

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY DEVON ENERGY PRODUCTION
COMPANY, LP**

ORDER NO. PLC-1060

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Devon Energy Production Company, LP (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7 B. NMAC.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
8. Applicant submitted or intends to submit one or more application(s) to the BLM or NMSLO, as applicable, to form or revise a participating area (“PA”) and has identified the acreage of each lease within each spacing unit (“PA Pooled Area”) to be included in the application(s), as described in Exhibit A.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
14. Applicant did not give adequate notice that it sought authorization to prospectively include additional pools, leases, or wells as required by 19.15.12.10 C.(4)(g) NMAC.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. No later than sixty (60) days after the BLM or NMSLO, as applicable, approves Applicant's paying well determination for a well, Applicant shall submit to the BLM or NMSLO an application to form or revise a PA that includes the PA Pooled Area as defined in Applicant's Form C-102 ("PA Application"). If Applicant fails to submit the PA Application, this Order shall terminate on the following day. No later than sixty (60) days after the BLM or NMSLO approves or denies the PA Application, Applicant shall submit a Form C-103 to OCD with a copy of the decision. If Applicant withdraws or the BLM or NMSLO denies the PA Application, this Order shall terminate on the date of such action. If the BLM or NMSLO

approves but modifies the PA Application, Applicant shall comply with the approved PA, and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved PA if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a PA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the PA Pooled Area until the PA Pooled Area is included in a PA. After a PA Pooled Area is included in a PA, the oil and gas production from the PA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the PA, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

9. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10 C.(4)(g) NMAC is denied.
10. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 12/10/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-1060

Operator: Devon Energy Production Company, LP (6137)

Central Tank Battery: Burton Flat Deep Unit 35 Facility 1

Central Tank Battery Location: UL C, Section 35, Township 20 South, Range 28 East

Gas Title Transfer Meter Location: UL C, Section 35, Township 20 South, Range 28 East

Pools

Pool Name	Pool Code
AVALON;BONE SPRING, EAST	3713
WC BURTON FLAT UPPER WOLFCAMP EAST	98315

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PROPOSED PA Wolfcamp NMNM	E2	33-20S-28E
	ALL	34-20S-28E
	W2	35-20S-28E
PA Bone Spring NMNM 105560780 (070798D)	E2	33-20S-28E
	ALL	34-20S-28E
	W2	35-20S-28E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-50205	BURTON FLAT DEEP UNIT #332H	NE4	33-20S-28E	
		N2	34-20S-28E	3713
		NW4	35-20S-28E	
30-015-50148	BURTON FLAT DEEP UNIT #333H	S2NE	33-20S-28E	
		S2N2	34-20S-28E	3713
		S2NW	35-20S-28E	
30-015-50203	BURTON FLAT DEEP UNIT #335H	SE4	33-20S-28E	
		S2	34-20S-28E	3713
		SW4	35-20S-28E	
30-015-50209	BURTON FLAT DEEP UNIT #622H	NE4	33-20S-28E	
		N2	34-20S-28E	98315
		NW4	35-20S-28E	
30-015-50149	BURTON FLAT DEEP UNIT #623H	S2NE, N2SE	33-20S-28E	
		S2N2, N2S2	34-20S-28E	98315
		S2NW, N2SW	35-20S-28E	
30-015-50208	BURTON FLAT DEEP UNIT #624H	S2SE	33-20S-28E	
		S2S2	34-20S-28E	98315
		S2SW	35-20S-28E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 534970

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 534970
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov.	12/15/2025