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PLR0323354278

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District I

1625 N. French Drive, Hobbs, NM 88240

District II

1301 W. Grand Ave, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

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

State of New Mexico

RECEIVED

Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

AUG 21 2003

CONSERVATION DIVISION

1220 S. St Francis Drive

Santa Fe, New Mexico 87505

**OIL CONSERVATION
DIVISION**Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**OPERATOR NAME: Devon Energy Production Company, LPOPERATOR ADDRESS: 20 North Broadway, Ste 1500

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)LEASE TYPE: ☐ Fee ☐ State ☒ FederalIs this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Los Medanos Bone Spring 40295	45.7				
Los Medanos; Wolfcamp S 96336	44.1				

(2) Are any wells producing at top allowables? ☐ Yes ☒ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.(4) Measurement type: ☒ Metering ☐ Other (Specify)(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☒ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No(4) Measurement type: ☒ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☒ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Karen CottomTITLE: Operations TechnicianDATE: August 19, 2003TYPE OR PRINT NAME: Karen CottomTELEPHONE NO.: 405-228-7512E-MAIL ADDRESS: karen.cottom@dvn.com

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

Bureau of Land Management
1220 S. St Francis Drive
Santa Fe, New Mexico, 87505

Devon Energy Production Company, LP requests approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following wells on Federal Lease No. NM-91509

Lease Name: Apache 25 Federal

Well No.	UL	Sec	TWP	Rng	Formation
5	I	25	22S	30E	Los Medanos; Bone Spring
5	I	25	22S	30E	Los Medanos; Wolfcamp S
9	J	25	22S	30E	Los Medanos; Bone Spring

with hydrocarbon production from the following wells on State Lease No. NM-89052

Lease Name: Apache 25 Federal

Well No.	UL	Sec	TWP	Rng	Formation
2	P	25	22S	30E	Los Medanos; Bone Spring

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.

Process and Flow Description: The common gas sales meter will be located at the Apache 25 Federal #2 location Unit 'P', Sec 25-22S-30E Federal lease #NM-89052. A gas test meter will be used to allocate production and will be located at Unit 'P' Sec 25-22S-30E Federal Lease # NM-89052. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The attached facility diagrams show the proposed metering arrangement. The BLM will be notified if there is any future change in the facility location.

NMOCD has been notified of this proposal. Devon Energy Production Company, LP has 100% WI in the referenced wells.

The proposed commingling of production is to reduce operating expense between the three referenced wells. This will result in increasing the economic life of the wells.

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.

Signed: Karen Cottom

Name Karen Cottom

Title: Operations Technician

Date: August 19, 2003

30-015-2747A

BP 40295
96336

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.
see attached - Federal Wells

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
see attached

8. Well No.

9. Pool name or Wildcat
Los Medanos; Bone Spring; Los
Medanos; Wolfcamp, S

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, LP

3. Address of Operator

20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 228-7512

4. Well Location

Unit Letter P 660' Feet From The South Line and 1310 Feet From The East Line

Section 25

Township 22S

Range 30E

NMPM

Eddy

County

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

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Surface Commingle

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: _____ ☐

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, LP requests approval for surface commingle and off lease storage for measurement of hydrocarbon production from the following wells.

Apache 25 Federal #9, 1980 FSL & 1650 FEL, 30-015-32797, Lease #NMNM91509

Apache 25 Federal #5, 1980 FSL & 330 FEL, 30-015-32720 #NMNM91509

Surface commingle will be at the Apache 25 Federal #2, 660 FSL & 1310 FEL, 30-015-27478 on the NMNM89052 Lease

Devon has 100% interest in the referenced wells.

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 August 19, 2003

TYPE OR PRINT NAME Karen Cottom

TELEPHONE NO. (405) 235-3611

(This space for State use)

Approved by _____
Conditions of approval, if any:

TITLE _____

DATE _____

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 PRODUCTION COMPANY, LP.

3. Address and Telephone No.

20 NORTH BROADWAY, SUITE 1100, OKLAHOMA CITY, OKLAHOMA 73102 (405) 228-7512

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 25 22S 30E

5. Lease Designation and Serial No.

NMNM91509 & NMNM89052

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

see attached

9. API Well No.

see attached

10. Field and Pool, or Exploratory Area

Los Medanos; Bone Spring & Los Medanos; Wolfcamp South

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Surface Commingle

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 Production Company, LP requests approval for surface commingle and off lease storage for measurement of hydrocarbon production from the following wells.

Apache 25 Federal #9, 1980 FSL & 1650 FEL, 30-015-32797, Lease #NMNM91509

Apache 25 Federal #5, 1980 FSL & 330 FEL, 30-015-32720 #NMNM91509

Surface commingle will be at the Apache 25 Federal #2, 660 FSL & 1310 FEL, 30-015-27478 on the NMNM89052 Lease

Devon has 100% interest in the referenced wells.

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

Signed Karen A. Cottom
(This space for Federal or State office use)

Karen A. Cottom

Title Operations Technician

Date August 19, 2003

Approved by _____
Conditions of approval, if any:

Title _____

Date _____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3178

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

RECEIVED

AUG 18 2003

LAND DEPARTMENT

Attention: Mr. James Blount

*Apache "25" Federal Well No. 5
API No. 30-015-32720
Unit I, Section 25, Township 22 South, Range 30 East, NMPM,
Eddy County, New Mexico
Los Medanos-Bone Spring (Oil - 40295), and
South Los Medanos-Wolfcamp (Oil - 96336) Pools*

Dear Mr. Blount:

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 well bore.

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.

In accordance with the provisions of Rule 303.C.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

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

Los Medanos-Bone Spring Pool	Oil-51%	Gas-49%
South Los Medanos-Wolfcamp Pool	Oil-49%	Gas-51%

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 14th day of August 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/DRC

cc: Oil Conservation Division – Artesia
Bureau of Land Management-Carlsbad

2

1

6

0

11

12

7

100%WI/87.5%NRI
HBP
NM 89051

Apache Fed 13 #1
100%WI/87.5%NRI

NM 89051

13

100%WI/87.5%NRI
HBP

18

5

14

DE

100%WI/87.5%NRI
Ex 1103
Fee Lease

100%WI/87.5%NRI
HBP

NM 89051

24

Apache 24 Fed #1
100%WI/87.5%NRI

19

2

23

100%WI/87.5%NRI
HBP

NM 89052

25

NM 91509

Apache 25 Fed Com #2
100%WI/87.5%NRI

30

7

26

4

35

36

31

