

CTB 11/25/96
490

devon
ENERGY CORPORATION

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

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

October 31, 1996

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
Attention: Benjamin E. Stone

RECEIVED
NOV - 4 1996

Re: Request for Exception to Rule 309-A
Lease Commingling, Eagle Federal Leases
United States Oil and Gas Leases
LC-026874-B, NM-025528, NM-0557370, LC-064050-A, LC-067849
Sections 33 & 34, Township 17 South, Range 27 East
Eddy County, New Mexico

RED LAKE #4 LBG/SA
5/1300

Gentlemen:

Devon Energy Corporation (Nevada) as Operator of the referenced leases respectfully requests that the Division Director grant an exception to Rule 309-A to permit the commingling of production from the referenced leases into a common tank battery, without notice and hearing.

Attached you will find a plat of the leases subject to this application. All production will be commingled at the Eagle Federal battery located in Section 34, Unit Letter K. Also attached is a schematic diagram of the commingling facility to be utilized. Also, attached is a copy of our corresponding application to the BLM.

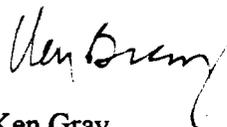
As evidenced by the attached letter, all parties owning an interest in the leases and the purchasers of the commingled production have been notified by certified mail regarding this application.

Please feel free to contact the undersigned at 405-552-4633 if there are any questions.

Thank you for your cooperation.

Yours very truly,

DEVON ENERGY CORPORATION (NEVADA)



Ken Gray
District Landman

KG:da\newmex21.lt
Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other -----

2. Name of Operator
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sections 33, 34, and 35-17S-27E

5. Lease Designation and Serial No.
**NM 025528; NM 056122;
 LC 02687-B; NM 0557370;
 LC 064050-A; LC 067949**

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
Eagle "33", "34" & "35" Federal

9. API Well No.

10. Field and Pool, or Exploratory Area
Red Lake (Q-GB-SA)

11. County or Parish, State
Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Commingling at Surface</u> <input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</small>

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Devon Energy Corporation (Nevada) requests approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following wells:

- | | | |
|-----------------|-----------------|------------------------|
| Eagle "33A" #1 | Eagle "34A" #1 | Eagle "34N" #27 |
| Eagle "33B" #3 | Eagle "34B" #3 | Eagle "35L" Federal #1 |
| Eagle "33G" #5 | Eagle "34C" #5 | |
| Eagle "33H" #7 | Eagle "34D" #7 | |
| Eagle "33N" #9 | Eagle "34E" #9 | |
| Eagle "33O" #11 | Eagle "34F" #11 | |
| Eagle "33P" #13 | Eagle "34G" #13 | |
| | Eagle "34H" #15 | |
| | Eagle "34I" #17 | |
| | Eagle "34J" #19 | |
| | Eagle "34K" #21 | |
| | Eagle "34L" #23 | |
| | Eagle "34M" #25 | |

14. I hereby certify that the foregoing is true and correct

Signed E.L. Buttross, Jr. Title District Engineer Date October 28, 1996

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

APPLICATION FOR SURFACE COMMINGLING OFF LEASE STORAGE AND MEASUREMENT APPROVAL

To: Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220

Devon Energy Corporation requests approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following wells on Federal Lease No. NM-025528

Lease Name: Eagle "33" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
1	A	33	17S	27E	Grayburg/San Andres
3	B	33	17S	27E	Grayburg/San Andres
5	G	33	17S	27E	Grayburg/San Andres
11	O	33	17S	27E	Grayburg/San Andres
13	P	33	17S	27E	Grayburg/San Andres

with hydrocarbon production from the following wells on Federal Lease No. NM-056122

Lease Name: Eagle "33" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
7	H	33	17S	27E	Grayburg/San Andres

with hydrocarbon production from the following wells on Federal Lease No. LC 026874-B

Lease Name: Eagle "33" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
9	N	33	17S	27E	Grayburg/San Andres

with hydrocarbon production from the following wells on Federal Lease No. NM-0557370

Lease Name: Eagle "34" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
1	A	34	17S	27E	Grayburg/San Andres
3	B	34	17S	27E	Grayburg/San Andres
13	G	34	17S	27E	Grayburg/San Andres
15	H	34	17S	27E	Grayburg/San Andres
19	J	34	17S	27E	Grayburg/San Andres

with hydrocarbon production from the following wells on Federal Lease No. LC-064050-A

Lease Name: Eagle "34" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
5	C	34	17S	27E	Grayburg/San Andres
11	F	34	17S	27E	Grayburg/San Andres
17	I	34	17S	27E	Grayburg/San Andres

Lease Name: Eagle "35" Federal

1	L	35	17S	27E	Grayburg/San Andres
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with hydrocarbon production from the following wells on Federal Lease No. LC-067849

Lease Name: Eagle "34" Federal

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
7	D	34	17S	27E	Grayburg/San Andres
9	E	34	17S	27E	Grayburg/San Andres
21	K	34	17S	27E	Grayburg/San Andres
23	L	34	17S	27E	Grayburg/San Andres
25	M	34	17S	27E	Grayburg/San Andres
27	N	34	17S	27E	Grayburg/San Andres

Production from the wells involved is as follows:

<u>Well</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Eagle "33A" #1	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "33B" #3	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "33G" #5	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "33H" #7	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "33N" #9	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "33O" #11	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "33P" #13	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34A" #1	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34B" #3	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34C" #5	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34D" #7	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34E" #9	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34F" #11	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34G" #13	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34H" #15	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34I" #17	COMPLETING, TEST TO FOLLOW		
Eagle "34J" #19	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34K" #21	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34L" #23	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34M" #25	TO BE DRILLED, TEST TO FOLLOW.		
Eagle "34N" #27	TO BE DRILLED, TEST TO FOLLOW.		

Exhibit I is a schematic which shows the equipment that will be utilized to determine well production from each lease. A map (Exhibit II) is enclosed that shows the lease numbers and location of all leases and wells that will contribute production to the proposed commingled facility.

The storage and measuring facility will be located in UL K in the NE/SW of Section 34, T17S, R 27E on lease No. LC-067849 in Eddy County, New Mexico. The BLM will be notified if there is any future change in the facility location.

Process and Flow Description: Under the proposed flow system, gas will be flowed out the casing from each well and will be tested at the well using an orifice well tester. Oil and water will be pumped out the tubing and will go through a flowline to a header at the battery. Wells will be tested by switching into the test treater which will separate the oil and water and allow the oil to be measured in a test tank and the water by means of a meter.

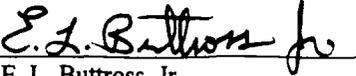
Production Allocation: Production allocation will be based on periodic well tests as described above. Allocation of total gas recorded by the Sales Gas Meter will be based on these tests.

The overriding royalty owners, and NMOCD have been notified of this proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for hydrocarbon development and operation on the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. We have submitted an application for the necessary right-of-way approvals to the BLM's Realty Section.

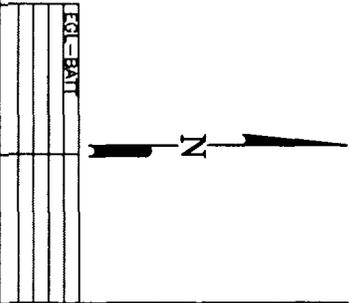
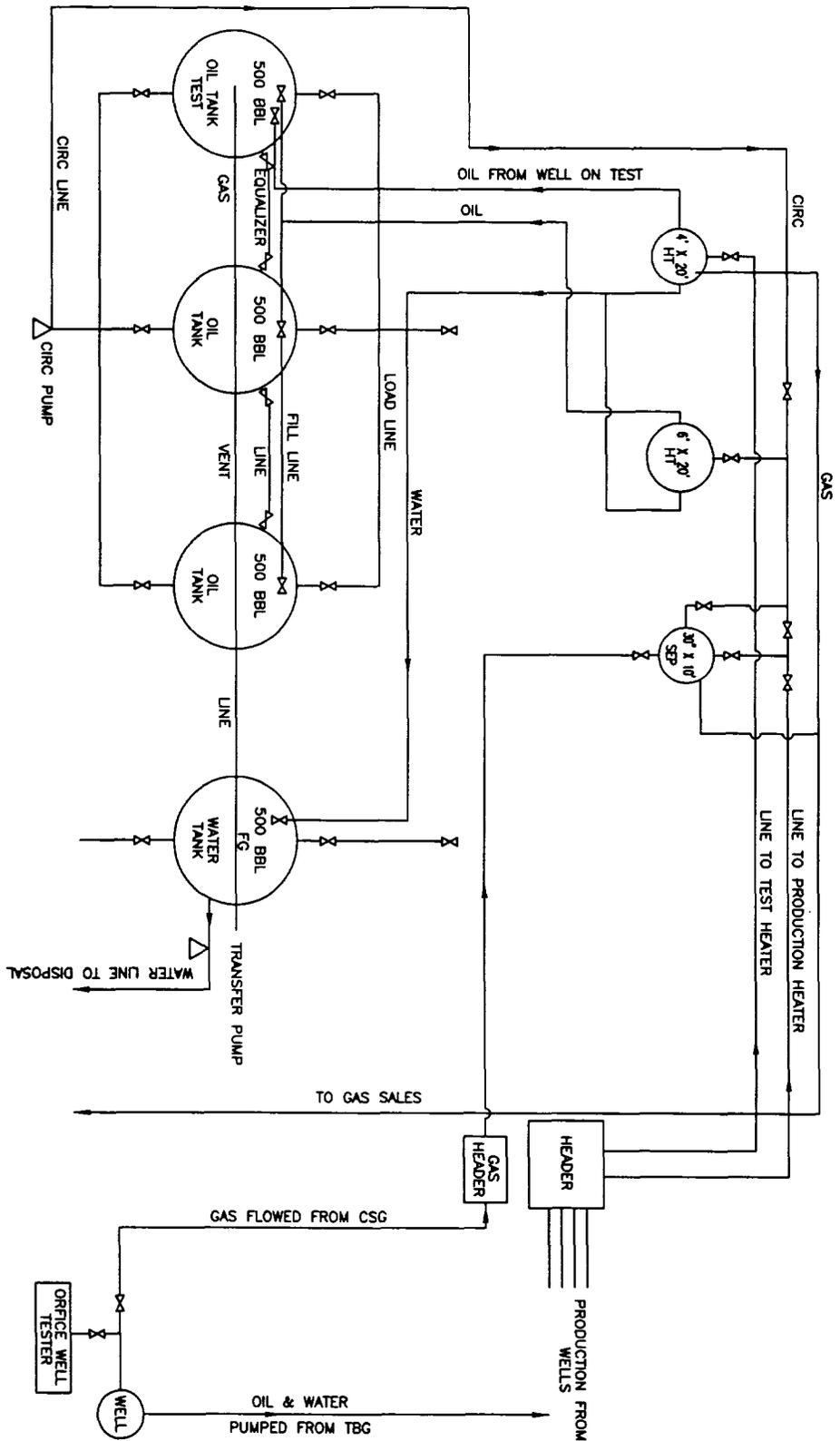
Signed: 

Name: E. L. Buttross, Jr.

Title: District Engineer

Date: October 28, 1996

Devon Energy Corporation (Nevada)
20 N. Broadway, Suite 1500
Oklahoma City, OK 736102



denon

RED LAKE AREA
EDDY COUNTY, NEW MEXICO

EXHIBIT # 1
EAGLE
FEDERAL BATTERY
FLOW DIAGRAM

F. CORNELL

10/96



ENERGY CORPORATION

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

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

October 31, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners
Address List Attached

Re: Request for Exception to Rule 309-A
Lease Commingling, Eagle Federal Leases
United States Oil and Gas Leases
LC-026874-B, NM-025528, NM-0557370, LC-064050-A, LC-067849
Sections 33 & 34, Township 17 South, Range 27 East
Eddy County, New Mexico

Gentlemen:

This letter is to advise you that Devon Energy Corporation (Nevada) shall file an application with the New Mexico Oil Conservation Division seeking administrative approval for an exception to Rule 309-A to permit the commingling of production from the referenced leases into a common tank battery.

A copy of our letter of request submitted to the Division is attached.

Any objections to or requests that a hearing should be held pertaining to this application must be submitted to the Division within 20 days from the date of Devon's application.

If there are any questions, feel free to contact the undersigned at 405-552-4633, or Mr. Ernie Buttross at 405-552-4509.

Yours very truly,

DEVON ENERGY CORPORATION (NEVADA)

Ken Gray
District Landman

KG:da\newmex22.lt
Enclosure

**ADDRESS LIST
LEASE COMMINGLING APPLICATION
EAGLE FEDERAL LEASES**

Lulu E. Harbold Estate
Ruth Turbebill, Individually
and as Executrix
P. O. Box 504
Mesa Park, NM 88047-0504

Howard B. Wright Trust
Wells Fargo Bank, Trustee
Trust Natural Resources
P. O. Box 5825
Denver, CO 80217-5825

Summitt Energy, Inc.
Irongate 3, Suite 201
777 S. Wadsworth Blvd.
Lakewood, CO 80226

Trigg Family Trust
John H. Trigg and
Pauline V. Trigg, Trustees
P. O. Box 520
Roswell, NM 88201

Joan A. Hudson
8053 San Vista Circle
Naples, FL 33942

Jane Ann Hudson Davis
Box 2660
Ruidoso, NM 88345-2660

Minerals Management Service
Royalty Program
Box 5810, T.A.
Denver, CO 80217

Minerals Management Service
Royalty Management Program
Building 85, Denver Federal Center
Room A-212, Revenue Document Proc.
Denver, CO 80225-0001

Jonel Susan Grasso
11 Ocean Ridge
Laguna Niguel, CA 92677

Amoco Production Company
501 Westlake Park Blvd.
P. O. Box 4891
Houston, TX 77210
Attention: Jerry West

Eott Energy Operating Ltd. Partnership
P. O. Box 4666
Houston, TX 77210-4666

GPM Gas Services Corp.
4044 Penbrook
Odessa, TX 79762

Bureau of Land Management
620 East Greene
Carlsbad, NM 88220