

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 16, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-446
Administrative Application Reference No. pMAM1605660378

DEVON ENERGY PRODUCTION COMPANY, LP
Attention: Ms. Erin Workman

Pursuant to your application received on February 25, 2016, Devon Energy Production, Company LP (OGRID 6137) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico;

WC-025 G-05 S223421M; Delaware (97946)
WC-025 G-06 S223421L; Bone Spring (97922)

and from the following diversely owned wells on federal leases in said Section, Township and Range in Lea County, New Mexico.

Lease: Federal Lease NMNM-043564
Description: W/2 W/2 of Section 21
Well: Gaucho "21" Federal Well No. 2H
Pool: WC-025 G-05 S223421M; Delaware

Lease: Federal Lease NMNM-043564
Description: W/2 of Section 21
Well: Gaucho 21 Federal Well No. 3 H
Gaucho 21 Federal Well No. 4 H
Pool: WC-025 G-06 S223421L; Bone Spring

Lease: Federal Lease NMNM-043564
Description: NW/4 SW/4 of Section 21
Well: Gaucho 21 Federal Well No. 1
Pool: WC-025 G-06 S223421L; Bone Spring

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Gaucho "21" Federal Well No. 2H Tank Battery (CTB) located in Unit M, Section 21, Township 22 South, Range 34 East, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be separately metered. Oil and gas production from wells within leases shall be measured using a combination of well testing and allocation meters.

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

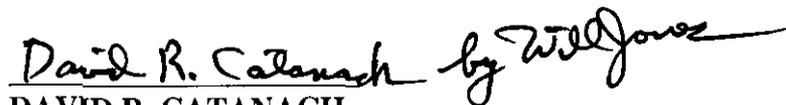
This Order supersedes Administrative Order PC-1272, issued on March 19, 2014.

The operator shall notify the transporter of this commingling authority.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

The operator shall notify the Hobbs District office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on March 16, 2016.


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs
Bureau of Land Management – Carlsbad