF 08/01/94;	
10/14/1994	974	AUTOMATED RECORD VERIF	MCS	
10/27/1995	932	TRF OPER RGTS FILED	PHILLIPS/MARBOB ENE	
12/12/1995	933	TRF OPER RGTS APPROVED	EFF 11/01/95;	
12/12/1995	974	AUTOMATED RECORD VERIF	ANN	
01/02/1997	974	AUTOMATED RECORD VERIF	ANN	
11/07/1997	932	TRF OPER RGTS FILED	PARKER ETAL/MARBOB	
01/02/1998	933	TRF OPER RGTS APPROVED	EFF 12/01/97;	
08/31/1998	084	RENTAL RECEIVED BY ONRR	\$40.00;21/0000000002	
08/30/1999	084	RENTAL RECEIVED BY ONRR	\$40.00;21/19	
09/06/2000	084	RENTAL RECEIVED BY ONRR	\$40.00;21/61	
09/04/2001	084	RENTAL RECEIVED BY ONRR	\$40.00;21/4	
04/18/2011	932	TRF OPER RGTS FILED	MARBOB EN/COG OPERA;1	
08/11/2011	933	TRF OPER RGTS APPROVED	EFF 05/01/2011;	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 05/09/17 06:19 AM

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01 02-25-1920;041STAT0437;30USC181

Total Acres  
160.810

Serial Number  
NMNM-- - 135835

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 135835

Name & Address			Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.00000000
DEVON ENERGY CORP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010	OPERATOR	100.00000000

Serial Number: NMNM-- - 135835

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0190S	0320E	007	ALIQ	SESW,S2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0190S	0320E	007	LOTS	4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 135835

Act Date	Code	Action	Action Remarks	Pending Office
04/01/2015	387	CASE ESTABLISHED		
04/01/2015	516	FORMATION	BONE SPRING	
04/01/2015	526	ACRES-FED INT 100%	160.81;100%	
04/01/2015	868	EFFECTIVE DATE	/A/	
10/04/2015	654	AGRMT PRODUCING	/1/	
10/04/2015	658	MEMO OF 1ST PROD-ACTUAL	/1/30-025-42693	
05/10/2016	334	AGRMT APPROVED		
05/10/2016	643	PRODUCTION DETERMINATION	/1/	

Line Nr      Remarks      Serial Number: NMNM-- - 135835

0001	/A/ RECAPITULATION EFFECTIVE 04/01/2015			
0002	TRACT #	LSE SERIAL #	AC COMMITTED	PCT INT
0003	1	NMNM104685	120.81	75.126 - 12.590 R.R.
0004	2	NMNM025779A	40.00	24.874 - 12.590 R.R.
0005	TOTAL		160.81	100.000

NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM

WORKING INTEREST OWNERS  
TAYLOR DRAW 7 FED 1 H  
TAYLOR DRAW 7 FED COM 2Y  
Section 7-T19S-R32E  
Lea County, New Mexico

WI Owners:

Devon Energy Production Company, L.P.  
333 West Sheridan Avenue  
Oklahoma City, OK 73102

COG Operating, LLC  
600 West Illinois Avenue  
Midland, TX 79701 (9214890152718100049524)

Concho Oil & Gas, LLC  
600 West Illinois Avenue  
Midland, TX 79701 (9214890152718100049531)

Moutray Properties, LLC  
P.O. Box 1598  
Carlsbad, NM 88221-1598 (9214890152718100049548)

McVay Drilling Company  
P.O. Box 2450  
Hobbs, NM 88241-2450 (9214890152718100049555)

Royalty and ORRI Owners:

Bureau of Land Management  
620 E. GREENE  
CARLSBAD, NM 88220 (9214890152718100049562)

Wright Minerals LLC  
PO BOX 2312  
SANTA FE, NM 87504 (9214890152718100049579)

BP America Production Company  
501 WESTLAKE PARK BLVD  
HOUSTON, TX 77079 (9214890152718100049586))

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Taylor Draw 7 Federal 1H & Taylor Draw 7 Fed Com 2Y  
3002541146 & 3002542693  
Leases NMNM104685, NMNM025779A and CA- NMNM135835**

**Devon Energy Production Company  
May 9, 2017**

**Condition of Approval  
Surface commingling, off lease storage measurement and sales.**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
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 or product accountability.
4. 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.
5. Approval for combining production 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.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.