



ConocoPhillips Company
4001 Penbrook Street
Odessa, TX 79762

EXPLORATION & PRODUCTION
Permian Basin Business Unit

May 7, 2003

Mr. David Catanach
Oil Conservation Division
P. O. Box 6429
Santa Fe, New Mexico 87505

Re: Devon State #1, API #30-025-24731
UL "I", T17S, R33E, S.22
1874' FSL & 554' FEL, Lea Co., NM

Dear Mr. Catanach:

The subject well was recently recompleted from the Leamex (Pennsylvanian) to the Maljamar (Grayburg-San Andres). The well is now producing approximately 36 BOPD, 30 BWPD, and 58 MCFPD into a temporary, rental test tank. The closest tank battery to this well is the Leamex #3 Battery, which is located at the Leamex #6 well location, UL "L", T17S, R33E, S.23, 1910 FSL & 730' FWL. Presently, the Leamex #6, a Leamex (Pennsylvanian) producer, is shut-in pending evaluation and is the only well supplying the battery. The Devon State #1 previously produced into the Leamex #3 Battery as authorized by the attached Commingling Order CTB-350.

Line connections are already in place from the Devon State #1 to the Leamex #3 Battery. Metering equipment is in place at the battery, and no oil is presently in the tanks. At the direction of the Hobbs NMOCD District Office, ConocoPhillips Company respectfully requests your approval for "Off Lease Metering", to temporarily store and move the Devon State #1 production from this facility. While the Leamex #6 is shut-in, the Leamex (Pennsylvanian) production from the well will not be commingled with the Maljamar (Grayburg-San Andres) production from the Devon State #1.

The Leamex #6 will remain shut in until a decision is reached to reactivate the well as a Leamex (Pennsylvanian) producer or recomplete the well to the Maljamar (Grayburg-San Andres). Prior to reactivating the Leamex #6, ConocoPhillips Company will submit for your approval an application to surface commingle. Your consideration given this matter is greatly appreciated.

Sincerely,

Celeste G. Dale
Regulatory Analyst, Permian Basin

Attachment



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

OCT 24 1990

P.B.R. Regulatory Section

GARREY CARRUTHERS
GOVERNOR

COMMINGLING ORDER CTB-350

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5600

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: Larry M. Sanders

The above named company is hereby authorized to commingle Leamex Pennsylvanian Pool production from the following leases:

Lease: Devon State Lease
Description: NE/4 SE/4 Section 22, T-17 South, R-33 East, NMPM;

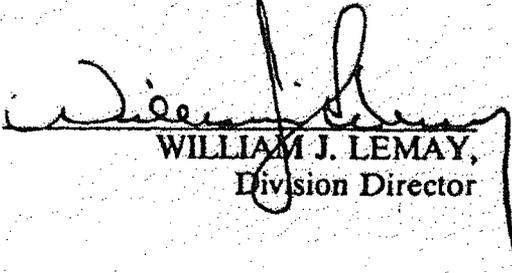
Lease: Leamex State Lease
Description: SE/4 NW/4, NW/4 SW/4 Section 23, T-17 South, R-33 East, NMPM,

Both in Lea County, New Mexico.

Production shall be allocated to each lease by well tests. (All commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 18th day of October, 1990.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe