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OIL CONSERVATION
DIVISION

December 18, 2005

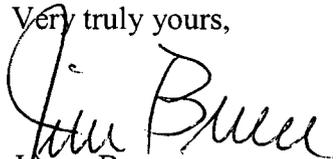
Case 13630

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of an application for surface commingling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the January 19, 2006 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2005 DEC 20 PM 12 15

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
LEASE COMMINGLING, EDDY
COUNTY, NEW MEXICO.**

Case No. 13630

APPLICATION

Devon Energy Production Company, L.P. applies for an exception to Division Rule 303 to permit lease commingling and an exception to metering requirements, and in support thereof, states:

1. Applicant is the operator of the Northeast Red Lake Glorieta-Yeso Pool and the Red Lake Queen-Grayburg-San Andres Pool underlying United States Oil and Gas Leases NM 033865, NM 29270, NM 056122, LC 026874(b), NM 025528, NM 0557370, LC 064050(a), and LC 067849, which comprise all or parts of Sections 33, 34, and 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant seeks approval to commingle Northeast Red Lake Glorieta-Yeso Pool and the Red Lake Queen-Grayburg-San Andres Pool production from its wells located on the leases, and an exception to the metering requirements of Rule 19.15.5.303B(4)(a) NMAC to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Eagle "34" Tank Battery, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34. The details of applicant's proposal are set forth on Exhibit A.

3. Royalty interest ownership under the subject leases is common, but overriding royalty interest and/or working interest ownership varies.

4. Notice of this application has been given to all interested parties, by certified mail.

5. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Devon Energy Production
Company, L.P.

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

New Mexico Oil Conservation Division
1220 S. St Francis Drive
Santa Fe, New Mexico, 87505

Devon Energy Production Company, LP requests approval to expand the authority granted by the NMOCD in Order CTB-440, dated December 5, 1996, as amended by Order R-10759, dated February 3, 1997, to include lease and pool commingling, along with off lease storage and measurement of hydrocarbon production, from the following wells on additional Federal leases:

Lease No. NMNM033865

Lease Name: Eagle 33 Federal

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
17	I	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
18	I	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
21	J	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

Lease No. NMNM29270

Lease Name: Eagle 34 Federal

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
37	P	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
38	P	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

These two leases were not included in the original order. The wells will initially be completed in the Red Lake-Glorieta Yeso pool, and subsequently recompleted to the Red Lake-Queen Grayburg San Andres Pool, and still later, the two pools will be commingled downhole. The expanded authority requested therefore, includes Pool Commingling, along with the existing surface commingling and off lease storage and measurement authority.

The Northeast Red Lake-Glorieta Yeso formation is Pool 96836, and the Red Lake-Queen Grayburg San Andres formation is Pool 51300. These two Pools are listed in the pre-approved Pool-Combinations in Paragraph (5) of Subsection C of 19.15.5.303 NMAC.

In addition to the two new leases, Devon also requests approval to add the following wells to the surface commingling. All of these wells are on leases already approved for commingling into this battery:

On Lease No. NMNM056122:

Lease Name: Eagle 33 Federal

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
8	H	33	17S	27E	Red Lake-Queen Grayburg San Andres
23	H	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

On Lease No. NMNM026874B:

Lease Name: Eagle 33 Federal

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
10	N	33	17S	27E	Red Lake-Queen Grayburg San Andres



On Lease No. NMNM025528:**Lease Name: Eagle 33 Federal**

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
2	A	33	17S	27E	Red Lake-Queen Grayburg San Andres
4	B	33	17S	27E	Red Lake-Queen Grayburg San Andres
6	G	33	17S	27E	Red Lake-Queen Grayburg San Andres
12	O	33	17S	27E	Red Lake-Queen Grayburg San Andres
19	O	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
20	O	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
14	P	33	17S	27E	Red Lake-Queen Grayburg San Andres
15	P	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
16	O	33	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

On Lease No. NMNM0557370:**Lease Name: Eagle 34 Federal**

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
39	A	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
49	A	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
48	B	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
52	B	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
14	G	34	17S	27E	Red Lake-Queen Grayburg San Andres
41	G	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
54	G	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
16	H	34	17S	27E	Red Lake-Queen Grayburg San Andres
42	H	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
55	H	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
20	J	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
29	J	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
31	J	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

On Lease No. NMLC064050A:

Lease Name: Eagle 34 Federal

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
51	C	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
47	C	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
12	F	34	17S	27E	Red Lake-Queen Grayburg San Andres
40	F	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
57	F	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
18	I	34	17S	27E	Red Lake-Queen Grayburg San Andres
30	I	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
32	I	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

Lease Name: Eagle 35 Federal

2	L	35	17S	27E	Red Lake-Queen Grayburg San Andres
3	L	35	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
4	L	35	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

On Lease No. NMLC067849:

Lease Name: Eagle 34 Federal

Well No.	UL	Sec	TWP	Rng	Formation / Pool Name
46	D	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
50	D	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
10	E	34	17S	27E	Red Lake-Queen Grayburg San Andres
53	E	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
56	E	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
22	K	34	17S	27E	Red Lake-Queen Grayburg San Andres
43	K	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
44	K	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
24	L	34	17S	27E	Red Lake-Queen Grayburg San Andres
45	L	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
58	L	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
26	M	34	17S	27E	Red Lake-Queen Grayburg San Andres
33	M	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

35	M	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
28	N	34	17S	27E	Red Lake-Queen Grayburg San Andres
34	N	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso
36	N	34	17S	27E	Red Lake-Queen Grayburg San Andres and/or Northeast Red Lake-Glorieta Yeso

Current Production Tests from all the wells involved are shown below:

<u>Well No.</u>	<u>API Number</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>
Eagle "33I" Federal #17	30-015-34191	TO BE DRILLED, TEST TO FOLLOW		
Eagle "33I" Federal #18	30-015-33830	TO BE DRILLED, TEST TO FOLLOW		
Eagle "33J" Federal #21	30-015-33835	TO BE DRILLED, TEST TO FOLLOW		
Eagle "34P" Federal #37		TO BE DRILLED, TEST TO FOLLOW		
Eagle "34P" Federal #38	30-015-32871	38	150	75
Eagle "33H" Federal #8	30-015-29596	2	12	8
Eagle "33H" Federal #23	30-015-34008	34	33	270
Eagle "33N" Federal #10	30-015-29597	3	14	8
Eagle "33A" Federal #2	30-015-29593	2	9	4
Eagle "33B" Federal #4	30-015-29594	2	7	4
Eagle "33G" Federal #6	30-015-29595	4	10	29
Eagle "33O" Federal #12	30-015-29598	2	23	9
Eagle "33O" Federal #19	30-015-33831	TO BE DRILLED, TEST TO FOLLOW		
Eagle "33O" Federal #20	30-015-33832	34	27	417
Eagle "33P" Federal #14	30-015-29599	2	41	9
Eagle "33P" Federal #15	30-015-33829	30	134	170
Eagle "33P" Federal #16	30-015-34103	28	63	138
Eagle "34A" Federal #39	30-015-33195	8	26	96
Eagle "34A" Federal #49	30-015-33624	39	42	228
Eagle "34B" Federal #48	30-015-33273	TO BE DRILLED, TEST TO FOLLOW		
Eagle "34B" Federal #52	30-015-33274	3	20	140
Eagle "34G" Federal #14	30-015-29636	1	9	15
Eagle "34G" Federal #41	30-015-33182	3	8	52
Eagle "34G" Federal #54	30-015-33261	5	16	122
Eagle "34H" Federal #16	30-015-29654	2	8	6
Eagle "34H" Federal #42	30-015-33191	5	12	192
Eagle "34H" Federal #55	30-015-33265	15	52	137
Eagle "34J" Federal #20	30-015-29641	5	15	21
Eagle "34J" Federal #29	30-015-31734	17	59	182
Eagle "34" Federal #31	30-015-31736	11	16	31
Eagle "34C" Federal #51	30-015-33272	6	24	79
Eagle "34C" Federal #47	30-015-33275	10	59	253
Eagle "34F" Federal #12	30-015-29635	1	9	7

Eagle "34F" Federal #40	30-015-33236	4	12	25
Eagle "34F" Federal #57	30-015-33535	8	42	111
Eagle "34I" Federal #18	30-015-29655	1	10	8
Eagle "34" Federal #30	30-015-31735	6	32	34
Eagle "34I" Federal #32	30-015-31747	17	50	35
Eagle "35L" Federal #2	30-015-29633	4	20	2
Eagle "35" Federal #3	30-015-31761	12	24	47
Eagle "35L" Federal #4	30-015-32836	8	70	19
Eagle "34D" Federal #46	30-015-33264	TO BE DRILLED, TEST TO FOLLOW		
Eagle "34D" Federal #50	30-015-33262	4	23	113
Eagle "34E" Federal #10	30-015-33463	1	10	10
Eagle "34E" Federal #53	30-015-33463	7	23	90
Eagle "34E" Federal #56	30-015-33263	8	26	22
Eagle "34K" Federal #22	30-015-29642	2	10	7
Eagle "34K" Federal #43	30-015-33192	10	26	80
Eagle "34K" Federal #44	30-015-33194	13	41	30
Eagle "34L" Federal #24	30-015-29643	3	10	8
Eagle "34L" Federal #45	30-015-33237	17	40	136
Eagle "34L" Federal #58	30-015-33353	13	55	234
Eagle "34M" Federal #26	30-015-29644	3	16	12
Eagle "34" Federal #33	30-015-31763	1	19	5
Eagle "34" Federal #35	30-015-32841	6	13	146
Eagle "34N" Federal #28	30-015-29645	3	8	4
Eagle "34N" Federal #34	30-015-32840	17	15	102
Eagle "34N" Federal #36	30-015-32842	12	85	110

Exhibit I is a schematic, which shows the tank battery as it currently exists along with the equipment that we expect to utilize to determine well production from each lease. A map (Exhibit 2) is enclosed that shows the lease numbers and location of all leases and wells that will contribute production to the proposed commingled facility. The battery is located in unit letter "K", Sec. 34-17S-27E, on Federal Lease #NMLC67849.

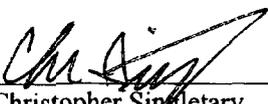
Process and Flow Description: The common gas sales meter will be located at the battery in Unit letter 'K', Sec 34-17S-27E Federal lease #NMLC67849. Gas from these wells will be flowed up the casing and measured at each well location with a portable trailer mounted gas meter. Oil and water will be produced via the tubing and go to a header system at the tank battery. Individual wells will be periodically switched into the test treater. From there, oil will go to a test tank where it can be measured, and water production will be metered. All oil will then be sold and trucked from the location. Calibration of the gas sales meter will be done per requirements in Subparagraph (b) of Paragraph (4) of Subsection B of 19.15.5.303 NMAC.

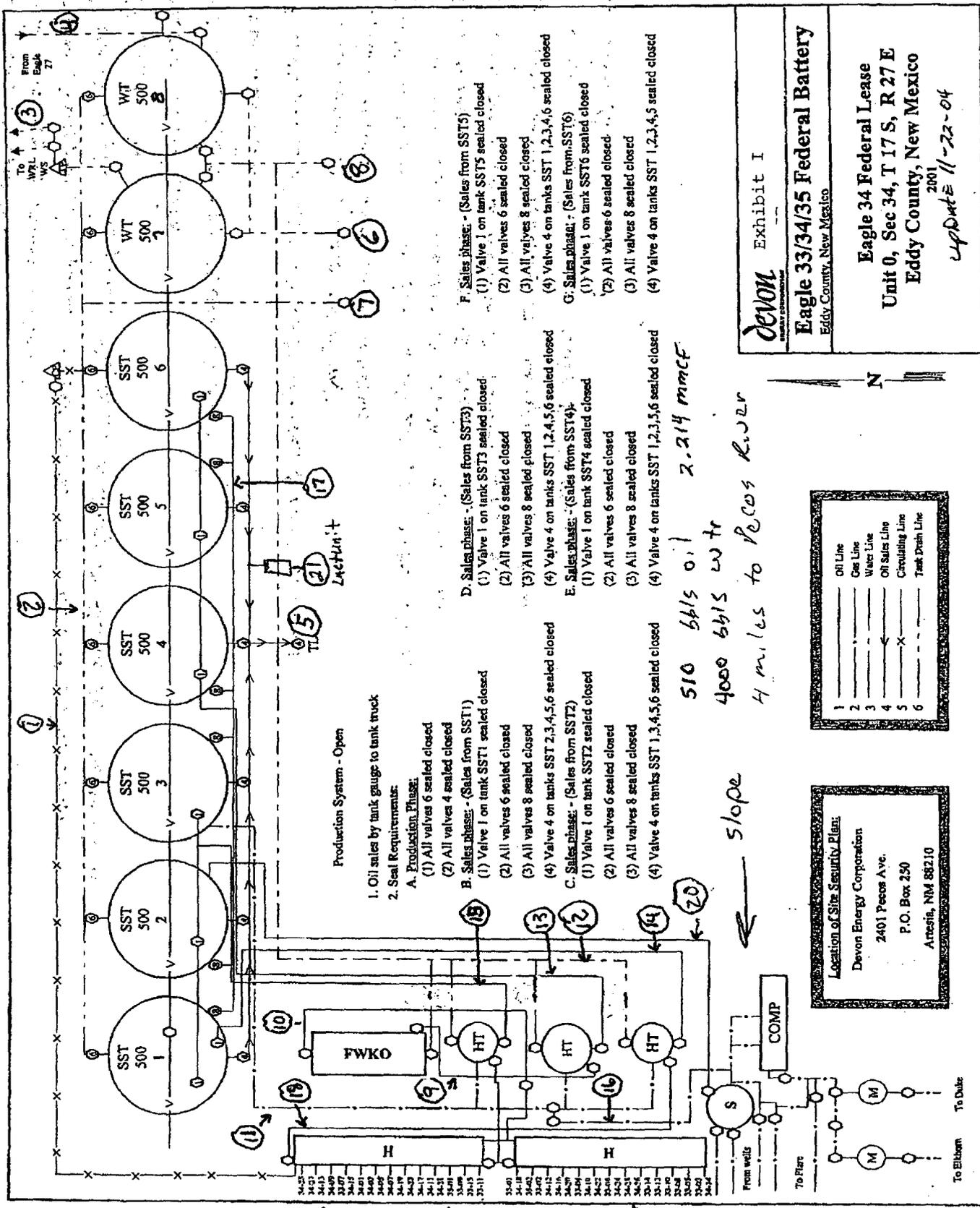
Production Allocation: Production allocation will be based on the periodic well tests, as described above. Gas allocation will be based on the portable meter tests, oil allocation will be based on the treater test.

The working interest and overriding royalty owners and the BLM have been notified of this proposal.

The proposed commingling of production is to reduce operating expense on the referenced wells. This will result in increased economic life on each well. This commingling will not result in reduced royalty or improper measurement of production.

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: 
Name Christopher Singletary
Title: Operations Engineer
Date: October 26, 2005



Production System - Open

1. Oil sales by tank gauge to tank truck

2. Seal Requirements:

- A. Production Phase:
 - (1) All valves 6 sealed closed
 - (2) All valves 4 sealed closed
- B. Sales phase: (Sales from SST1)
 - (1) Valve 1 on tank SST1 sealed closed
 - (2) All valves 6 sealed closed
 - (3) All valves 8 sealed closed
 - (4) Valve 4 on tanks SST 2,3,4,5,6 sealed closed
- C. Sales phase: (Sales from SST2)
 - (1) Valve 1 on tank SST2 sealed closed
 - (2) All valves 6 sealed closed
 - (3) All valves 8 sealed closed
 - (4) Valve 4 on tanks SST 1,3,4,5,6 sealed closed

- D. Sales phase: (Sales from SST3)
 - (1) Valve 1 on tank SST3 sealed closed
 - (2) All valves 6 sealed closed
 - (3) All valves 8 sealed closed
 - (4) Valve 4 on tanks SST 1,2,4,5,6 sealed closed
- E. Sales phase: (Sales from SST4)
 - (1) Valve 1 on tank SST4 sealed closed
 - (2) All valves 6 sealed closed
 - (3) All valves 8 sealed closed
 - (4) Valve 4 on tanks SST 1,2,3,5,6 sealed closed

- F. Sales phase: (Sales from SST5)
 - (1) Valve 1 on tank SST5 sealed closed
 - (2) All valves 6 sealed closed
 - (3) All valves 8 sealed closed
 - (4) Valve 4 on tanks SST 1,2,3,4,6 sealed closed
- G. Sales phase: (Sales from SST6)
 - (1) Valve 1 on tank SST6 sealed closed
 - (2) All valves 6 sealed closed
 - (3) All valves 8 sealed closed
 - (4) Valve 4 on tanks SST 1,2,3,4,5 sealed closed

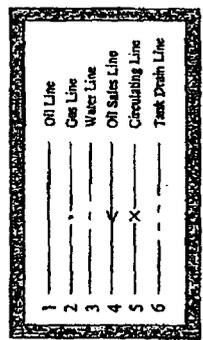
DEVON
ENERGY CORPORATION

Exhibit I

Eagle 33/34/35 Federal Battery
Eddy County, New Mexico

Eagle 34 Federal Lease
Unit 0, Sec 34, T 17 S, R 27 E
Eddy County, New Mexico
2001

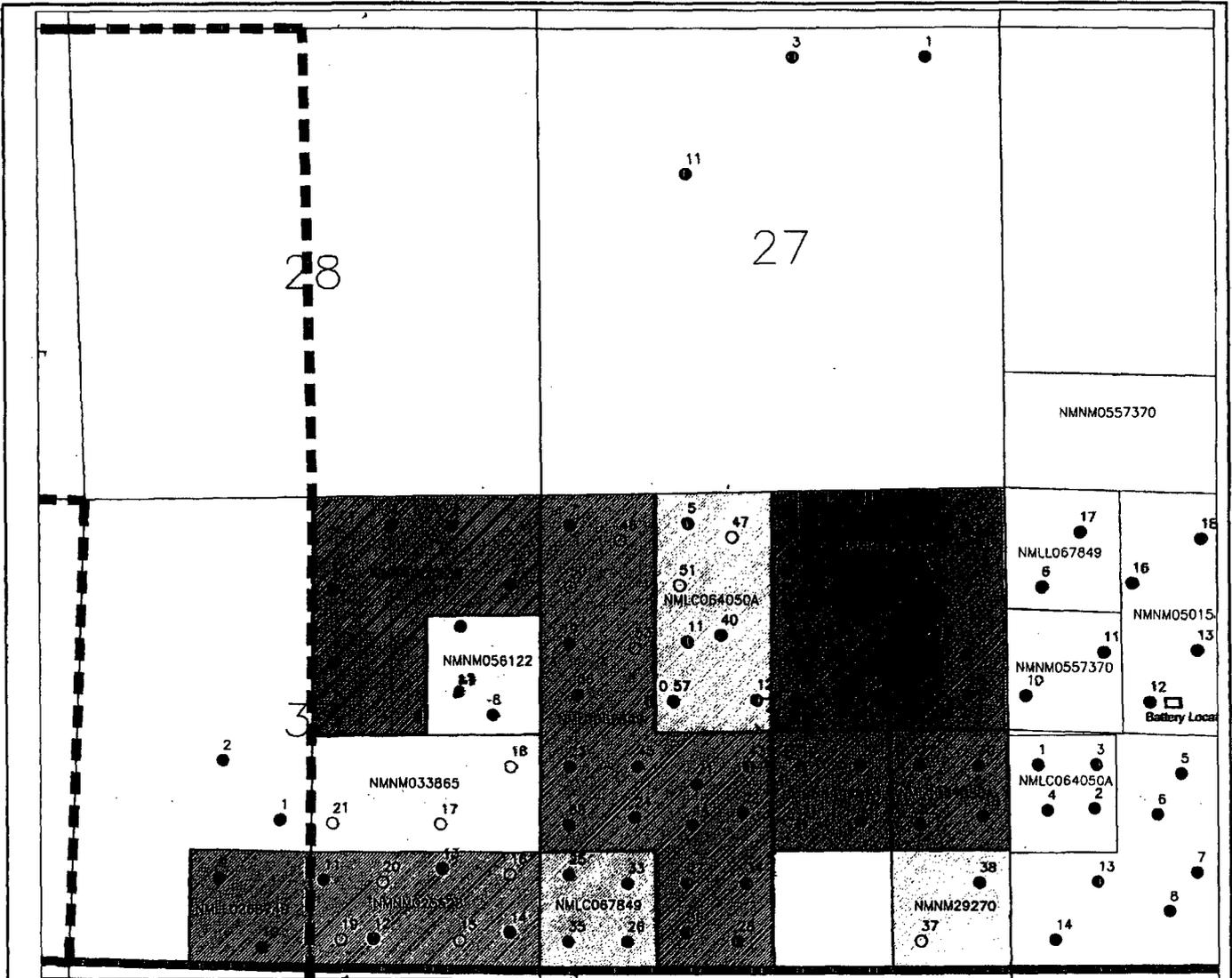
Update 11-22-04



Location of Site Security Plans:
Devon Energy Corporation
2401 Pecos Ave.
P.O. Box 250
Artesia, NM 88210

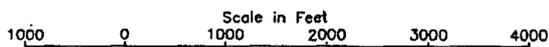
510 bbls oil 2.214 mmcf
4 miles to Pecos River
slope

To Elkhorn
To Duke



17S 27E

Wells shown are Devon Operated Only.



devon
SE New Mexico
West Red Lake Area
Eddy County, New Mexico

Exhibit 2

Drawn by: [illegible]
Scale: 1" = 1000'
Plate: 1718-Eddy-2A-Four-Step

C.L.
Date: 04-1999

Proposed Advertisement

Case No. 13630 : Application of Devon Energy Production Company, L.P. to **lease commingling, Eddy County, New Mexico.** Devon Energy Production Company, L.P. seeks an exception to Rule 19.15.5.303A NMAC to authorize the surface commingling of production from the Northeast Red Lake Glorieta-Yeso Pool and the Red Lake Queen-Grayburg-San Andres Pool originating from its wells located on Federal Oil and Gas Leases NM 033865, NM 29270, NM 056122, LC 026874(b), NM 025528, NM 0557370, LC 064050(a), and LC 067849, which comprise all or parts of Sections 33, 34, and 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Applicant also seeks an exception to the metering requirements of Rule 19.15.5.303B(4)(a) NMAC to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Eagle "34" Tank Battery, located in the NE/4SW/4 of Section 34. The leases and wells are located approximately 8 miles East-Northeast of Atoka, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.