



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3012

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

Attention: Ms. Karen Cottom



Veranda 16 State Com Well No. 1
API No. 30-015-31189
Unit O, Section 16, Township 17 South, Range 26 East, NMPM,
Eddy County, New Mexico.
Kennedy Farms-Upper Penn (Gas - 79525),
Wildcat-Strawn (Gas), and
Kennedy Farms-Morrow (Gas - 79520) Pools

Dear Ms. Cottom:

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 which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Gas Proration Schedule.

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

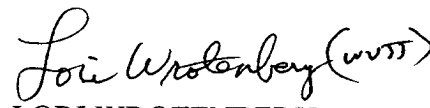
Kennedy Farms-Upper Penn Gas Pool	Oil-0%	Gas-41%
Wildcat-Strawn Gas Pool	Oil-0%	Gas-9%
Kennedy Farms-Morrow Gas Pool	Oil-0%	Gas-50%

REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 10th day of June 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

LW/WVJ

cc: Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe