

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-2450-A
Order Date: 5/30/2008
Application Reference Number: pKVR0811548621

DEVON ENERGY PRODUCTION COMPANY, LP
20 N Broadway,
Oklahoma City, OK 73102

Attention: STEPHANIE A. YSASAGA, SR. STAFF ENGINEERING TECH

OCOTILLO HILLS Well No. 002
API No: 30-015-21573
Unit G, Section 21, Township 21 South, Range 26 East, NMPM
Eddy County, New Mexico

Pool: Avalon;Strawn (Gas) Gas 71080
Names: Avalon;Upper Penn (Gas) Gas 71000

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 as follows.

| | | |
|------------------------------|-------------|-------------|
| Avalon;Strawn (Gas) Pool | Pct Gas: 75 | Pct Oil: 80 |
| Avalon;Upper Penn (Gas) Pool | Pct Gas: 25 | Pct Oil: 20 |

These percentages shall be amended only with written permission of the Division.



REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Artesia
State Land Office - Oil, Gas, and Minerals Division