



New Mexico Energy, Minerals and Natural Resources Department

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Surface Commingling Order PLC-340
June 10, 2011

Devon Energy Production Company, L.P.
20 North Broadway -CT 3.058
Oklahoma City, OK, 73102-8260

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 oil and gas production from the following wells and oil spacing units all located within Section 5, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico:

Kachina 5 Federal Well No. 2 (API No. 30-025-31277),
Located in Unit Letter I of Section 5
Corbin; Bone Spring Pool (13155) Spacing Unit: NE/4 SE/4 of Section 5 (40 acres)

Kachina 5 Federal Well No. 3 (API No. 30-025-31517),
Located in Unit Letter K of Section 5
South Corbin; Wolfcamp Pool (13320) Spacing Unit: N/2 SW/4 of Section 5 (80 acres)

Kachina 5 Federal Well No. 4 (API No. 30-025-31690),
Located in Unit Letter G of Section 5
Corbin; Bone Spring Pool (13155) Spacing Unit: SW/4 NE/4 of Section 5 (40 acres)

Kachina 5 Federal Well No. 5 (API No. 30-025-32038),
Located in Unit Letter M of Section 5
South Corbin; Wolfcamp Pool (13320) Spacing Unit: S/2 SW/4 of Section 5 (80 acres)

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. Oil and gas from each well shall be regularly tested prior to being commingled for sales. The well tests shall be used to allocate oil and gas back to each well. The 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 oil and gas production from the wells detailed above shall be sold at facilities located within Unit Letter O, Section 5, Township 18 South, Range 33 East, NMPM, of Lea 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 or oil or gas spacing units 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 – Hobbs
Bureau of Land Management – Carlsbad