



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3706

Devon Energy Production Company, LP
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Attention: Melissa Zimmerman

Northeast Blanco Unit Well No. 339
API No. 30-045-33339
Unit P, Section 26, Township 31 North, Range 7 West, NMPM,
San Juan County, New Mexico
Blanco-Mesaverde Prorated Gas (72319), and
South Los Pinos; Fruitland Sand Pictured Cliffs Gas (80690) Pools

Dear Ms. Zimmerman:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be done by applying the ratio of the projected production of both intervals, obtained from type curves of surrounding wells and from initial testing on this well, to the actual well production.

Any change in this method of allocating production shall be done after approval of the Division and shall also require notification of the proposed change to owners of all separate revenue interests within the two spacing units to which this well is dedicated.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on May 8, 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

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