



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Surface Commingling Order PLC-349
October 18, 2011

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK, 73102

Attention: Melanie Crawford:

It is our understanding that diversely owned lands producing oil and gas from more than one common source of supply are proposed for commingling through facilities operated by the Devon Energy Production Company, L.P. ("applicant"). Applicant has made application for diversely owned surface commingling per 19.15.12.10.C.(4) NMAC. Notice has been provided and no objections were received.

Applicant is hereby authorized to surface commingle gas production from the following wells all located within Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico:

Habanero 17 Federal Com Well No. 1H (API No. 30-015-36108),
SHL: Unit letter A Section 17, BHL: Unit letter D Section 17
Undesignated Black River; Wolfcamp Gas Pool (72240) Spacing Unit: N/2 of Section 17

Serrano 29 Federal Well No. 1H (API No. 30-015-37763),
SHL: Unit letter H Section 29, BHL: Unit letter E Section 29
Undesignated Sulphate Draw; Wolfcamp Gas Pool (85780) Spacing Unit: N/2 of Section 29

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. Oil or condensate production is not approved for commingling. Gas from each well shall be continuously tested prior to being commingled for sales. The gas meters on this surface commingle shall be calibrated on a schedule based on throughput as per Division Rule 19.15.12.10.C.(2) NMAC.

Commingled gas production from the wells detailed above shall be sold at facilities located within Unit Letter I, Section 18, Township 24 South, Range 27 East, NMPM, of Eddy County, New Mexico.

Before commencing surface commingling, the operator must obtain approval from the Bureau of Land Management (BLM) as directed in 19.15.12.10.C.(4)(h) NMAC. The operator shall notify



the District office of the Division prior to implementation of commingling operations. It is the responsibility of the producer to notify the transporter of this commingling authority.

Applicant has not provided notice that this commingle may be expanded with future wells or additional Pools, as per Division Rule 19.15.12.10.C.(4)(g) NMAC. Therefore, the addition of future wells to this commingle shall only be done after notices to all affected parties and approval from the Division.



JAMI BAILEY
Division Director

JB/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad