

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2007 DEC 27 PM 2 31

APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
LEASE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

Case No. 14088

APPLICATION

Devon Energy Production Company, L.P. applies for an exception to Division Rule 303 to permit lease commingling and an exception to metering requirements, and in support thereof, states:

1. Applicant is the operator of wells completed in the Red Lake Queen-Grayburg-San Andres Pool and the Red Lake Glorieta-Yeso Pool within (i) United States Oil and Gas Lease NM 7717, covering the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, and (ii) United States Oil and Gas Lease LC 061783-A, covering the SE $\frac{1}{4}$ of Section 4, in Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. A plat of the leases is attached as Exhibit A.

2. Applicant seeks approval to surface commingle Red Lake Queen-Grayburg-San Andres Pool and Red Lake Glorieta-Yeso Pool production from its wells located on the leases. A list of the wells involved in this application is attached as Exhibit B.

3. Applicant further seeks an exception to the metering requirements of NMAC 19.15.5.303.B(4)(a) to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Windfohr "4" Tank Battery, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4. A schematic of the facilities is attached as Exhibit C.

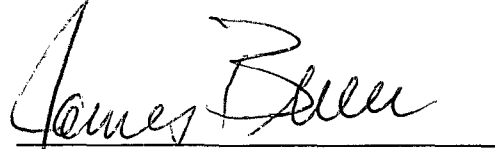
4. Royalty interest ownership under the subject leases is common, but overriding royalty interest and/or working interest ownership varies.

5. Notice of this application has been given to all interested parties, by certified mail.

6. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Devon Energy Production
Company, L.P.

SECTION PLAT

Eddy County, State of New Mexico

Section 4 Township 18S Range 27E

NORTH

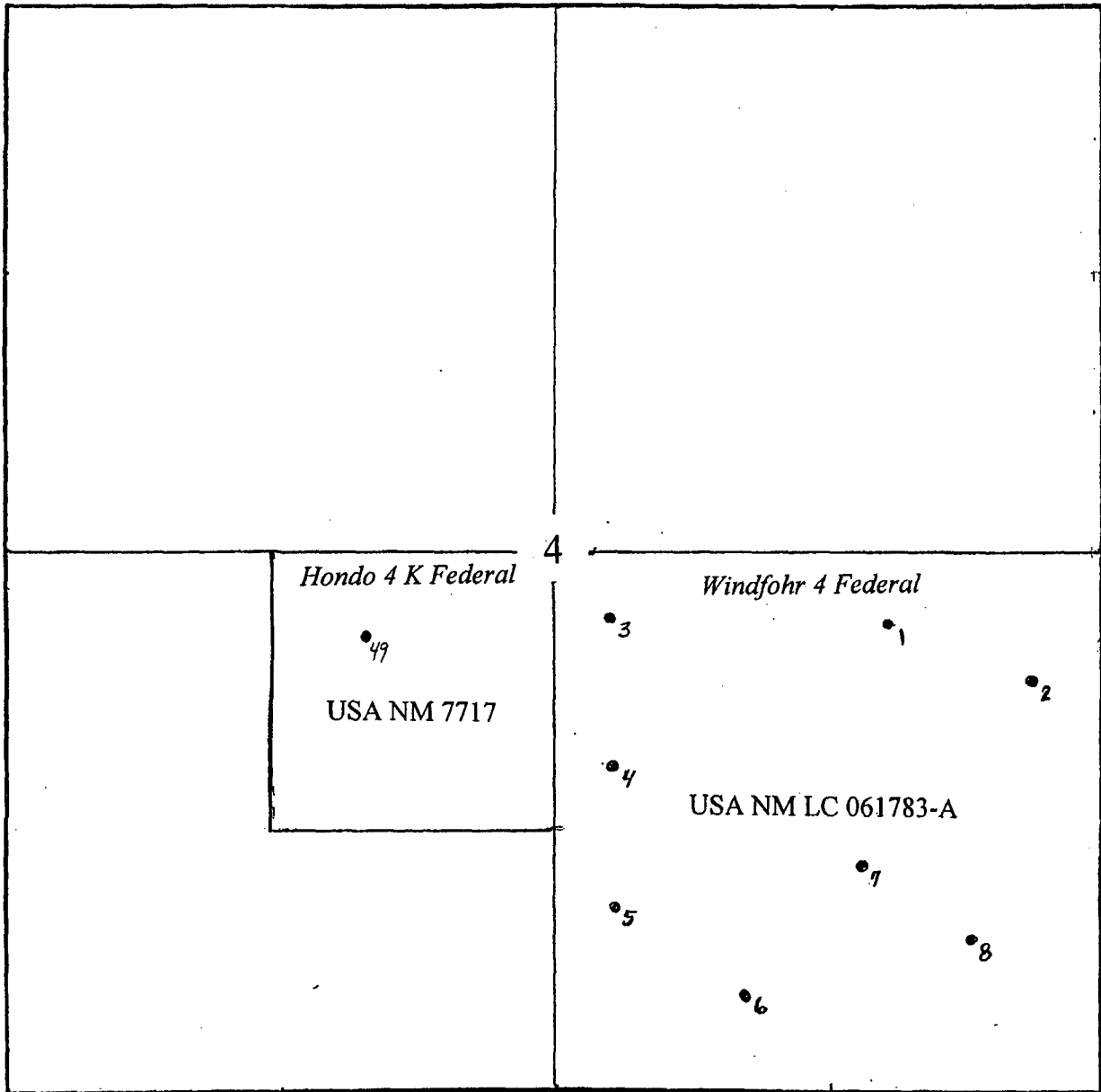


EXHIBIT *A*

Devon Energy Production Company, LP
Windfohr 4 Battery
Section 4 – T18S – R27E. Unit I
Federal Lease USA NM LC-061783-A

Wells currently producing to the Windfohr 4 Battery:

Lease No. USA NM LC-061783-A

Lease Name: Windfohr 4 Federal

| Well No. | UL | API No. | Formation / Pool Name |
|----------|----|--------------|---|
| 1 | I | 30-015-30467 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 2 | I | 30-015-30411 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 3 | J | 30-015-30468 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 4 | J | 30-015-30474 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 5 | O | 30-015-30415 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 6 | O | 30-015-30419 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 7 | P | 30-015-30460 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |
| 8 | P | 30-015-30420 | Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso |

Wells proposed to produce to the Windfohr 4 Battery:

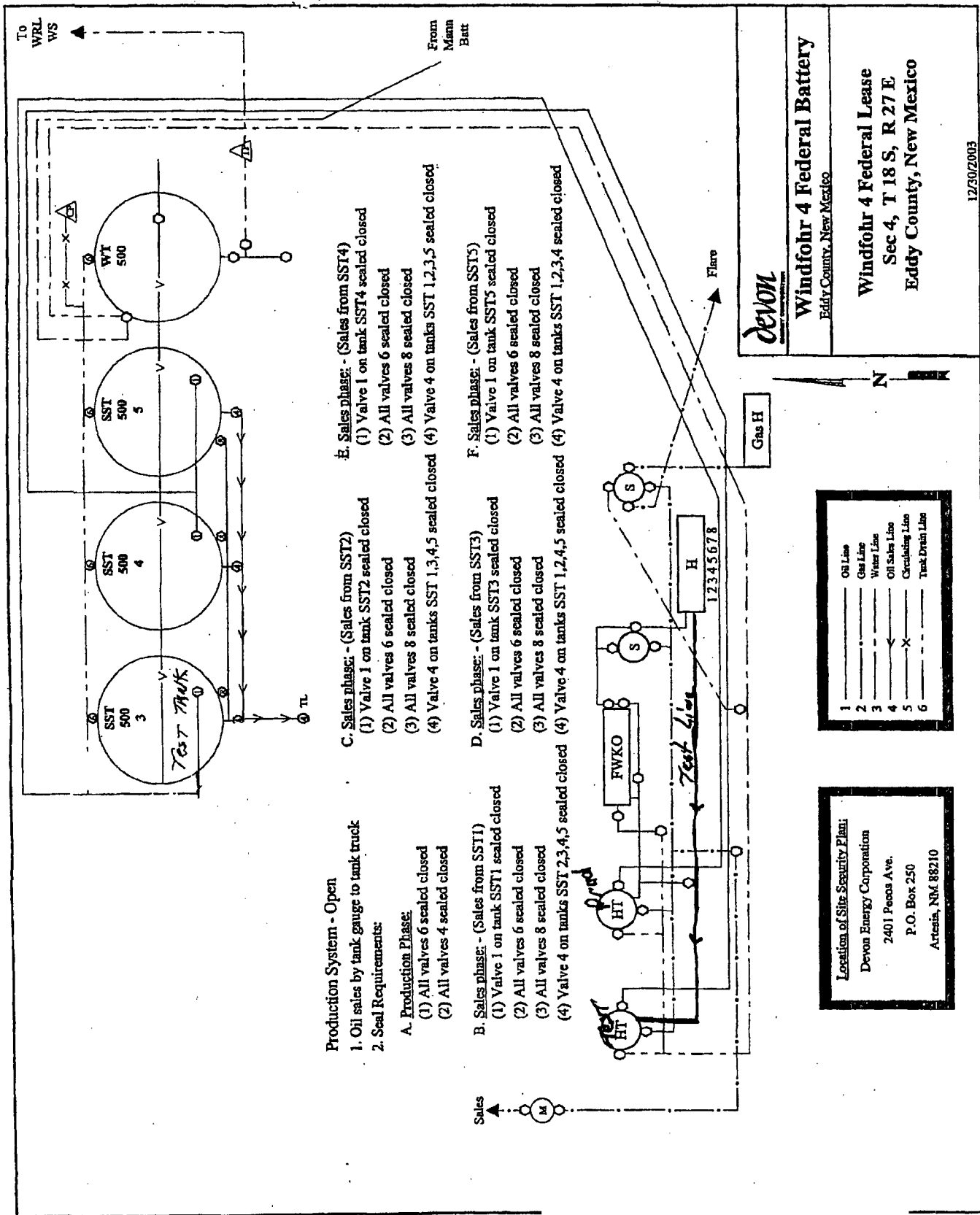
Lease No. USA NM 7717

Lease Name: Hondo 4 Federal

| Well No. | UL | API No. | Formation / Pool Name |
|----------|----|--------------|------------------------|
| 49 | K | 30-015-28286 | Red Lake-Glorieta Yeso |

EXHIBIT

B



Proposed Advertisement

Case No. 14088 : Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an exception to NMAC 19.15.5.303.A to authorize the surface commingling of production from the Red Lake Queen-Grayburg-San Andres Pool and Red Lake Glorieta-Yeso Pool originating from its wells located on Federal Lease NM 7717, covering the NE/4SW/4 of Section 4, and Federal Lease LC 061783-A, covering the SE/4 of Section 4, in Township 18 South, Range 27 East, N.M.P.M. Applicant also seeks an exception to the metering requirements of NMAC 19.15.5.303.B(4)(a) to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Windfohr "4" Tank Battery, located in the NE/4SE/4 of Section 4. The leases and wells are located approximately 6-1/2 miles East of Atoka, New Mexico.

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