New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



Surface Commingling Order CTB-613-A October 15, 2011

Devon Energy Production Company, LP 20 North Broadway Oklahoma City, OK, 73102

Attention: Melanie Crawford:

It is our understanding that diversely owned lands producing oil and gas from one common source of supply are proposed for commingling through facilities operated by the Devon Energy Production Company, LP ("applicant"). Applicant has made application for diversely owned surface commingling per 19.15.12.10.C.(4) NMAC. Notice has been provided and no objections were received.

Applicant is hereby authorized to surface commingle oil and gas production from the North Hackberry; Bone Spring Pool (97056) from the following leases and wells all located within Section 7, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico:

Strawberry 7 Federal Well No.2 (API No. 30-015-32375), Unit letter B, Oil spacing and proration Unit B, Federal Lease NMNM-54112

Strawberry 7 Federal Well No.5H (API No. 30-015-37257), SHL: Unit letter H, BHL: Unit letter E, Oil project area and proration Unit: H, G, F, E, Federal Lease NMNM-100561 & CA: NMNM124979

Strawberry 7 Federal Well No.7 (API No. 30-015-38485), Unit letter A, Oil spacing and proration Unit A, Federal Lease NMNM-54112

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. Oil and gas from each well shall be metered periodically prior to being commingled for storage or sales. The oil and gas meters on this battery shall be calibrated on a schedule based on throughput as per Division Rule 19.15.12.10.C.(2) NMAC.

Commingled oil production from the wells detailed above shall be measured and the oil production sold at a tank battery located in Unit Letter B of Section 7. Commingled gas production from the wells detailed above shall be measured at the tank battery and then sold through a CDP located approximately 1200 feet southeast of this tank battery.



Before commencing surface commingling, the operator must obtain approval from the Bureau of Land Management as directed in 19.15.12.10.C.(4)(h) NMAC. The operator shall notify the District office of the Division prior to implementation of commingling operations. It is the responsibility of the producer to notify the transporter of this commingling authority.

Applicant has not provided notice providing for the addition of future wells or additional Pools to this commingle as per 19.15.12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or Pools shall not be included in this surface commingle without the operator again making application as per 19.15.12.10.C.(4) NMAC, including notices provided to all owners, and obtaining approval from the Division.

This permit supersedes and nullifies surface commingle permits CTB-568 and CTB-613 both issued previously.

JAMBAILEY
Division Director

JB/wvjj

cc: Oil Conservation Division – Artesia

Bureau of Land Management - Carlsbad