

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division
ADMINISTRATIVE ORDER DHC-3188

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

Attention: Karen Cottom

Eagle 34 Federal Well No.31 API No. 30-015-31736 Unit J, Section 34, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico. Northeast Red Lake-Glorieta Yeso (Oil 96836) and Red Lake-Queen Grayburg San Andres (Oil 51300) 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.

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:

| Northeast Red Lake-Glorieta Yeso Oil Pool | Oil-29% | Gas-56% |
|---|---------|---------|
| Red Lake-Queen Grayburg San Andres Oil Pool | Oil-71% | Gas-44% |

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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 September 2003.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

SEAL

LW/wvjj

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