

DATE IN 4/23/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 4/24/08	TYPE DHC	APP NO. PKVR0811548621
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify DHC-2450: Request Production Allocation Change; Morrow Zone TA²d

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Stephanie A. Ysasaga
Print or Type Name

Signature

Sr. Staff Engineering Technician
Title

04/22/08
Date

Stephanie.Ysasaga@dv.com
e-mail Address

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District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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 Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

DEVON ENERGY PRODUCTION CO., LP 20 NORTH BROADWAY OKC, OK 3102-8260
Operator Address

Ocotillo Hills Com 2 Unit G Sec 21 T21S-R26E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 6137 Property Code API No. 30-015-21573 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Avalon; Upper Penn (Gas)	Avalon; Strawn (Gas)	Avalon; Morrow (Gas)
Pool Code	71000	71080	70920
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9,355' - 9,420'	9,776' - 9,790'	10,850' - 10,965'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	TA'd 01/19/06
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Per initial DHC application: 700-900 psig	Per initial DHC application: 1260 psig	Per initial DHC application: 833-980 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Per initial DHC application: 54.5 API Gravity/ 1210 BTU	Per initial DHC application: 59.7 API Gravity/1129 BTU	Per initial DHC application: 51.5 API Gravity/1061 BTU
Producing, Shut-In or New Zone	Producing	Producing	TA'd 01/19/06
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 02/19/08 Rates: 0 oil/16 mcf/0 wtr	Date: 02/19/08 Rates: 0 oil/47 mcf/0 wtr	Date: 02/19/08 Rates: 0 oil/0 mcf/0 wtr
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 20% 25%	Oil Gas 80% 75%	Oil Gas 0% 0%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes X No
Will commingling decrease the value of production? Yes No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No X

NMOCD Reference Case No. applicable to this well: DHC-2450: Morrow Zone TA'd 01/19/06 with 44' fill over packer; request production allocation change; see initial application for other supporting documentation.

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Stephanie A. Ysasaga TITLE Sr. Staff Engineering Technician DATE 04/22/2008
TYPE OR PRINT NAME Stephanie A. Ysasaga TELEPHONE NO. (405)-552-7802
E-MAIL ADDRESS Stephanie.Ysasaga@dmn.com