

12/15/03

DHC

LR 2170335147752

NVJ

devon

ENERGY CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone 405/228-7512
FAX 405/552-4667

December 11, 2003

Certified Mail No. 7002 2030 0001 3840 7414

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Dept.
Attn Michael Stogner
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RECEIVED

DEC 15 2003

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Downhole Commingling
Chase 2 State Com #2
Section 2-22S-27E SWNW
API #30-015-32766
Carlsbad; Wolfcamp East Gas and
Carlsbad; Morrow East Gas, fields
Eddy County, NM

Mr. Stogner:

Concerning the referenced, enclosed please find the Form C-103 Sundry Notice of Intent to downhole commingle and attachments (and five copies).

Please direct inquiries concerning this notice to Karen Cottom at (405) 228-7512.

Yours truly,



Karen Cottom
Engineering Tech.
DEVON ENERGY PRODUCTION COMPANY, L.P.

/kac
Enclosures

c: State Land Office w/C103 Sundry Notice of Intent & attachments.

Chase 2 State Com #2

Allocation Formula

<u>Well Name</u>	<u>Producing Formation</u>	<u>*Daily Production Test 3-4 month average</u>	<u>% of Total Oil</u>
Chase 2 State Com #2	(74160)Carlsbad; Wolfcamp East Gas	20 BO/ 573 MCF/ 3 BW	100 %
Chase 2 State Com #2	(73920) Carlsbad; Morrow East Gas	0 BO/ 385 MCF/ 36 BW	0 %

* From attached production plots

The above production test represents stable production from a Wolfcamp producer and a Morrow producer. We believe these rates of production represent an acceptable means to allocate production. **We have previously received approval for downhole commingling in these fields utilizing a similar allocation method.**

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Artesia, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
X Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Devon Energy Production Company, L.P. 20 N. Broadway, Suite 1500, Oklahoma City, OK 73102
Operator Address

Chase 2 State 2 E Sec 2 T22S R27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 6137 Property Code 32278 API No. 30-015-32766 Lease Type: ___ Federal State ___ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Carlsbad; Wolfcamp East (Gas)		Carlsbad Morrow East (Gas)
Pool Code	74160		73920
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9586' - 9842'		11,494' - 11,629'
Method of Production (Flowing or Artificial Lift)	flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	56.0		54.6
Producing, Shut-In or New Zone	Producing		SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 11/18/03 Rates: 20 BO 573 MCF 3 BW	Date: Rates:	Date: 9/12/03 Rates: 0 BO 385 MCF 36 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil 100% Gas 59 %	Oil % Gas %	Oil 0% Gas 41 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No ___
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ___ No ___

Are all produced fluids from all commingled zones compatible with each other? Yes No ___

Will commingling decrease the value of production? Yes ___ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No ___

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Karen Cottom* TITLE Operations Technician DATE December 11, 2003

TYPE OR PRINT NAME Karen Cottom TELEPHONE NO. (405) 228-7512

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 rio Brazos Rd, Aztec, NM
87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-015-32766
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Chase 2 State Com
8. Well No. 2
9. Pool name or Wildcat Carlsbad; Morrow & Wolfcamp East Gas

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well
 Oil Well Gas Well Other _____

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY, L. P.

3. Address of Operator
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 2287512

4 Well Location
Unit Letter E : 1980 Feet From The North Line and 1310 Feet From The West Line

Section 2 Township 22S Range 27E NMPM EDDY County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3117 GR

Check Appropriate Box To Indicate Nature Of Notice, Report, Or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>DOWNHOLE COMMINGLE</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103.

Devon Energy Production Company, L.P. is applying with the New Mexico Oil Conservation Division to downhole commingle the existing 73920 Carlsbad Morrow East (Gas)perf's (11,494' – 11,629') with the existing 74160 Carlsbad; Wolfcamp East (Gas) (9586' – 9842). The commingling will not reduce the value of the total remaining production. Ownership in the zones is identical.

The proposed allocations are as follows:

- 73920 – Carlsbad Morrow East (Gas) 0% Oil 41% MCF
- 74160 – Carlsbad Morrow East (Gas) 100% Oil 59% MCF

Current and proposed wellbore schematics are attached along with the allocation method and supporting data

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Karen Cottom TITLE ENGINEERING TECHNICIAN DATE December 11, 2003

TYPE OR PRINT NAME Karen Cottom TELEPHONE NO. (405) 228-7512

(This space for State use)

Approved by _____ TITLE _____ DATE _____

Conditions of approval, if any:



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

December 1, 2003

New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

Re: Downhole Commingling Application
Chase 2 State Com #2
Section 2-T22S-R27E
Eddy County, New Mexico

Gentlemen:

In connection with the Downhole Commingling Application submitted on behalf of Devon Energy Production Company, L.P. as operator of the referenced well, I have reviewed Devon's files and title information and find that the working interests, overriding royalty interests and royalty interests are common for each of the formations to be commingled.

If there are any questions or if additional information is required, feel to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in black ink, appearing to read "Ken Gray".

Ken Gray
Senior Land Advisor

KG:
Enclosures

devon

ENERGY CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone 405/228-7512
FAX 405/552-4667

December 11, 2003

Certified Mail No. 7001 1140 0000 7487 0921

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Dept.
Attn Bryan Arrant
Oil Conservation Division
1301 W Grand Ave
Artesia, NM 88210-1729

RE: Downhole Commingling
Chase 2 State Com #2
Section 2-22S-27E SWNW
API #30-015-32766
Carlsbad; Wolfcamp East Gas and
Carlsbad; Morrow East Gas, fields
Eddy County, NM

Dear Bryan;

Concerning the referenced, enclosed please find the Form C-103 Sundry Notice of Intent to downhole commingle and attachments (and five copies).

Please direct inquiries concerning this notice to Karen Cottom at (405) 228-7512.

Yours truly,



Karen Cottom
Engineering Tech.
DEVON ENERGY PRODUCTION COMPANY, L.P.

/kac
Enclosures

c: State Land Office w/C103 Sundry Notice of Intent & attachments.

Chase 2 State Com #2

Allocation Formula

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ENERGY PRODUCTION COMPANY, L.P.

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone: (405) 235-3611
Fax: (405) 552-4667

December 11, 2003

Pete Martinez
State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Re: Chase 2 State Com #2
API #30-015-32766

Dear Mr. Martinez:

Pursuant to the State Land Office Rule Nos. 1.053, 1.054 and 1.055, you will find enclosed the \$30.00 filing fee and a copy of the commingling application for the Chase 2 State Com #2.

Should you require any additional information or assistance, please do not hesitate to contact me at (405) 228-7512.

Sincerely,

Karen Cottom
Engineering Technician
Devon Energy Production Company, L.P.

kc
Enclosure

DEVON ENERGY PRODUCTION COMPANY, L.P. 20 N. BROADWAY
OKLAHOMA CITY, OK 73102-8260 PH: 405-228-4800

DATE 12/03/03

053657 NO. 0001322192

YOUR REFERENCE	OUR REFERENCE		NET AMOUNT
CHASE2STCOM2	03/12/241118	CHASE 2ST COM2 COMMINGLING	30.00
TOTAL AMOUNT			30.00

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

DEVON ENERGY PRODUCTION COMPANY, L.P.
20 N. BROADWAY
OKLAHOMA CITY, OK 73102-8260

Bank of America
Bank of America Customer Connection
Bank of America, N.A.
Atlanta, Dekalb County, Georgia

64-1278
611

12/03/03

VENDOR NO. 053657 NO. 0001322192

Original Payee: STATE OF NEW MEXICO

PAY ONLY **30.00**
THREE ZERO CTSCTS

PAY THIS AMOUNT
*****\$30.00

PAY
TO THE
ORDER
OF

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P O BOX 1148
SANTA FE NM 87504 1148

VOID AFTER 90 DAYS

VOID OVER \$30.00

AUTHORIZED SIGNATURE

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO SEE THE MARK WHEN CHECKING THE ENDORSEMENTS.

⑈0001322192⑈ ⑆061112788⑆ 329 995 9892⑈

053657

DEVON ENERGY PRODUCTION COMPANY, L.P.
20 N. BROADWAY
OKLAHOMA CITY, OK 73102-8260

STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P O BOX 1148
SANTA FE NM 87504 1148

Devon Energy Production Co. L.P.
Chase 2 State Com #2
API: 30-015-32766

Morrow Interval Test
Vented to Atmosphere

Date	OIL BPD	GAS MCFD	WATER BPD	COMMENTS
8/30/03			148	Clean up. Load water
8/31/03			51	Clean up. Load water
9/1/03		375	27	Clean up. Load water
9/2/03		375	26	Clean up. Load water
9/3/03				SI BHP TEST
9/4/03				SI BHP TEST
9/5/03				SI BHP TEST
9/6/03				SI BHP TEST
9/9/03	0	230	4	
9/12/03	0	385	36	
Average	0	308	20	

Wolfcamp Interval Test
Production to Sales

Date	OIL BPD	GAS MCFD	WATER BPD	COMMENTS
11/11/03	11	237	0	
11/12/03	11	368	0	
11/13/03	11	269	0	
11/14/03	6	455	11	
11/15/03	17	362	2	
11/16/03	14	351	0	
11/17/03	11	669	19	
11/18/03	20	573	3	
11/19/03	17	535	3	
11/20/03	22	516	3	
11/21/03	28	486	5	
11/22/03	17	473	1	
Average	15	441	4	

	OIL BPD	GAS MCFD	WATER BPD
Combined Production	15	749	24

Morrow Interval	0%	41%	84%
Wolfcamp Interval	100%	59%	16%

Operator: **Devon Energy Production Co. L.P.**
 Location: **Eddy County, NM**
Sec 2, T22S, R27E

WELL: **Chase 2 State Com 2**
 API #: **30-015-32766**

CURRENT
 PROPOSED

Elevation: 3117' GR
 Spud Date: 6/17/2003

13-3/8", 48#, H40, ST&C @ 457'
 17-1/2" hole
 Cemented w/ 400 sks

9-5/8", 36#, J55, ST&C @ 2025'
 12-1/4" hole
 Cmt'd w/ 710 sks

DV Tool @ 8504'

2-3/8" Production Tubing

Packer @ 9526'

WOLFCAMP Perfed_11/7/03
 9586' - 91'; 9632' - 34';
 9646' - 48'; 9652'-54'; 9657'-59'
 9675'-77'; 9683'-84'; 9732'-34'

2 sx sand on top
 RBP @ 9775' (11/7/03)

Short String Production
WOLFCAMP Perfed_10/23/03
 9802' - 9814'
 9836' - 9842'

Arrow Set Packer @ 11475' (Set 10/23/03)

Long String Production
MORROW Perfed_10/22/03
 11494' - 11500'

1.80" F Nipple

DB Packer @ 11,550' (Set 8/16/03)

Long String Production
MORROW Cmpl_9/8/03
 11608' - 11610'
 11624' - 11628' 422 Mcf, 0 bo, 22 bw, 500 TP

1.81" F Nipple
 1.78" F Nipple

MORROW
 11724' - 11734'

PBTD @ 11645' (8/30/03)
 2 Sx Class H on top 20/40 sand
 20/40 sand F/11703' - 12003'

7", 26#, P110, & 23# L80, ST&C @ 12100'
 8-3/4" hole
 Cmt'd w/ 2140 sks

TD @ 12,100' (7/22/03)

R. Slack 11/25/03

Operator: **Devon Energy Production Co. L.P.**
Location: **Eddy County, NM**
Sec 2, T22S, R27E

WELL: **Chase 2 State Com 2**
API #: **30-015-32766**

Elevation: 3117' GR

Spud Date: 6/17/2003

CURRENT
PROPOSED

13-3/8", 48#, H40, ST&C @ 457'

17-1/2" hole
Cemented w/ 400 sks

9-5/8", 36#, J55, ST&C @ 2025'

12-1/4" hole
Cmt'd w/ 710 sks

DV Tool @ 8504'

WOLFCAMP Perf'd 11/7/03

9586' - 91'; 9632' - 34';
9646' - 48'; 9652'-54'; 9657'-59'
9675'-77'; 9683'-84'; 9732'-34'

Short String Production

WOLFCAMP Perf'd 10/23/03

9802' - 9814'
9836' - 9842'

Long String Production

MORROW Perf'd 10/22/03

11494' - 11500'

Long String Production

MORROW Cmpl 9/8/03

11608' - 11610'
11624' - 11628' 422 Mcf, 0 bo, 22 bw, 500 TP

MORROW

11724' - 11734'

7", 26#, P110, & 23# L80, ST&C @ 12100'

8-3/4" hole
Cmt'd w/ 2140 sks

TD @ 12,100' (7/22/03)

Proposed: 2-3/8" Production Tubing
(Open ended to +/- 11,425')

Arrow Set Packer @ 11475' (Set 10/23/03)

1.80" F Nipple

DB Packer @ 11,550' (Set 8/16/03)

1.81" F Nipple

1.78" F Nipple

PBTD @ 11645' (8/30/03)

2 Sx Class H on top 20/40 sand
20/40 sand F/11703' - 12003'

R. Slack 11/25/03