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September 25, 1998

**Hand Delivered**

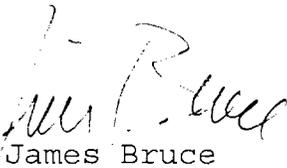
Florene Davidson  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Corporation (Nevada), are an original and two copies of an application for lease commingling, and a proposed advertisement. This matter is identical to four or five applications previously approved by the Division in this same area and pool. As a result, applicant would like to forego having a witness appear, and have the case advertised as "In the Absence of Objection this Application Will be Taken Under Advisement."

Please set this matter for the October 22, 1998 hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Devon Energy  
Corporation (Nevada)

98 SEP 28 AM 10:45  
OIL CONSERVATION DIV.

12061

BEFORE THE NEW MEXICO OIL CONSERVATION ~~ON CONVENTION~~ DIV.

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

90 SEP 28 AM 10:45

No. 12061

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 Red Lake Queen-Grayburg-San Andres Pool production 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.

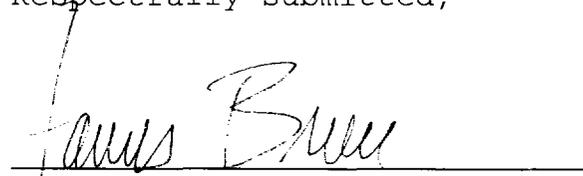
3. Royalty interest ownership under the subject leases is common, as is the working interest. However, overriding royalty interest ownership differs.

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 of Red Lake Queen-Grayburg-San Andres Pool production 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  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Devon Energy Corporation  
(Nevada)

PROPOSED ADVERTISEMENT

98 SEP 28 AM 10:45

CASE '2061:

Application of Devon Energy Corporation (Nevada) for lease commingling, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 309 to permit lease commingling of Red Lake Queen-Grayburg-San Andres Pool production from 12 wells to be drilled on Federal Leases LC 061783-A and LC 061783-B, collectively covering 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, NMPM, without separately metering production from each well or lease. Said leases are located approximately 9 miles southeast of Artesia, New Mexico. IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.