

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4640
Order Date: September 25, 2013
Application Reference Number: pPRG1324043243

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Brice Letcher

Bleu BBP Federal Com. Well No. 1
API No: 30-015-33276
Unit K, Section 34, Township 16 South, Range 21 East, NMPM
Pool EMPIRE; WOLFCAMP, NW Oil 97286
Names: WC-015 G-04 S162728P; CISCO Oil 98001

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC 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 19.15.12.11A. NMAC, 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 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the production information provided in application, assignment of allowable and allocation of production from the well shall be as follows:

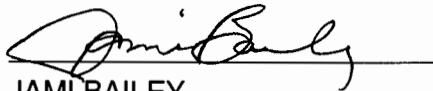
EMPIRE; WOLFCAMP, NW OIL POOL	Pct Gas: 20	Pct Oil: 60
WC-015 G-04 S162728P; CISCO OIL POOL	Pct Gas: 80	Pct Oil: 40

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

This Order is subject to like approval from the United States Bureau of Land Management.

This Order rescinds administrative Order DHC-3291 (dated June 30, 2004) that approved commingling from the South Diamond Mound – Atoka (Gas), Crow Flats – Morrow (Gas), and Wildcat – Chester (Gas) pools in this well.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Office