

8/8/03

DHC

LR

WVJ

PLR0325334382

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

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

RECEIVED

SEP 08 2003

OIL CONSERVATION

DIVISION APPLICATION FOR DOWNHOLE COMMINGLING

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised May 15, 2000

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

Devon Energy Production Company, L.P.
Operator

20 N. Broadway, Suite 1500, Oklahoma City, OK 73102
Address

Eagle 34 Federal
Lease

31
Well No.

Unit J, Sec 34 T17S R27E
Unit Letter-Section-Township-Range

Eddy
County

OGRID No. 6137 Property Code 28001 API No. 30-015-31736 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Lake; Queen-Grayburg-SA ✓		Red Lake; Glorieta-Yeso, NE ✓
Pool Code	51300		96836
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1925' - 2402'		3032' - 3293'
Method of Production (Flowing or Artificial Lift)	AI		AI
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.9		38.6
Producing, Shut-In or New Zone	Producing		Below RBP
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 8/16/03 Rates: 63 BO 100 MCF 191 BW	Date: Rates:	Date: 3/20/03 Rates: 79 BO 16 MCF 341 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 71% % 44% %	Oil Gas % %	Oil Gas 29% % 56% %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 September 3 2003

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



ENERGY CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone 405/228-7512
FAX 405/552-4667

September 3, 2003

Certified Mail No. 7001 0320 0004 3101 7362

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Dept.
Attn Michael Stogner
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Downhole Commingling
Eagle 34 Federal #31
Section 34 17S-27E Unit J
API #30-015-31736
Red Lake (Q-GB-SA) and
Red Lake (Glorieta-Yeso, Ne) fields
Eddy County, NM

Mr. Stogner:

Concerning the referenced, enclosed please find the Form C-103 Sundry Notice of Intent to downhole commingle and attachments (and five copies).

Please direct inquiries concerning this notice to me at (405) 228-7512.

Yours truly,

Karen Cottom
Operations Technician.
DEVON ENERGY PRODUCTION COMPANY, L.P.

/kac
Enclosures

c: BLM w/3160-5 Sundry Notice of Intent & attachments.

Eagle 34 Federal #31

Allocation Formula

Well Name	Producing Formation	*Daily Production Test	
		3-4 month average	% of Total Oil
Eagle 34 Federal #31	(96836)Red Lake Glorieta-Yeso, Ne	25 BO/ 127 MCF/ 147 BW	29 %
Eagle 34 Federal #31	(51300)Red Lake; Queen-Grayburg-SA	61 BO/ 100 MCF/ 317 BW	71 %

* From attached production plots

The above production test represents stable production from a San Andres producer and a Yeso producer. We believe these rates of production represent an acceptable means to allocate production.

EAGLE 34 FEDERAL 31
Production Data Comparison
Glorieta Yeso Vs San Andres

Date	Glorieta Yeso			Date	San Andres		
	Oil	Gas	Water		Oil	Gas	Water
6/21/2003	32	131	175	7/26/2003	16	98	109
6/22/2003	26	133	163	7/27/2003	22	125	142
6/23/2003	25	130	147	7/28/2003	20	125	143
6/24/2003	25	127	136	7/29/2003	21	124	142
6/25/2003	23	132	166	7/30/2003	21	124	154
6/26/2003	25	132	135	7/31/2003	109	0	393
6/27/2003	25	134	149	8/1/2003	58	0	402
6/28/2003	25	133	145	8/2/2003	59	0	413
6/29/2003	23	126	159	8/3/2003	64	0	397
6/30/2003	25	126	129	8/4/2003	119	0	287
7/1/2003	23	130	166	8/5/2003	61	0	336
7/2/2003	26	127	156	8/6/2003	55	0	371
7/3/2003	25	135	148	8/7/2003	143	0	410
7/4/2003	27	133	169	8/8/2003	61	148	412
7/5/2003	26	136	164	8/9/2003	63	148	431
7/6/2003	27	135	165	8/10/2003	66	149	446
7/7/2003	26	134	153	8/11/2003	64	156	373
7/8/2003	27	133	151	8/12/2003	61	145	426
7/9/2003	26	141	166	8/13/2003	64	154	347
7/10/2003	21	110	134	8/14/2003	61	157	349
7/11/2003	25	135	147	8/15/2003	122	138	335
7/12/2003	26	120	128	8/16/2003	61	134	291
7/13/2003	25	131	149	8/17/2003	47	134	252
7/14/2003	23	130	158	8/18/2003	77	110	201
7/15/2003	25	128	127	8/19/2003	42	130	271
7/16/2003	24	131	150	8/20/2003	71	126	255
7/17/2003	26	130	149	8/21/2003	47	125	278
7/18/2003	26	124	148	8/22/2003	46	124	350
7/19/2003	26	121	151	8/23/2003	94	144	321
7/20/2003	26	132	145	8/24/2003	42	135	491
7/21/2003	5	30	22	8/25/2003	45	145	292
Average Prod	25	127	147		61	100	317

	Oil	Gas	Water
Combined Production	86	227	464
Glorieta Yeso	29%	56%	32%
San Andres	71%	44%	68%

Field Name: Red Lake
Operator: Devon Energy
Location: Eddy County, NM
Sec 34 T17S R27E

Pool: Queen-Grayburg-SA
WELL: Eagle 34 Federal #31
API #: 30-015-31736

Elevation
3587' GR

Spud Date: Jan 28, 2003

Production Tubing: 2-7/8", 6.5#, J55

CURRENT ☒

PROPOSED ☐

8-5/8", J55, 24#, @ 1226'
Cmt'd w/ 600 sks

3/4" & 7/8" Rod String

Rod Pump: 2-1/2" X 2" X 16'

Tubing Depth @ 2334'

10' Sand on top
RBP set @ 2950' (7/23/03)
Tst'd to 4000 psi

PBTD @ 3721'

San Andres Recmpl 7/27/03
1925' - 2402' (1 SPF, 30 holes total)
Acidized w/ 3000 gal 7.5% NeFe
Fraced w/ 180000 gal linear gel & 120000# 20/40
brady & 30000# 20/40 sd

Glorieta Yeso Cmpl 3/8/03
3032' - 3293' (43 holes total)
Acidized w/ 1500 gal 7.5% NeFe
Fraced w/ 110500# 20/40 sd & 25000# 16/30 sd

5-1/2", J55, 15.5# @ 3814'
Cmt'd w/ 650 sks

TD @ 3,814"

R.Slack 8/27/03

Field Name: Red Lake
Operator: Devon Energy
Location: Eddy County, NM
Sec 34 T17S R27E

Pool: Glorieta - Yeso & Queen-Grayburg-SA
WELL: Eagle 34 Federal #31
API #: 30-015-31736

Elevation
3587' GR

Spud Date: Jan 28, 2003

Production Tubing: 2-7/8", 6.5#, J55

CURRENT ☐

PROPOSED ☒

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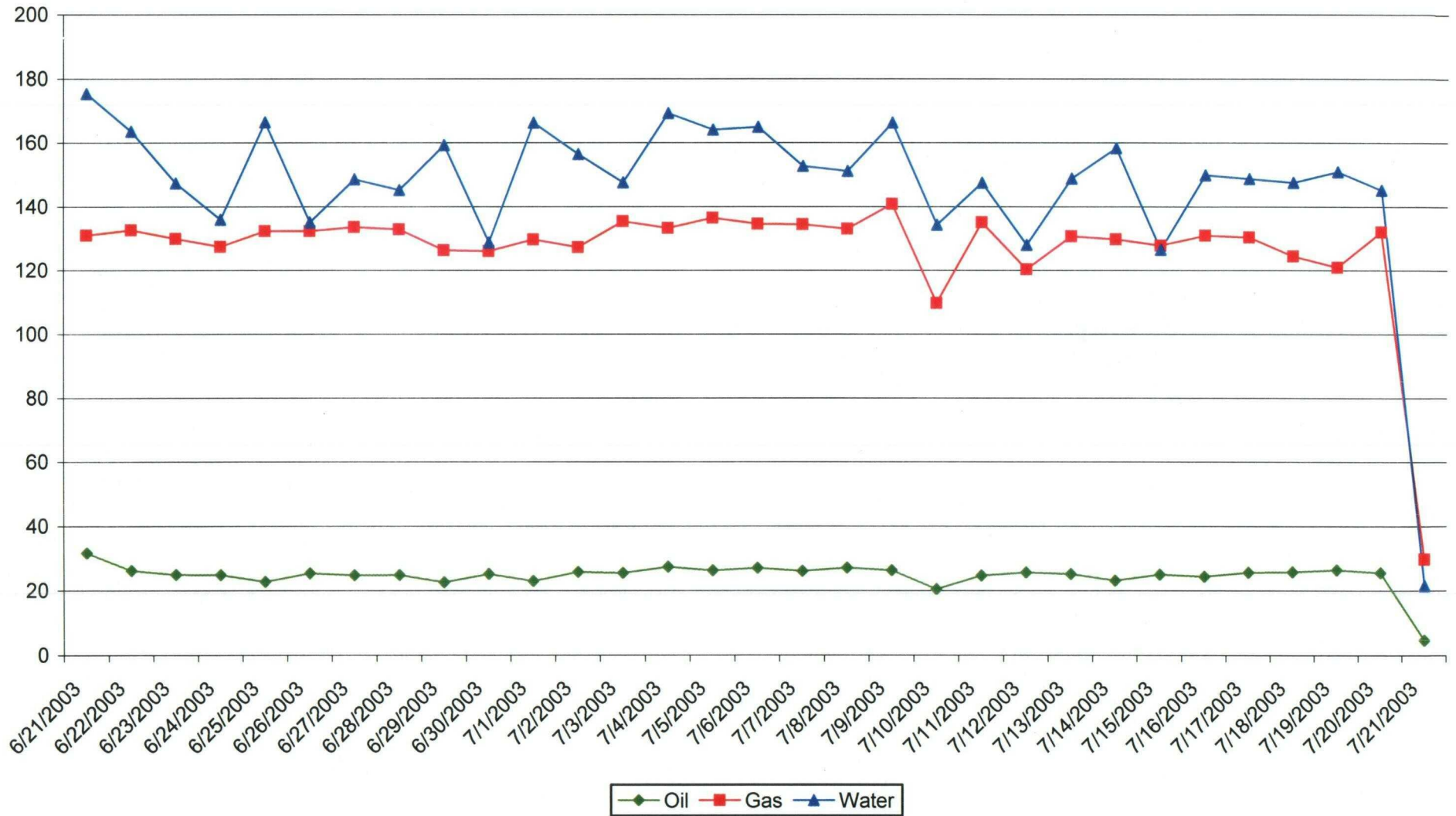
Tubing Depth @ 2334'

PBTD @ 3721'

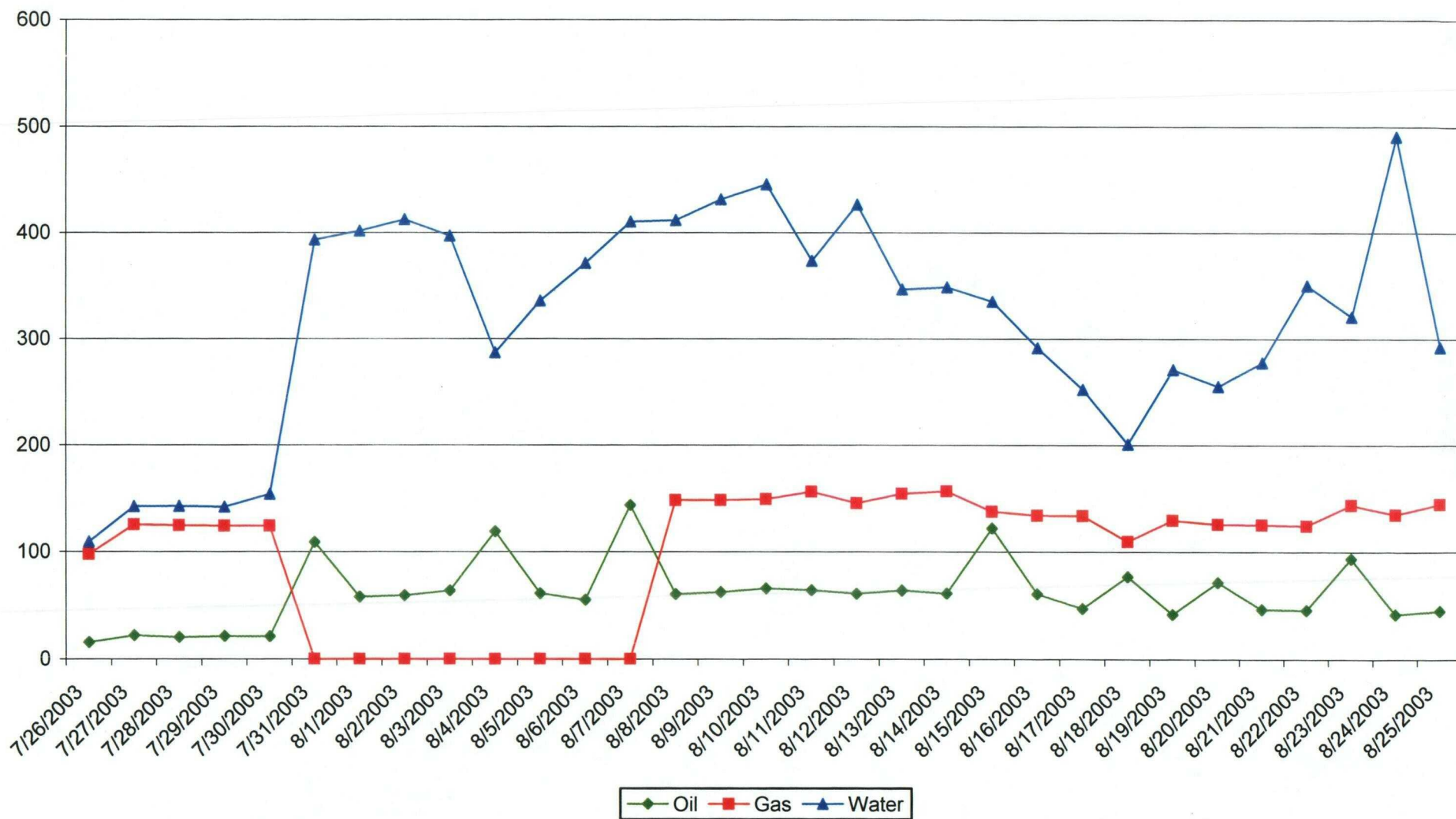
TD @ 3,814"

R.Slack 8/27/03

Glorieta-Yeso, Ne
Eagle 34 Federal #31



San Andres
Eagle 34 Federal #31



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. 30-015-31736 Federal Well
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM0557370
7. Lease Name or Unit Agreement Name Eagle 34 Federal
8. Well No. 31
9. Pool name or Wildcat Red Lake Glorieta-Yeso, NE & Red lake; (Q-GB-SA)

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, L. P.

3. Address of Operator
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 2353611

4 Well Location
Unit Letter J: 1650' Feet From The South Line and 2310' Feet From The East Line

Section 34 Township 17S Range 27E 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: Downhole Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
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, L.P. is applying with the New Mexico Oil Conservation Division to downhole commingle the existing Red Lake (Q-GB-SA) perfs (1925' – 2402') and with the existing Red Lake; Glorieta-Yeso-NE, perfs (3032' – 3293'). Order No. R-11363 established these as pre-approved pools. The commingling will not reduce the value of the total remaining production. Ownership in the zones is identical. A Sundry Notice Form 3160-5 has been sent to the Bureau of Land Management notifying them of this application.

The proposed allocations are as follows:

51300 – Red Lake (Q-GB-SA) Oil 71%, Gas 44% Water 68%

96836 – Red Lake; Glorieta-Yeso, NE Oil 29%, Gas 56%, Water 32%

Current and proposed wellbore schematics are attached along with the allocation method and supporting data

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 September 3, 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 _____



20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone 405/228-7512
FAX 405/552-4667

September 3, 2003

Certified Mail No. 7001 0320 0004 3101 7355

Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

RE: Downhole Commingling
Eagle 34 Federal #31
Section 34 17S-27E Unit J
API #30-015-31736
Red Lake (Q-GB-SA) and
Red Lake (Glorieta-Yeso, Ne) fields
Eddy County, NM

Gentlemen:

Concerning the referenced enclosed please find the Form 3160-5 Sundry Notice of Intent to downhole commingle and attachments (and five copies).

Please direct inquiries concerning this notice to me at (405) 228-7512.

Yours truly,

A handwritten signature in cursive script that reads "Karen Cottom".

Karen Cottom
Operations Technician
DEVON ENERGY PRODUCTION COMPANY, L.P.

/kac
Enclosures

c: OCD w/C103 Sundry Notice of Intent & attachments

Eagle 34 Federal #31

Allocation Formula

Well Name	Producing Formation	*Daily Production Test	% of Total Oil
		3-4 month average	
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* From attached production plots

The above production test represents stable production from a San Andres producer and a Yeso producer. We believe these rates of production represent an acceptable means to allocate production.

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 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 2287512

4. Location of Well (Footage. Sec., T., R., M., or Survey Description)
1650' FSL & 2310' FEL, Sec 34 T17S R27E, Unit J

5. Lease Designation and Serial No.
NMNM0557370

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Eagle 34 Federal #31

9. API Well No.
30-015-31736

10. Field and Pool, or Exploratory Area
Red Lake Glorieta-Yeso, NE & Red Lake; (Q-GB-SA)

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>DHC Request</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, L.P. is applying with the New Mexico Oil Conservation Division to downhole commingle the existing Red Lake (Q-GB-SA) perms (1925' - 2402') and with the existing Red Lake; Glorieta-Yeso-NE, perms (3032' - 3293'). Order No. R-11363 established these as pre-approved pools. The commingling will not reduce the value of the total remaining production. Ownership in the zones is identical. A Sundry Notice Form 3160-5 has been sent to the Bureau of Land Management notifying them of this application.

The proposed allocations are as follows:

51300 - Red Lake (Q-GB-SA) Oil 71%, Gas 44% Water 68%

96836 - Red Lake; Glorieta-Yeso, NE Oil 29%, Gas 56%, Water 32%

Current and proposed wellbore schematics are attached along with the allocation method and supporting data

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

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

Karen A. Cottom

Title Engineering Technician

Date September 3, 2003

Approved by _____
Conditions of approval, if any:

Title _____

Date _____