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-4160 Order Date: 3/19/2009

Application Reference Number: pKAA0906151580

DEVON ENERGY PRODUCTION COMPANY, LP 3104 N. Sullivan Farmington, NM 87401

Attention: Mike Pippin, Petroleum Engineer

NORTHEAST BLANCO UNIT Well No. 004M

API No: 30-039-30072

Unit F, Section 21, Township 30 North, Range 7 West, NMPM

Rio Arriba County, New Mexico

Pool: BLANCO-MESAVERDE (PRORATED GAS)

Gas 72319

Names:

Undesignated LA JARA-PICTURED CLIFFS POOL

Gas 96199

Reference is made to your recent application for an exception to Rule 12.9A 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 12.11A., 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 abevance.

In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be based on calibrated type curves for each pool and the resulting forecast production streams.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.



Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

MARK E. FESMIRE, P.E. Director

MEF/wvjj

cc: Oil Conservation Division – Aztec

State Land Office - Oil, Gas, and Minerals Division