



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



August 16, 2011

**Administrative Order CTB-634**

Devon Energy Production Company, LP  
Attention: Melanie Crawford  
20 North Broadway  
Oklahoma City, OK 73102

**RE: Surface Commingling**

It is our understanding that you propose to commingle production of oil and gas from diversely owned lands, limited to one common source of supply (Scanlon Draw; Bone Spring Pool (55510), through facilities operated by the Devon Energy Production Company, LP ("Applicant"). By this application you are seeking commingling approval pursuant to Division Rule 12.10.C(4) [19.15.12.10.C.(4) NMAC]. It is further understood that you have provided notice to all interest owners in accordance with Rule 12.10.C(4)(c), and no objections have been received.

Applicant is hereby authorized to surface commingle oil and gas production from the Scanlon Draw; Bone Spring Pool from the following wells and completions located within Section 20, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico:

Emerald PWU 20 Well No. 1H (API No. 30-015-38338),  
SHL: 400 feet FNL & 330 feet FWL (Unit D) of Section 20.  
Project Area: N/2 N/2 (Units D, C, B, and A) of Section 20

Emerald PWU 20 Well No. 2H (API No. 30-015-38421),  
SHL: 1800 feet FNL & 330 feet FWL (Unit E) of Section 20.  
Project Area: S/2 N/2 (Units E, F, G, and H) of Section 20

The tank battery, meters and sales point will be located adjacent to the surface location of the Emerald PWU 20 Well No. 1H, in Unit D of Section 20.

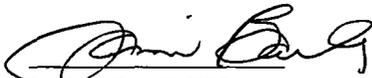
This installation shall be constructed and operated in accordance with applicable Division Rules. Oil and gas from each well shall be continuously metered prior to being commingled for storage or sale. The oil and gas meters on this battery shall be calibrated on a schedule based on throughput as per Rule 12.10.C(2) NMAC.



The operator shall notify the District office of the Division prior to implementation of commingling operations. It is the also responsibility of the operator to notify the transporter of this commingling authority.

Applicant has not provided notice that it is requesting addition of future wells or additional leases or pools to this commingle as per Rule 12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or pools shall not be included in this surface commingle without the operator again making application and providing notice to all owners.

Sincerely,



JAMIL BAILEY  
Division Director

JB/wvjj

cc: Oil Conservation Division – Artesia  
State Land Office – Oil, Gas, and Minerals Division