

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3660

Devon Energy Production Company, LP 20 North Broadway, Suite 1500 Oklahoma City, OK 73102-8260

Attention: Melissa Zimmerman

Northeast Blanco Unit Well No. 219M API No. 30-039-29597 Unit I, Section 30, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico Blanco-Mesaverde Prorated Gas (72319), and Undesignated Rosa-Pictured Cliffs (96175) Pools

Dear Ms. Zimmerman:

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 exception 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be done by applying the ratio of the projected production of both intervals to the actual well production. Each of the two producing pools shall be initially production tested in order to establish production rates and decline rates to use in this method.

Any change in this method of allocating production shall be done only after notification of all revenue interests within the two spacing units within the well and after approval of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 March 17, 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.

Director

cc:

Oil Conservation Division – Aztec State Land Office – Oil, Gas, and Minerals Division