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December 26, 2007

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14087*

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of two applications for lease commingling, together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the next available Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF DEVON ENERGY  
PRODUCTION COMPANY, L.P. FOR  
LEASE COMMINGLING, EDDY  
COUNTY, NEW MEXICO.

Case No. 14087

APPLICATION

Devon Energy Production Company, L.P. applies for an exception to Division Rule 303 to permit lease commingling and an exception to metering requirements, and in support thereof, states:

1. Applicant is the operator of wells completed in the Red Lake Queen-Grayburg-San Andres Pool and the Red Lake Glorieta-Yeso Pool within (i) United States Oil and Gas Lease LC 070678-A, covering the NW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , and SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 8, (ii) United States Oil and Gas Lease NM 89156, covering the SE $\frac{1}{4}$ SW $\frac{1}{4}$  and NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 8, (iii) United States Oil and Gas Lease NM 29273, covering the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 8, and (iv) United States Oil and Gas Lease NM 0758, covering the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 17, all in Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. A plat of the leases is attached as Exhibit A.

2. Applicant seeks approval to surface commingle Red Lake Queen-Grayburg-San Andres Pool and Red Lake Glorieta-Yeso Pool production from its wells located on the leases. A list of the wells involved in this application is attached as Exhibit B.

3. Applicant further seeks an exception to the metering requirements of NMAC 19.15.5.303.B(4)(a) to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Hawk

“8” Tank Battery, located in the NE¼SW¼ of Section 8. A schematic of the facilities is attached  
as Exhibit C.

4. Royalty interest ownership under the subject leases is common, but overriding royalty interest and/or working interest ownership varies.

5. Notice of this application has been given to all interested parties, by certified mail.

6. The granting of this application will prevent waste and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

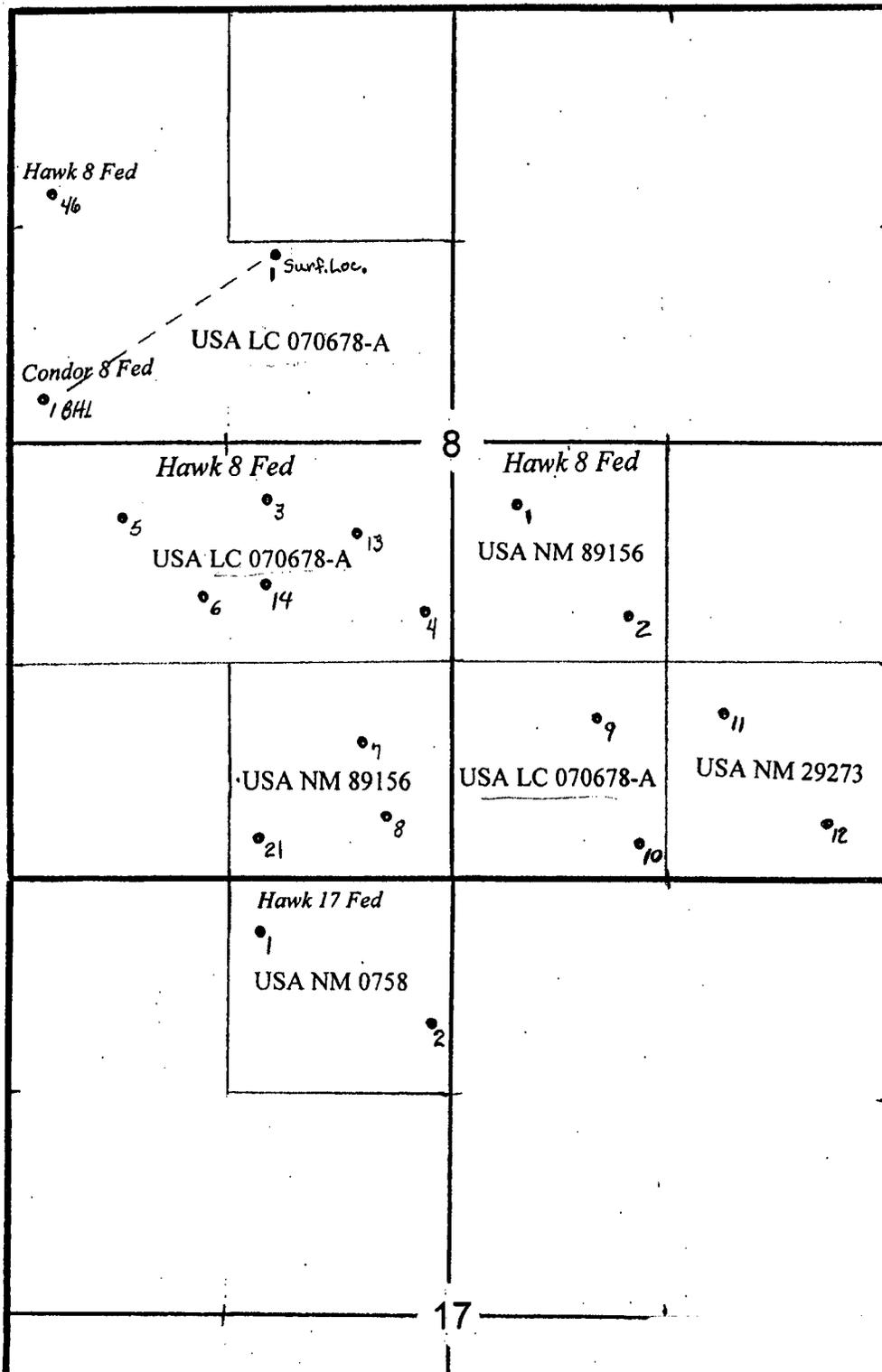
Attorney for Devon Energy Production  
Company, L.P.

# SECTION PLAT

Eddy County, State of New Mexico

Section 8 & 17 Township 18S Range 27E

NORTH



EXHIBIT

**A**

**Devon Energy Production Company, LP**  
**Hawk 8 Battery**  
**Section 8 – T18S – R27E, Unit K**  
**Federal Lease USA NM LC-070678-A**

Wells currently producing to the Hawk 8 Battery:

Lease No. USA NM LC-070678-A

Lease Name: Hawk 8 Federal

Well No.	UL	API No.	Formation / Pool Name
3	K	30-015-29014	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
4	K	30-015-29054	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
5	L	30-015-29015	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
6	L	30-015-29068	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
9	O	30-015-29069	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
10	O	30-015-29056	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
13	K	30-015-34337	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
14	K	30-015-34336	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso

Lease No. USA NM 89156

Lease Name: Hawk 8 Federal

Well No.	UL	API No.	Formation / Pool Name
1	J	30-015-29012	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
2	J	30-015-29049	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
7	N	30-015-29016	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
8	N	30-015-29055	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
21	N	30-015-34964	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso

Lease No. USA NM 29273

Lease Name: Hawk 8 Federal

Well No.	UL	API No.	Formation / Pool Name
11	P	30-015-29027	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
12	P	30-015-29057	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso

- continued on page 2 -

EXHIBIT

**B**

Lease No. USA NM 0758

Lease Name: Hawk 17 Federal

Well No.	UL	API No.	Formation / Pool Name
1	C	30-015-29514	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso
2	C	30-015-29726	Red Lake-Queen Grayburg San Andres &/or Red Lake-Glorieta Yeso

Wells proposed to produce to the Hawk 8 Battery:

Lease No. USA NM 070678-A

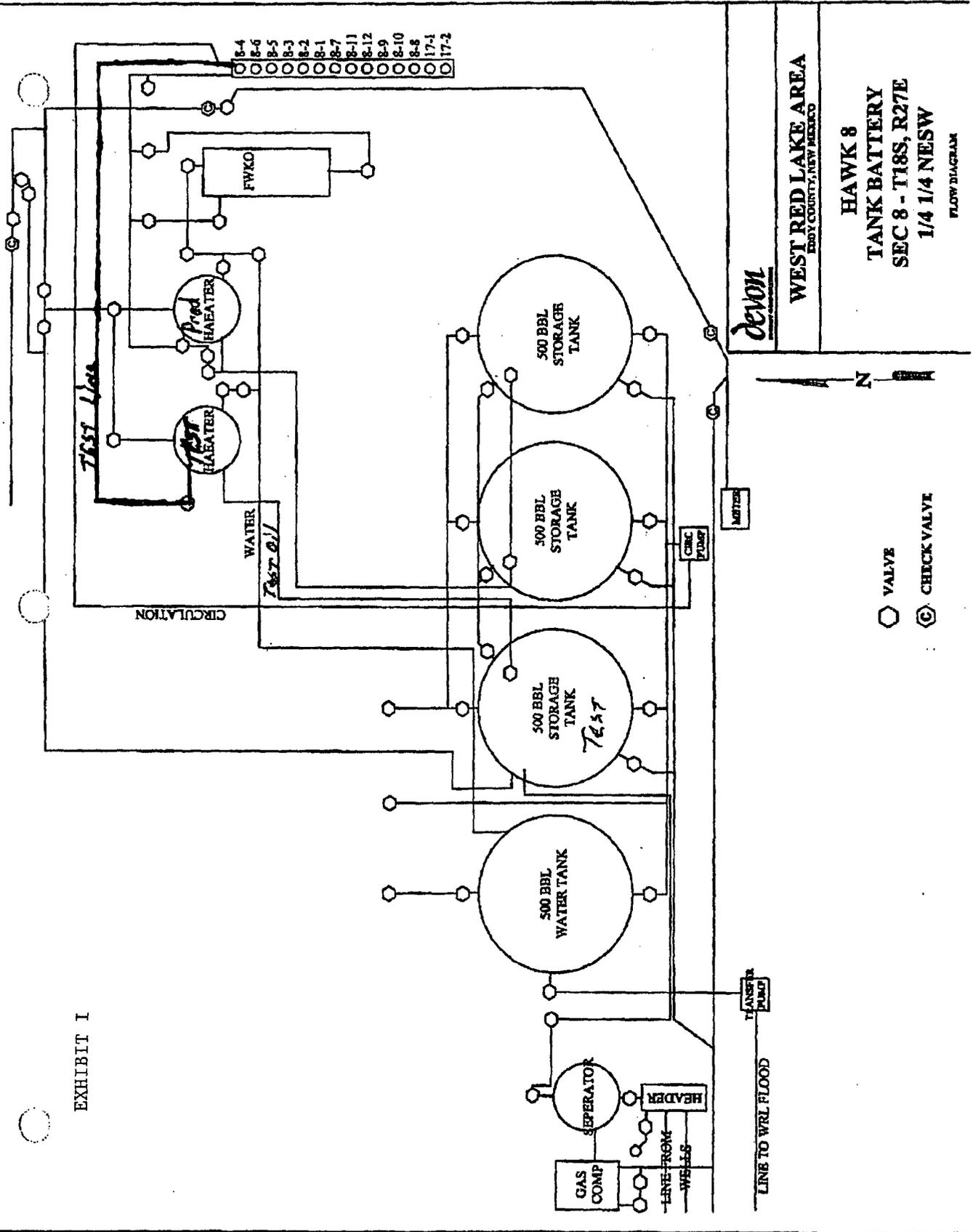
Lease Name: Hawk 8 Federal

Well No.	UL	API No.	Formation / Pool Name
46	D	30-015-28301	Red Lake-Glorieta Yeso

Lease Name: Condor 8 Federal

Well No.	UL	API No.	Formation / Pool Name
1H	surface: F bottom hole: E	30-015-35829	Red Lake-Glorieta Yeso

EXHIBIT I



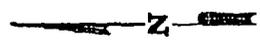
○ VALVE  
 ⊕ CHECK VALVE

**devon**

WEST RED LAKE AREA  
 BDDY COUNTY, NEW MEXICO

HAWK 8  
 TANK BATTERY  
 SEC 8 - T18S, R27E  
 1/4 1/4 NESW

FLOW DIAGRAM



- 8-4
- 8-6
- 8-5
- 8-3
- 8-2
- 8-1
- 8-7
- 8-11
- 8-12
- 8-9
- 8-10
- 8-8
- 17-1
- 17-2



**Proposed Advertisement**

**Case No. 14087: Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico.** Devon Energy Production Company, L.P. seeks an exception to NMAC 19.15.5.303.A to authorize the surface commingling of production from the Red Lake Queen-Grayburg-San Andres Pool and Red Lake Glorieta-Yeso Pool originating from its wells located on (i) United States Oil and Gas Lease LC 070678-A, covering the NW/4NW/4, S/2NW/4, N/2SW/4, and SW/4SE/4 of Section 8, (ii) United States Oil and Gas Lease NM 89156, covering the SE/4SW/4 and NW/4SE/4 of Section 8, (iii) United States Oil and Gas Lease NM 29273, covering the SE/4SE/4 of Section 8, and (iv) United States Oil and Gas Lease NM 0758, covering the NE/4NW/4 of Section 17, all in Township 18 South, Range 27 East, N.M.P.M. Applicant also seeks an exception to the metering requirements of NMAC 19.15.5.303.B(4)(a) to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Hawk "8" Tank Battery, located in the NE/4SW/4 of Section 8. The leases and wells are located approximately 5-1/2 miles East of Atoka, New Mexico.

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