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PLR0323354278

DRC

**District I**  
1625 N. French Drive, Hobbs, NM 88240

**District II**  
1301 W. Grand Ave, Artesia, NM 88210

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

**District IV**  
1220 S. St Francis Dr, Santa Fe, NM 87505

**RECEIVED**

State of New Mexico  
Energy, Minerals and Natural Resources Department

**CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

**OIL CONSERVATION DIVISION**

Form C-107-B  
Revised June 10, 2003

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

AUG 21 2003

1098

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Devon Energy Production Company, LP

OPERATOR ADDRESS: 20 North Broadway, Ste 1500

APPLICATION TYPE:  
 Pool Commingling     Lease Commingling     Pool and Lease Commingling     Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:     Fee     State     Federal

Is this an Amendment to existing Order?     Yes     No    If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes     No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Los Medanos Bone Spring 40295	45.7				
Los Medanos; Wolfcamp S 96336	44.1				

(2) Are any wells producing at top allowables?     Yes     No

(3) Has all interest owners been notified by certified mail of the proposed commingling?     Yes     No.

(4) Measurement type:     Metering     Other (Specify)

(5) Will commingling decrease the value of production?     Yes     No    If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply?     Yes     No

(3) Has all interest owners been notified by certified mail of the proposed commingling?     Yes     No

(4) Measurement type:     Metering     Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply?     Yes     No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Karen Cottom    TITLE: Operations Technician    DATE: August 19, 2003

TYPE OR PRINT NAME: Karen Cottom    TELEPHONE NO.: 405-228-7512

E-MAIL ADDRESS: karen.cottom@dvn.com

APPLICATION FOR SURFACE COMMINGLING  
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

Bureau of Land Management  
1220 S. St Francis Drive  
Santa Fe, New Mexico, 87505

Devon Energy Production Company, LP requests approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following wells on Federal Lease No. NM-91509

<u>Lease Name:</u>	<u>Apache 25 Federal</u>				
<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation</u>
5	I	25	22S	30E	Los Medanos; Bone Spring
5	I	25	22S	30E	Los Medanos; Wolfcamp S
9	J	25	22S	30E	Los Medanos; Bone Spring

with hydrocarbon production from the following wells on State Lease No. NM-89052

<u>Lease Name:</u>	<u>Apache 25 Federal</u>				
<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation</u>
2	P	25	22S	30E	Los Medanos; Bone Spring

Exhibit I is a schematic, which shows the equipment that will be utilized to determine well production from each lease. A map (Exhibit II) is enclosed that shows the lease numbers and location of all leases and wells that will contribute production to the proposed commingled facility.

Process and Flow Description: The common gas sales meter will be located at the Apache 25 Federal #2 location Unit 'P', Sec 25-22S-30E Federal lease #NM-89052. A gas test meter will be used to allocate production and will be located at Unit 'P' Sec 25-22S-30E Federal Lease # NM-89052. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The attached facility diagrams show the proposed metering arrangement. The BLM will be notified if there is any future change in the facility location.

NMOCD has been notified of this proposal. Devon Energy Production Company, LP has 100% WI in the referenced wells.

The proposed commingling of production is to reduce operating expense between the three referenced wells. This will result in increasing the economic life of the wells.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signed: Karen Cottom  
Name Karen Cottom  
Title: Operations Technician  
Date: August 19, 2003

30-015-2747A

BP 40295  
96336

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 rio Brazos Rd, Aztec, NM 87410

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

WELL API NO. see attached - Federal Wells
5. Indicate Type of Lease STATE FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name see attached
8. Well No.
9. Pool name or Wildcat Los Medanos; Bone Spring; Los Medanos; Wolfcamp, S

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well Oil Well Gas Well Other
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP
3. Address of Operator 20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 228-7512

4 Well Location Unit Letter P .660' Feet From The South Line and 1310 Feet From The East Line
Section 25 Township 22S Range 30E NMPM Eddy County
10. Elevation (Show whether DF, RKB, RT, GR, etc.)

Check Appropriate Box To Indicate Nature Of Notice, Report, Or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
PULL OR ALTER CASING CASING TEST AND CEMENT JOB
OTHER: Surface Commingle OTHER:

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103.

Devon Energy Production Company, LP requests approval for surface commingle and off lease storage for measurement of hydrocarbon production from the following wells.

Apache 25 Federal #9, 1980 FSL & 1650 FEL, 30-015-32797, Lease #NMNM91509

Apache 25 Federal #5, 1980 FSL & 330 FEL, 30-015-32720 #NMNM91509

Surface commingle will be at the Apache 25 Federal #2, 660 FSL & 1310 FEL, 30-015-27478 on the NMNM89052 Lease

Devon has 100% interest in the referenced wells.

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

SIGNATURE Karen Cottom

TITLE ENGINEERING TECHNICIAN

DATE August 19, 2003

TYPE OR PRINT NAME Karen Cottom

TELEPHONE NO. (405) 235-3611

(This space for State use)

Approved by Conditions of approval, if any:

TITLE

DATE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**FORM APPROVED**  
Budget Bureau No. 1004-0135  
Expires March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well  
 Oil Well     Gas Well     Other \_\_\_\_\_

2. Name of Operator  
**DEVON ENERGY PRODUCTION COMPANY, LP.**

3. Address and Telephone No.  
**20 NORTH BROADWAY, SUITE 1100, OKLAHOMA CITY, OKLAHOMA 73102 (405) 228-7512**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Section 25 22S 30E**

5. Lease Designation and Serial No.  
**NMNM91509 & NMNM89052**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
**see attached**

9. API Well No.  
**see attached**

10. Field and Pool, or Exploratory Area  
**Los Medanos; Bone Spring & Los Medanos; Wolfcamp South**

11. County or Parish, State  
**Eddy, NM**

**CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Surface Commingle</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Devon Energy Production Company, LP requests approval for surface commingle and off lease storage for measurement of hydrocarbon production from the following wells.

Apache 25 Federal #9, 1980 FSL & 1650 FEL, 30-015-32797, Lease #NMNM91509

Apache 25 Federal #5, 1980 FSL & 330 FEL, 30-015-32720 #NMNM91509

Surface commingle will be at the Apache 25 Federal #2, 660 FSL & 1310 FEL, 30-015-27478 on the NMNM89052 Lease

Devon has 100% interest in the referenced wells.

14. I hereby certify that the foregoing is true and correct

Signed Karen Cottom  
(This space for Federal or State office use)

Karen A. Cottom

Title Operations Technician

Date August 19, 2003

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any:



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director

**Oil Conservation Division**

## *ADMINISTRATIVE ORDER DHC-3178*

Devon Energy Production Company, L.P.  
20 North Broadway  
Suite 1500  
Oklahoma City, Oklahoma 73102

**RECEIVED**

**AUG 18 2003**

**LAND DEPARTMENT**

Attention: Mr. James Blount

*Apache "25" Federal Well No. 5  
API No. 30-015-32720  
Unit I, Section 25, Township 22 South, Range 30 East, NMPM,  
Eddy County, New Mexico  
Los Medanos-Bone Spring (Oil - 40295), and  
South Los Medanos-Wolfcamp (Oil - 96336) Pools*

Dear Mr. Blount:

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 well bore.

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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

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

Los Medanos-Bone Spring Pool	Oil-51%	Gas-49%
South Los Medanos-Wolfcamp Pool	Oil-49%	Gas-51%

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

Pursuant to Rule 303.C.(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 this 14th day of August 2003.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Division Director

LW/DRC

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

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6

11

12

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100%WI/87.5%NRI  
HBP  
NM 89051

Apache Fed 13 #1  
100%WI/87.5%NRI

NM 89051

13

100%WI/87.5%NRI  
HBP

18

14

DE

100%WI/87.5%NRI  
HBP

NM 89051

100%WI/87.5%NRI  
Exp 11/03  
Fee Lease

24

19

23

Apache 24 Fed #1  
100%WI/87.5%NRI

100%WI/87.5%NRI  
HBP

NM 89052

NM 91509

Apache 25 Fed Com #2  
100%WI/87.5%NRI

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