

Catanach, David, EMNRD

From: Singletary, Christopher [Christopher.Singletary@dvn.com]
Sent: Monday, December 12, 2005 10:13 AM
To: Catanach, David, EMNRD
Subject: FW: Application

David:

Jim Bruce should be contacting you to discuss setting up the application for a hearing. Please let me know if you need any other information in the meantime.

Thanks

Chris Singletary

From: Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]
Sent: Tuesday, December 06, 2005 12:00 PM
To: Adams, Norvella
Subject: RE: Application

Norvella,

I've just finished reviewing your application. This is what I've determined. Division rules state that when there is diversity of ownership between wells/leases, commingling may be approved administratively only if individual lease production will be separately metered prior to commingling. Going through the hearing process on your original application allowed us to approve commingling and allocation on the basis of well tests. (An exception to Rule 303).

You are now seeking to amend Order No. R-10759 by: 1) adding two new leases; 2) adding new pool production; and 3) adding new wells.

The problem with your application is that I cannot amend a hearing order by issuing an administrative order. If you want to continue commingling and allocating on the basis of well tests, then we need to go back to hearing to amend Order No. R-10759. You are essentially seeking another exception to Rule 303 by adding new leases and pools to the original commingled area. A hearing would also involve new notice to all interest owners stating that the application will be going to hearing.

If you would like to discuss this situation, please contact me at (505) 476-3466. In any case, please let me know if this is how you want to proceed with the application, so that we can begin the process of setting the application to hearing.

David Catanach
Engineer

From: Adams, Norvella [mailto:Norvella.Adams@dvn.com]
Sent: Friday, December 02, 2005 10:27 AM
To: Catanach, David, EMNRD
Cc: Meg.Mullinghouse@dvn.com; Singletary, Christopher
Subject: RE: Application

David,
Attached is the information that you requested below. Please let Chris or I know if there is anything else you need.

Thanks,
Norvella Adams

12/13/2005

Catanach, David, EMNRD

From: Adams, Norvella [Norvella.Adams@dvn.com]
Sent: Friday, December 02, 2005 10:27 AM
To: Catanach, David, EMNRD
Cc: Meg.Mullinghouse@dvn.com; Singletary, Christopher
Subject: RE: Application

David,
Attached is the information that you requested below. Please let Chris or I know if there is anything else you need.

Thanks,
Norvella Adams

From: Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]
Sent: Thu 12/1/2005 3:21 PM
To: Singletary, Christopher
Subject: Application

Christopher,

I am currently reviewing an application you submitted to OCD to surface commingle production on various federal leases in T-17S, R-27E.

Please send me a list of the interest owners that were notified of your application.

If I need anything more, I will contact you.

Thanks,

David Catanach
Engineer

12/5/2005

**NOTICE LIST FOR RED LAKE COMMINGLING APPLICATION
EDDY COUNTY, NEW MEXICO**

Brian David Arneson
4601 Sunnycrest Drive
Ukiah, CA 95482

Eddie J. Bollig, Jr. Trust
Jane Hardie Leonard, Trustee
5200 Burke Hill Drive
Ukiah, CA 95482

Eugene P. Burkeholder
1416 80th Street E
Tacoma, WA 88404-3313

Chesapeake Energy Corporation
P. O. Box 18496
Oklahoma City, OK 73154-0496

Jane Ann Hudson Davis
6770 Wolf Creek CT
Rio Rancho, NM 87124

Devon Energy Production Company, L. P.
20 N. Broadway
Oklahoma City, Ok 73102-8260

James R. Evarts, Jr.
2108 Bullock Avenue
Artesia, NM 88210

Robert Evarts
301 Glendale
Carlsbad, NM 88220

Robert T. Evarts
310 W. Greene, Apt. 5
Carlsbad, NM 88220-6328

Exxon Mobil Corporation
P. O. Box 4778
Houston, TX 77210-4778

Barbara Kruse Frankenfield
7333 Wooded Acres Trail
Mansfield, TX 76063

Betty Evarts Gilbert
403 Douglas
Hereford, TX 79045

Robert Welch Gillespie
186 Sierra View
Pasadena, CA 91105

Jonel Susan Grasso
11 Ocean Ridge
Laguna Niguel, CA 92677

Stacy Welch Green
4260 E. Cooper Street
Tucson, AZ 85711-3465

Clyde Guy
101 W. Main Street
Artesia, NM 88210

Clyde Lamar Guy & Mary Jo Guy
Revocable Trust A
Mary Jo Guy & Russell Edward Guy,
Co-Trustees
101 W. Main Street
Artesia, NM 88210

Irene Evarts Hardie
78 Bonita Place
Ukiah, CA 95482-9416

Joan A. Hudson
81 North ST
Naples, FL 34108

Carolyn N. Iverson
2518 Sinclair
Midland, TX 79705

Claire Iverson
6354 Llano
Dallas, TX 75214

Red Lake Commingling Application Respondents

S. J. Iverson, Jr.
2518 Sinclair
Midland, TX 79701

S. J. Iverson III
P. O. Box 4095
Midland, TX 79704

Wendell Welch Iverson
P. O. Box 1343
Midland, TX 79702

Wendell W. Iverson, Trustee Of P.I.P.
1990 Trust, S. J. I. Jr. 1990 Trust, W. W.
I. 1990 Trust
P. O. Box 1343
Midland, TX 79702

Patricia Jaynes
1410 Country Club Road
Arlington, TX 76013

Becky Welch Kitto
2707 N. Flanwill
Tucson, AZ 85716

Bea Caywood McMillion
809 E. Walnut Street
Dawson Springs, KY 42408-1121

Minerals Management Service
Royalty Management Program
P. O. Box 5810
Denver, CO 80217-5810

Norman E. Montgomery
207 Hobbs
San Angelo, TX 76903

Monte J. Montgomery
208 Hobbs Street
San Angelo, TX 76903

Walter A. Montgomery
207 Hobbs Street
San Angelo, TX 76903-7907

Occidental Permian Ltd.
P. O. Box 50250
Midland, TX 79710

Patsy Iverson Page
1155 Muirlands Vista Way
LaJolla, CA 72037

Marian Welch Pendegrass
2705 Gaye Drive
Roswell, NM 88201

John J. Schaller
1721 Antler Lane
Finksburg, MD 21048

Patricia B. Schenk
14615 N. W. Crescent Valley Dr.
Gig Harbor, WA 98332

Phoebe Shelton
3412 Airway Blvd.
Amarillo, TX 79118-7741

Summit Overseas Expl. Inc.
P. O. Box 271127
Littleton, CO 80127-1127

Sandra Leigh Terry
P. O. Box 12617
El Paso, TX 79912

Susan Lynn Terry
7200 Montgomery NE #367
Albuquerque, NM 87109

Trigg Oil & Gas LP
P. O. Box 520
Roswell, NM 88201

Marjorie Welch Weinsner
43 Camino Arroyo Place
Palm Desert, CA 92260

Bryan W. Welch
1764 S. Paige Creek Place
Tucson, AZ 85748

James Gary Welch
15714 Winding Moss Drive
Houston, TX 77068

Red Lake Commingling Application Respondents

Michael Irvin Welch
3501 146th Street
Lubbock, TX 79423

Phoebe Welch
1867 Karas Court
Concord, CA 94521

Phoebe Jane Welch IV
Lockhart Unit 3B-109
P. O. Box 1300
Lockhart, TX 78644

Sanders Thomas Welch
12701 Smokey Road
LaMesa, NM 88044

Van S. Welch II
11111 Grant Road Unit 815
Cypress, TX 77429

Van P. Welch, Jr.
2259 -C Via Puerta
Laguna Wood, CA 92653

Wendell T. Welch
P. O. Box 8418
Nikiski, AK 99635-8418

Howard B. Wright Trust
c/o Wells Fargo Bank NA
Trustee OGM MAC C7300-07D
P. O. Box 5383
Denver, CO 80217-5383

Yates Brothers, A Partnership
105 South 4th Street
Artesia, NM 88210

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☒ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Christopher Singletary
 Print or Type Name

Signature

Operations Engineering
 Title

November 8, 2005
 Date

christopher.singletary@dvnm.com
 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Devon Energy Production Company, L.P.
OPERATOR ADDRESS: 20 North Broadway, Oklahoma City, OK 73102-8260
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 BLM Only.

(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
Northeast Red Lake-Glorieta Yeso (96836)	40.9 / 1294	41.0 / 1383		Exactly the same	Not yet known
Lake-Queen Grayburg San Andres (51300)	41.0 / 1454				Not yet known

- (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) Allocated by well tests. See explanation below.
(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. Attached, Exh. 1
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Attached, Exh. 2
(3) Lease Names, Lease and Well Numbers, and API Numbers. Attached, titled Application for Surface Commingling

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

SIGNATURE: Chris Singletary TITLE: Operations Engineer DATE: November 8, 2005

TYPE OR PRINT NAME Christopher Singletary TELEPHONE NO.: (405) 228-8552

E-MAIL ADDRESS: christopher.singletary@dmn.com



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

November 8, 2005

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

Attn: William Jones/David Catanach

Re: Request for Exception to Rule 303-A
Eagle 33, 34, & 35 Federal Leases
Northeast Red Lake – Glorieta Yeso Pool (96836)
Red Lake – Queen Grayburg San Andres Pool (51300)
Sections 33, 34 & 35, Township 17 South, Range 27 East
Eddy County, New Mexico

2005 NOV 10 PM 4 46

Gentlemen:

Devon Energy Production Company, LP, as Operator of the referenced leases, respectfully request that the Division Director grant an exception to Rule 303-A to permit the commingling of production from the attached pools and leases into a common tank battery.

Attached you will find our Sundry notice submitted to the BLM, including a plat of the leases subject to this application. All production will be commingled at the Eagle 34 battery located in Sec. 34, Unit letter K, of T-17-S, R-27-E, near the Eagle 34K Federal #21 well. A schematic of the commingling facility to be utilized is also attached.

As referenced by the attached letter, all parties owning an interest in the leases and the purchasers of the commingled production have been notified by certified mail regarding this application.

Should you have any questions, please contact the undersigned at 405-228-8552.

Yours truly,

Devon Energy Production Company, LP

Christopher Singletary
Operations Engineer

Enclosure

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

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation / Pool Name</u>
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

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation / Pool Name</u>
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 recomplected 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

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation / Pool Name</u>
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

<u>Well No.</u>	<u>UL</u>	<u>Sec</u>	<u>TWP</u>	<u>Rng</u>	<u>Formation / Pool Name</u>
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



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

November 8, 2005

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for Lease and Pool Commmingling and
Off Lease Storage and Measurement
Eagle 33, 34, & 35 Federal Leases
Northeast Red Lake – Glorieta Yeso Pool (96836)
Red Lake –Queen Grayburg San Andres Pool (51300)
Sections 33, 34 & 35, Township 17 South, Range 27 East
Eddy County, New Mexico

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division (“NMOCD”) seeking approval to permit commingling of production from the attached leases and pools into a common tank battery.


A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the NMOCD within 20 days from the date of this letter.

Should you have any questions, please contact the undersigned at 405-228-8552.

Yours truly,

Devon Energy Production Company, LP



Christopher Singletary
Operations Engineer

Enclosure

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

October 28 2005

2005

2005

2005

That the cost of publication is \$55.46
and that payment thereof has been made and will be
assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

31 day of October, 2005

Stephanie Dobson

My commission Expires on 12-13-05

Notary Public

October 28, 2005

Legal Notice

Devon Energy Production Company, LP, 20 North Broadway, Oklahoma City, OK 73102-8260 has filed form C-107-B (Application for Surface Commingling, Diverse Ownership) with the New Mexico Oil Conservation Division seeking administrative approval to expand the previously approved common tank battery to include production from the following additional leases in the N/2 of the SE/4 of Sec. 33-T17S-R27E, and the SE/4 of the SE/4 of Sec. 34-T17S-R27E, respectively: NMNM033865 and NMNM29270. This facility already includes commingled production from leases: NM025528, NM056122, LC026874-B, NM0557370, LC-064050-A, and LC067849. These leases will produce from both the Northeast Red Lake - Glorieta Yaso Pool (96836) and the Red Lake-Queen Grayburg San Andres Pools (51300). The leases are located in all of section 34, the E/2 of Section 33, and the NW/4 SW/4 Section 35, Township 17 South, Range 27 East, Eddy County, New Mexico.

All interested parties opposing the aforementioned must file objections or request for a hearing with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within 20 days. Additional information can be obtained by contacting Christopher Singletary at (405) 228-8552.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLSFORM APPROVED
OMB NO. 1004-0135
EXPIRES: NOVEMBER 30, 2000Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE

1a. 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, Ste 1500, Oklahoma City, OK 73102

405-228-8209

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

5. Lease Serial No.

Various

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Well Name and No.

See Below

9. API Well No.

10. Field and Pool, or Exploratory

See Attached

12. County or Parish 13. 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface _____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Commingling _____

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Company, L.P., requests to withdraw the Sundry Notice for Surface Commingling of various Eagle wells previously approved on 8/16/05 and replace it with this notice.

Devon Energy Production Company, L.P., respectfully requests approval for surface commingling, pool commingling, and off-lease storage and measurement of hydrocarbon production from the following wells:

Eagle "33I" Federal #17	30-015-34191	Eagle "34G" Federal #54	30-015-33261	Eagle "34K" Federal #22	30-015-29642
Eagle "33I" Federal #18	30-015-33830	Eagle "34H" Federal #16	30-015-29654	Eagle "34K" Federal #43	30-015-33192
Eagle "33J" Federal #21	30-015-33835	Eagle "34H" Federal #42	30-015-33191	Eagle "34K" Federal #44	30-015-33194
Eagle "34P" Federal #37		Eagle "34H" Federal #55	30-015-33265	Eagle "34L" Federal #24	30-015-29643
Eagle "34P" Federal #38	30-015-32871	Eagle "34J" Federal #20	30-015-29641	Eagle "34L" Federal #45	30-015-33237
Eagle "33H" Federal #8	30-015-29596	Eagle "34J" Federal #29	30-015-31734	Eagle "34L" Federal #58	30-015-33353
Eagle "33H" Federal #23	30-015-34008	Eagle "34" Federal #31	30-015-31736	Eagle "34M" Federal #26	30-015-29644
Eagle "33N" Federal #10	30-015-29597	Eagle "34C" Federal #51	30-015-33272	Eagle "34" Federal #33	30-015-31763
Eagle "33A" Federal #2	30-015-29593	Eagle "34C" Federal #47	30-015-33275	Eagle "34" Federal #35	30-015-32841
Eagle "33B" Federal #4	30-015-29594	Eagle "34F" Federal #12	30-015-29635	Eagle "34N" Federal #28	30-015-29645
Eagle "33G" Federal #6	30-015-29595	Eagle "34F" Federal #40	30-015-33236	Eagle "34N" Federal #34	30-015-32840
Eagle "33O" Federal #12	30-015-29598	Eagle "34F" Federal #57	30-015-33535	Eagle "34N" Federal #36	30-015-32842
Eagle "33O" Federal #19	30-015-33831	Eagle "34I" Federal #18	30-015-29655		
Eagle "33O" Federal #20	30-015-33832	Eagle "34" Federal #30	30-015-31735		
Eagle "33P" Federal #14	30-015-29599	Eagle "34I" Federal #32	30-015-31747		
Eagle "33P" Federal #15	30-015-33829	Eagle "35L" Federal #2	30-015-29633		
Eagle "33P" Federal #16	30-015-34103	Eagle "35" Federal #3	30-015-31761		
Eagle "34A" Federal #39	30-015-33195	Eagle "35L" Federal #4	30-015-32836		
Eagle "34A" Federal #49	30-015-33624	Eagle "34D" Federal #46	30-015-33264		
Eagle "34B" Federal #48	30-015-33273	Eagle "34D" Federal #50	30-015-33262		
Eagle "34B" Federal #52	30-015-33274	Eagle "34E" Federal #10	30-015-29632		
Eagle "34G" Federal #14	30-015-29636	Eagle "34E" Federal #53	30-015-33463		
Eagle "34G" Federal #41	30-015-33182	Eagle "34E" Federal #56	30-015-33263		

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

Signed

Name
Title

Norvella Adams

Sr. Staff Engineering Technician

Date

10/26/2005

(This space for Federal or State Office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction.

*See Instruction on Reverse Side