

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

OIL CONSERVATION DIV.

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APPLICATION OF DEVON ENERGY
CORPORATION (NEVADA) FOR LEASE
COMMINGLING, EDDY COUNTY, NEW MEXICO.

No. 12061

AMENDED APPLICATION

Devon Energy Corporation (Nevada) applies for an exception to Division Rule 309 to permit lease commingling, as described further below:

1. Applicant is the operator of United States Oil and Gas Leases LC 061783-A and LC 061783-B, which collectively cover the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 3 and the SE $\frac{1}{4}$ of Section 4, Township 18 South, Range 27 East.

2. Applicant proposes to commingle production from the Red Lake Queen-Grayburg-San Andres Pool, Glorieta formation, and Yeso (Paddock, Blinebry, Drinkard, and Tubb) formation¹ from 12 wells to be drilled on the subject leases and lands in a common tank battery to be located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4, Township 18 South, Range 27 East, NMPM (Lease LC 061783-A), without separately metering production, by allocating production to each well and to each lease on the basis of monthly well tests. Downhole commingling approval, if necessary, will be applied for administratively on a well-by-well basis.

3. Royalty interest ownership under the subject leases is common, as is the working interest. However, overriding royalty interest ownership differs. Interest ownership in each lease is

¹Undesignated Red Lake Glorieta-Yeso Pool or Undesignated Northeast Red Lake Glorieta-Yeso Pool.

common throughout the subject depths.

4. Notice of this application has been given to all interest owners in the affected leases, by certified mail.

5. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that the Division approve lease commingling from the above-described leases and lands.

Respectfully submitted,

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

James Bruce
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Attorney for Devon Energy Corporation
(Nevada)