



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2523

Devon Energy Corporation (Nevada)
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attention: Ms. Tonja Rutelonis



*Kite 5 I Federal No. 1
API No. 30-015-29023
Unit I, Section 5, Township 18 South, Range 27 East, NMPM,
Eddy County, New Mexico.
Red Lake Queen-Grayburg-San Andres (Oil - 51300), and
Red Lake Glorieta-Yeso (Oil - 51120) Pools*

Dear Ms. Rutelonis:

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 amendment 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., the daily allowable producing rates from the well are hereby established as follows:

Oil 80 B/D

Gas 160 MCFG/D

Water 160 B/D

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

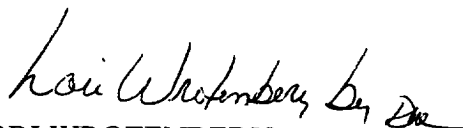
Red Lake Queen-Grayburg-San Andres Pool	Oil-47%	Gas-47%
Red Lake Glorieta-Yeso Pool	Oil-53%	Gas-53%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 29th day of November, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/DRC

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