



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3173

Devon Energy Production Company, L.P.
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attention: Ms. Diane Busch

*Northeast Blanco Unit Well No. 319
API No. 30-045-31089
Unit N, Section 7, Township 31 North, Range 6 West, NMPM,
San Juan County, New Mexico
Wildcat Basin-Mancos (Gas - 97232) and
Basin-Dakota (Prorated Gas - 71599)*

Dear Ms. Busch:

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 and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas that may be produced from the well shall be determined by Division Rules and Regulations, or by the gas allowable for each respective prorated gas pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

The well shall be production tested for a period of 90-180 days. During this period, the Dakota shall be produced up the 2 3/8" tubing, and the Mancos shall be produced up the 2 3/8" x 4 1/2" annulus. Production from each of these zones shall be separately metered at the surface prior to sales. Subsequent to the test period, the applicant shall utilize the test data to compile a Dakota production curve. This production curve shall be utilized to forecast Dakota production. Subsequently, Dakota production shall be determined by utilizing the production curve, and Mancos production shall be determined by subtracting Dakota production from the well's total monthly gas production.

The applicant shall provide the Division and each interest owner in the well a copy of the Dakota production curve on which future Dakota production shall be determined.

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

Pursuant to Rule 303.C.(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 this 13th day of August 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/DRC

cc: Oil Conservation Division – Aztec
Bureau of Land Management – Farmington