

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



547

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS **MANDATORY** FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Quantified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

KELLAHIN & KELLAHIN
Attorneys At Law
P.O. Box 2265
Santa Fe, NM 87504-2265

Date

8/31/04

2004 SEP 2 AM 8 03

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
Recognized Specialist in the Area of
Natural Resources-oil and gas law-
New Mexico Board of Legal Specialization

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
kellahin@earthlink.net

August 31, 2004

HAND DELIVERED

Mr. David R. Catanach, Examiner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Application of Devon Energy
Production Company, L.P. for approval of
the off-lease sale point, as an exception to Rule 303.A,
for Devonian production for its
Rio Blanco "4" Federal Com Well No. 1
N/2 dedication, Section 4 and its
Rio Blanco "4" Federal Com Well No. 3
S/2 dedication, Section 4 both in
T23S, R34E, Lea County, New Mexico

Dear Mr. Catanach:

On behalf of Devon Energy Production Company, L.P., this letter
represents its administrative application, and in support, Devon states:

(1) Devon is the operator of the following two gas wells in the Northeast
Bell Lake-Devonian Gas Pool:

(a) Rio Blanco "4" Federal Well No. 1

API 30-025-36515

APD:

(i) Originally the re-entry of the Rio Blanco "4" No. 1 and the
attempted 640-acre dedication (all Section 4) by Landreth to the
North Bell Lake-Ellenburger Pool. **See Exhibit "A"** (denied by
OCD Order R-12106)

(ii) Currently 320-acre dedication (N/2 Section 4) to the Northeast Bell Lake Devonian Gas Pool by Devon.

See Exhibit "B" and "C"

(b) Rio Blanco "4" Federal Well No. 3

API 30-025-36425

APD:

(a) Originally 640-acre dedication (all Section 4) by Landreth to the North Bell Lake-Ellenburger Pool.

See Exhibit "D"

(b) Currently 320-acre dedication (S/2 of Section 4) to the Northeast Bell Lake Devonian Gas Pool by Devon.

See Exhibit "E"

Status: Devon assumed operations from Landreth and amended dedication to a Devonian gas well on 320-acre gas spacing.

(2) Section 4 is configured has shown on **Exhibit "F"** attached and is as follows:

a. these 2 wells are subject to different Federal oil & gas leases and communitization agreements

i. N/2 consists of NMNM 92782 for the NW/4 and NMMN 92199 for the NE/4, with the communitization agreement signed by not yet filed and no ID number yet assigned;

ii. S/2 being NMNM 92199 for the SW/4 and NMNM19143 for the SE/4, with the communitization agreement signed but not yet filed and no ID number yet assigned.

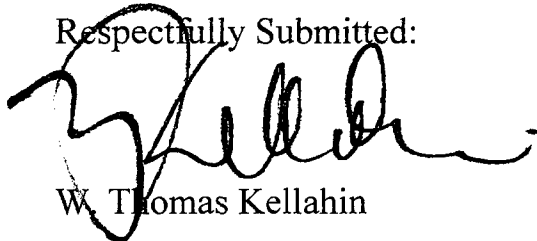
b. The working interest and royalty and overriding royalty owners in the GPU are different and cause the net revenue interest for each GPU to be slightly different (**for the N/2 notice list See Exhibit "G-1"; for the S/2 notice list see Exhibit "G-2"**);

(3) Each of these two wells is expected to produce gas from the Devonian formation of the Northeast Bell Lake-Devonian Gas Pool

- (4) While Devon, as operator, will meter gas production for each well within its facility located in each "well pad." The actual point of sale will be to Duke Energy at a point of sale "off lease" in the SW/4NE/4 of Section 3 of T23S, R34E, Lea County, New Mexico. Starting in Section 4 then east into the NE/4 Section 3. **See Exhibit "H"**
- (5) This application uses the same off-lease sales point as approved by Division Commingling Order CTB-546. **See Exhibit "I"**
- (6) The specific details for the metering and allocation are as follows: These wells will flow through one sales meter located downstream of the wells to Duke Energy Field Services. A check meter will be located at each well. For sales volumes, the total that flows through the sales meter will be allocated to each well based upon volumes at each check meter. Lease use volumes will be added by Devon field personnel to the allocated sales volumes to arrive at wellhead production.
- (7) Notice of this application, (**See Exhibit G-3**) with a copy of this application, has been sent, certified mail-return receipt requested, to all interest owners shown on Exhibit G-1 and G-2

Accordingly, Devon requests approval for this "off-lease" sales point for this Devonian production.

Respectfully Submitted:



W. Thomas Kellahin

cc: Devon Energy Production Company, LLC
Attn: Richard Winchester

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34515	² Pool Code	³ Pool Name Bell Lake; Devonian, North (Gas)
⁴ Property Code	⁵ Property Name Rio Blanco "4" Federal	⁶ Well Number 1
⁷ OGRID No. 173413	⁸ Operator Name E.G.L. Resources Inc.	⁹ Elevation 3404' GR

¹⁰ Surface Location

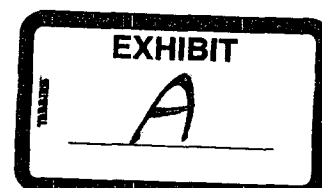
U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	23S	34E		1980	North	1980	West	Lea

¹¹ Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Linda Johnston Printed Name Agent Title 2/18/2003 Date
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
	Date of Survey Signature and Seal of Professional Surveyor:
	Certificate Number



DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34515		2 Pool Code 71920		3 Pool Name Wildcat Antelope Ridge North Bell Lake (Morrow)		
4 Property Code 23743		5 Property Name RID BLANCO '4' FEDERAL			6 Well Number 1	
7 OGRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.			9 Elevation 3404'	

10 SURFACE LOCATION

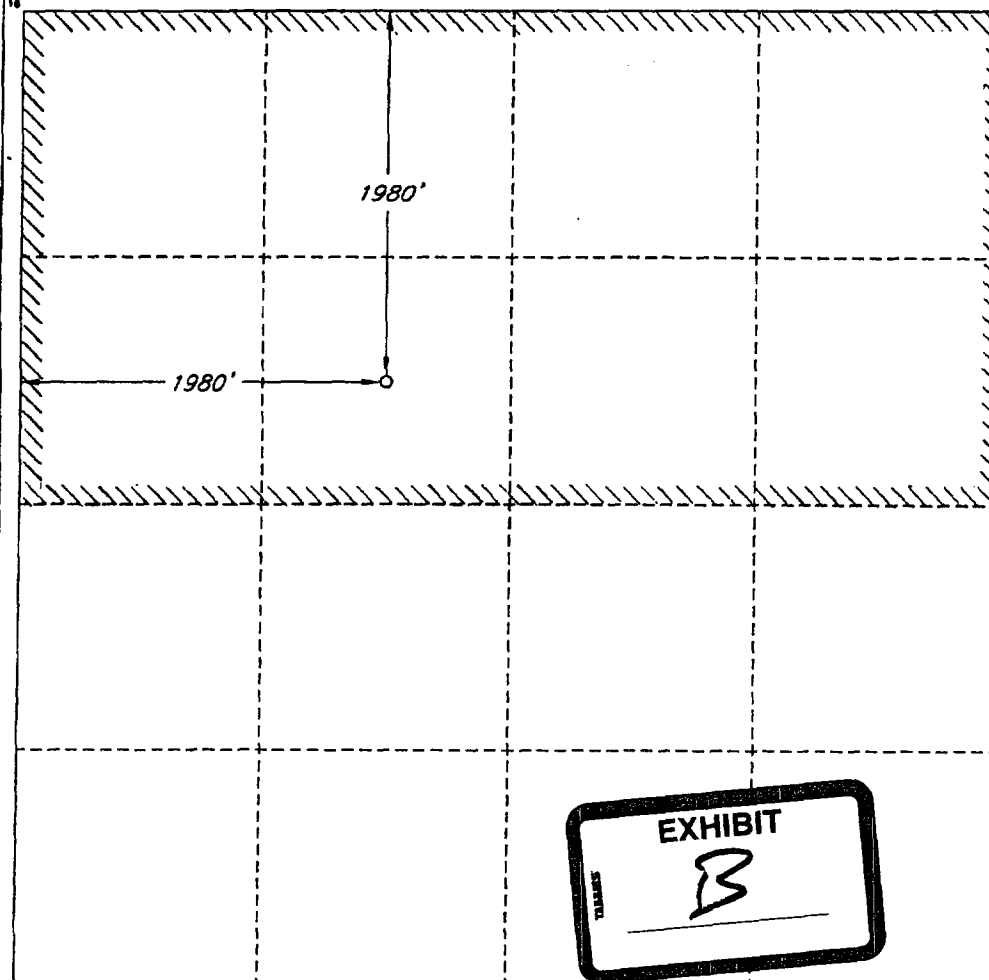
UL or lot no. F	Section 4	Township 23 SOUTH	Range 34 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 1980'	East/West line WEST	County LEA
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11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature
James P. "Phil" Stinson
Printed Name
James P. "Phil" Stinson
Title
Agent for Santa Fe Energy
Date
7-21-98

SURVEYOR CERTIFICATION

I hereby certify that the well
location shown on this plat was
plotted from field notes of actual
surveys made by me or under
my supervision, and that the
same is true and correct to the
best of my belief.

Date of Survey
Signature and Seal of
Professional Surveyor
12128
Certificate No.
ROGER M. ROBBINS P.S. #12128
JOB #59530 / 46 SW / V.H.B.

District I

1625 N. French Dr., Hobbs, NM
88240State of New Mexico
Energy, Minerals and Natural ResourcesForm C-104A
Permit 1209

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 173413
Name: E G L RESOURCES INC
Address: PO Box 10886
Address:
City, State, Zip: Midland, TX 79702

New Operator Information

Effective Date: 06/01/2004
OGRID: 6137
Name: DEVON ENERGY PRODUCTION
COMPANY, LP
Address: 20 N. Broadway
Address:
City, State, Zip: Oklahoma City, OK 73102

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

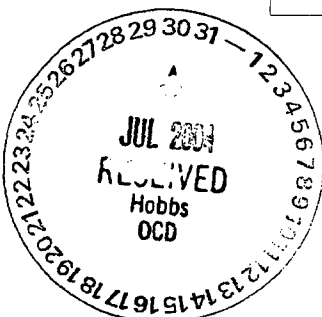
Previous Operator

Signature: [Signature]
Printed Name: W. Wesley Perry
Title: President
Date: 7/15/04 Phone: 432-687-6560

New Operator

Signature: [Signature]
Printed Name: Steven Larry Nelson
Title: Operations Manager
Date: 7/20/04 Phone: 405 228 8674

NMOCD Approval

Electronic Signature: Chris Williams, District IDate: August 02, 2004

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-36425</u>	Pool Code 96385	Pool Name North Bell Lake - Ellenburger (Gas)
Property Code 32724	Property Name RIO BLANCO "4" FEDERAL COM	Well Number 3
OGRID No. 025827	Operator Name ROBERT E. LANDRETH	Elevation 3400'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	4	23 S	34 E		1650	SOUTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <u>640</u>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	Lat.: N32°19'51.4" Long.: W103°28'18.7"	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>W. Kurt Finkbeiner</u> Signature W. Kurt Finkbeiner Printed Name Operations Engineer Title <u>August 26, 2003</u> Date
	3400.4' 3397.7' 1650' 3403.6' 3399.0' 1650'	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. <u>AUGUST 6, 2003</u> Date Surveyed <u>CARY L. JONES</u> Signature of Seal of Professional Surveyor State of New Mexico No. 3513 Certified No. Cary L. Jones 7977 BASIN SURVEYS

EXHIBIT

2

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36425	Pool Code	Pool Name North Bell Lake - Devonian
Property Code 32724	Property Name RIO BLANCO "4" FEDERAL COM	Well Number 3
OCRID No. 6137	Operator Name Devon Energy Production Co., LP	Elevation 3400'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	4	23 S	34 E		1650	SOUTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320		Joint or Infill	Consolidation Code	Order No.					

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Linda Guthrie</u> Signature Linda Guthrie Printed Name <u>Regulatory Specialist</u> Title <u>09/01/04</u> Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. AUGUST 6, 2003 Date Surveyed <u>GARY L. JONES</u> Signature of Seal of Professional Surveyor
	Certified by <u>Cory Jones</u> 7977 PROFESSIONAL LAND SURVEYOR BASIN SURVEYS



NMNM 92782 - S2/N2 lot 1,2,3,4

NMNM 92199

Rio Blanco 4 Federal Com #1
1980' FNL & 1980 FWL

NMNM 92199

NMNM ~~92199~~ - S2

19143

Rio Blanco 4 Federal Com #3
1650' FSL & 1650' FEL

- Rio Blanco 4 Federal Com #1
1980' FNL & 1980 FWL
- Rio Blanco 4 Federal Com #3
1650' FSL & 1650' FEL



RIO BLANCO 4 FED COM #1
N/2 Section 4-T23S-R34E
Lea County, New Mexico

Address List
Royalty, Overriding Royalty and Working Interest Owners

Royalty Owner

Minerals Management Service
P. O. Box 5810
Denver, CO 80217-5810

Bureau of Land Management
Department of the Interior
1474 Rodeo Road
Santa Fe, NM 87505

Overriding Royalty Owners

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210-2118

Mark S. Martin
2304 Stanolind
Midland, TX 79705

Lentz, Evans & King, P.C. Pension Trust
2900 Lincoln Center Building
1660 Lincoln Street
Denver, CO 80203

G. W. Allen
P. O. Box 581
Cherokee Village, AR 72525-0581

New-Tex Oil Company
P. O. Box 297
Hobbs, NM 88240

Scott W. Tanberg
P. O. Box 7662
Midland, TX 79708

Virgil Burt
114 Country Club Lane
Levelland, TX 79336



James L. Brezina Roth IRA
P. O. Box 8204
Midland, TX 79708

Frances A. Brezina Roth IRA
P. O. Box 8204
Midland, TX 79708

The Blanco Company
P. O. Box 2168
Santa Fe, NM 87504

Working Interest Owners

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

Southwestern Energy Production Company
2350 N. Sam Houston Parkway East, Suite 300
Houston, TX 77032

RIO BLANCO 4 FED COM #3

S/2 Section 4-T23S-R34E

Lea County, New Mexico

Address List

Royalty, Overriding Royalty and Working Interest Owners

Royalty Owner

Minerals Management Service

P. O. Box 5810

Denver, CO 80217-5810

Bureau of Land Management

Department of the Interior

1474 Rodeo Road

Santa Fe, NM 87505

Overriding Royalty Owners

Yates Petroleum Corporation

105 South Fourth Street

Artesia, NM 88210-2118

Mark S. Martin

2304 Stanolind

Midland, TX 79705

Lentz, Evans & King, P.C. Pension Trust

2900 Lincoln Center Building

1660 Lincoln Street

Denver, CO 80203

G. W. Allen

P. O. Box 581

Cherokee Village, AR 72525-0581

New-Tex Oil Company

P. O. Box 297

Hobbs, NM 88240

Scott W. Tanberg

P. O. Box 7662

Midland, TX 79708

James L. Brezina Roth IRA

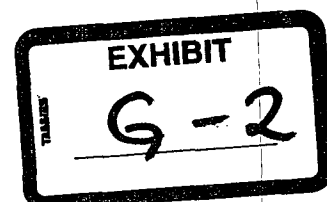
P. O. Box 8204

Midland, TX 79708

Frances A. Brexina Roth IRA

P. O. Box 8204

Midland, TX 79708



Occidental Permian Limited Partnership
P. O. Box 50250
Midland, TX 79710

Dana B. Davis
C/O Smith and Smith, Attorney at Law
P.O. Box 130
Clearfield, PA 16830-0042
or
RR2
Rimersburg, PA 16248-9802

DAN D. DAVIS
same as above attorney address
or
124 Baker Street
Rimersburg, PA 16248-4534

DONN A. DAVIS
same as above attorney address
or
376 Main Street
Rimersburg, PA 16248-4534

Robert E. Landreth
Energy Square, Suite 507
505 N. Big Spring
Midland, TX 79701

Stephen J. Deffenbaugh
2829 Auburn Drive
Midland, TX 79705

Robert N. Enfield, Trustee of the
Robert N. Enfield Revocable Trust dated 3/16/99
P. O. Box 2431
Santa Fe, NM 87501

Mona L. Enfield
P. O. Box 2431
Santa Fe, NM 2431

Bryan Bell Family Limited Partnership #1
1331 Third Street
New Orleans, LA 70130-5743

Sunshine Co.
P. O. Box 1517
Roswell, NM 88201

Howard A. Rubin, Inc.
P.O. Box 58
El Rito, NM 87530

Rubie C. Bell Family Limited Partnership
1331 Third Street
New Orleans, LA 70130-5743

Working Interest Owners

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

Southwestern Energy Production Company
2350 N. Sam Houston Parkway East, Suite 300
Houston, TX 77032

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
Recognized Specialist in the Area of
Natural Resources-oil and gas law-
New Mexico Board of Legal Specialization

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
kellahin@earthlink.net

August 31, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

**NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION
DIVISION ADMINISTRATIVE CASE:**

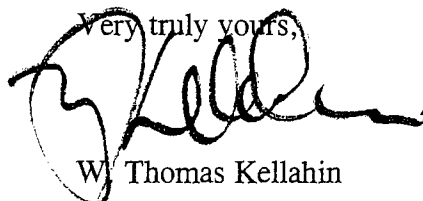
To Mailing List

*Re: Administrative Application of Devon Energy Production Company,
L.P. for approval of an off-lease sales point for Devonian production from its Rio
Blanco "4" Federal Com Wells No. 1 and No. 3 within Section 4, T23S, R34E,
Lea County, New Mexico.*

Dear Interest Owner:

On behalf of Devon Energy Production Company, L.P., please find enclosed a copy of its referenced administrative application. If you have no objection, then there is nothing for you to do. If you are willing to waive objection, please sign this letter as indicated and return it to me. However, should you have any objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

Very truly yours,



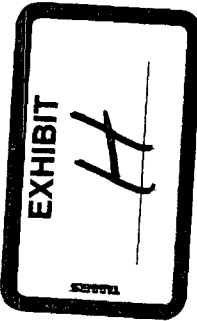
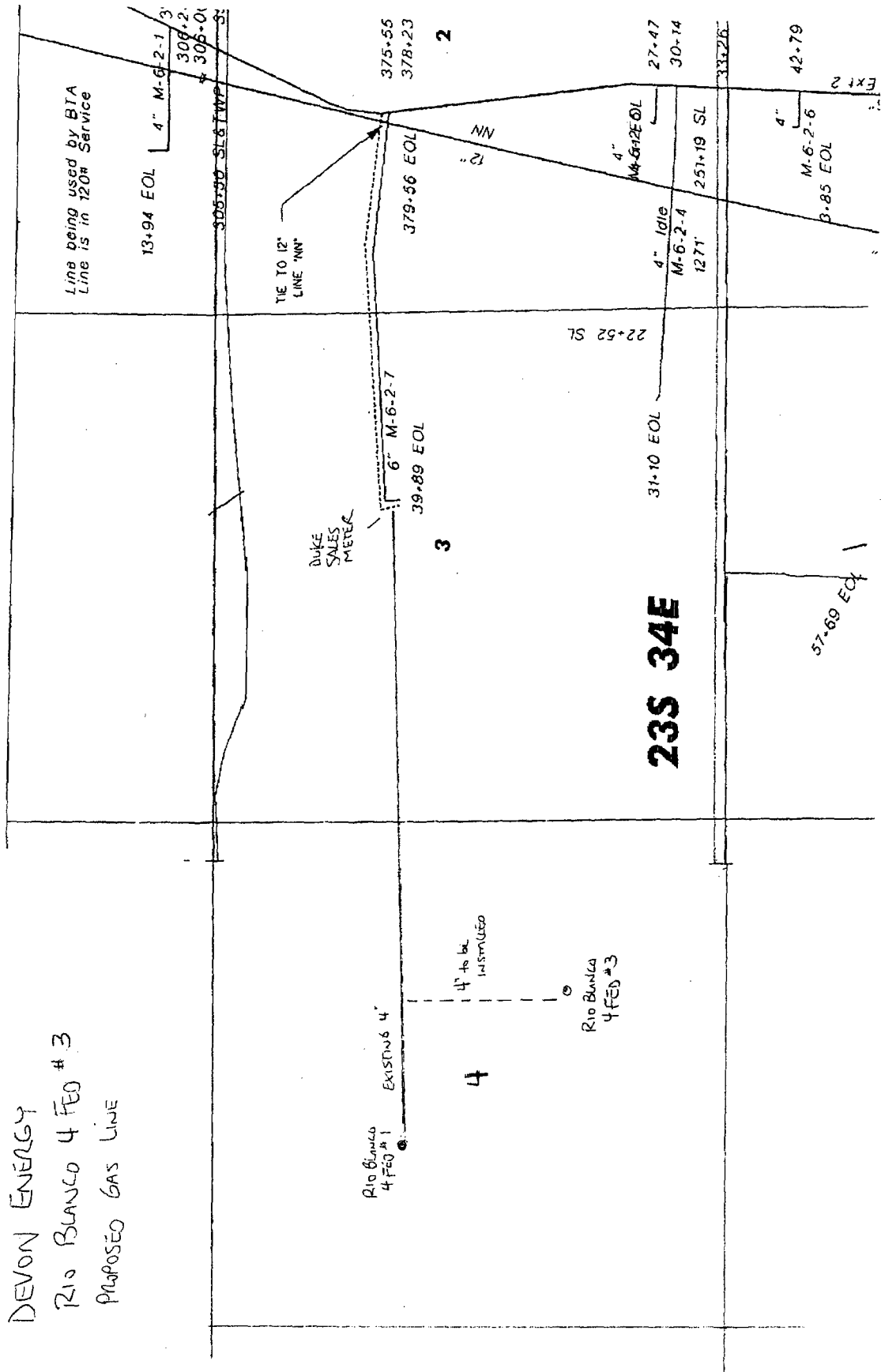
W. Thomas Kellahin

WAIVER OF OBJECTION:

By: _____ with authority for
and on behalf of _____
Date: _____



DEVON ENERGY
 RIO BLANCO 4 FED #3
 PROPOSED GAS LINE





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER CTB-546

Devon Energy Production Company, L.P.
c/o Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504

Attention: Mr. W. Thomas Kellahin

The above-named company is hereby authorized to surface commingle Northeast Bell Lake-Devonian Gas Pool (Gas - 97328) gas production from the following wells located in Section 33, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, located on Federal Leases No. NMNM-100864 and NMNM-19143:

Rio Blanco "33" Federal Well No. 1 (API No. 30-025-36359)
1000' FSL & 1620' FWL (Unit N) of Section 33
Dedicated Acreage: S/2 Section 33

Rio Blanco "33" Federal Well No. 2 (API No. 30-025-36360)
1980' FNL & 1980' FWL (Unit F) of Section 33
Dedicated Acreage: N/2 Section 33

Due to the diverse ownership between these two wells, the gas production from each well shall be separately metered prior to commingling. Gas production from each of the subject wells shall be determined by ratio utilizing allocation meter volumes and sales meter volumes.

The gas sales meter for the subject wells shall be located "off lease" at Duke Energy's CDP located in the SW/4 NE/4 of Section 3, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

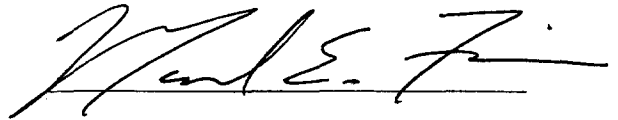
NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of commingling operations.



Commingling Order CTB-546
Devon Energy Production Company, L.P.
August 17, 2004
Page 2 of 2

DONE at Santa Fe, New Mexico, on this 17th day of August, 2004.

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written over a horizontal line.

MARK E. FESMIRE, P.E.
Director

MEF/drc

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