

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 19, 2014

Surface Commingling Order PC-1272
Administrative Application Reference No. pMAM1401456964

Devon Energy Production Company, LP
Attention: Ms. Erin Workman

Devon Energy Production Company, L.P. is hereby authorized to surface commingle oil and gas production from the following Pools:

WC-025 G-06 S223421L; Bone Spring	(97922)
WC-025 G-05 S223421M; Delaware	(97946)

and from the following wells located on the Gaucho 21 Federal lease in Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

<u>Well Name</u>	<u>API No.</u>	<u>Unit Letter</u>
Gaucho 21 Federal No. 1	30-025-34266	L
Gaucho 21 Federal No. 2H	30-025-40626	M

Commingled oil and gas production from the wells shall be measured and sold at the Central Tank Battery located in (Unit M) of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

The oil production from the wells detailed above shall be measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly.

Gas production from one of the wells shall be metered, and the commingled gas production shall be allocated back to each well using the subtraction method. The commingled oil and gas production from the wells is approved for off-lease measurement and sales.

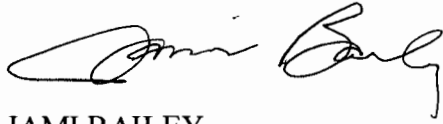
This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. The producer/Operator shall notify the transporter of this commingling authority.

March 19, 2014

Page 2

FURTHER: The operator shall notify the Hobbs District Office of the Division prior to implementation of commingling operations.

Done at Santa Fe, New Mexico, on March 19, 2014

A handwritten signature in black ink, appearing to read "Jami Bailey", written in a cursive style.

JAMI BAILEY
Division Director

JB/re

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management - Carlsbad