



New Mexico Energy, Minerals and Natural Resources Department

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Jami Bailey
Division Director
Oil Conservation Division



Administrative Order OLM-23-A
August 16, 2011

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Miriam Morales

Yates Petroleum Corporation ("Yates") is hereby authorized to measure and sell oil and gas production Off-Lease from the following wells and from any future Wolfcamp formation, oil well drilled on its federal Lease NM-101580 within the bounds of Sections 6, 7, and 18, Township 12 South, Range 27 East, NMPM, Chaves County, New Mexico:

Grid Iron BLI Federal Well No. 2 (API 30-005-64063)
Unit Letter L, Sec. 6, T12S, R27E, NMPM, 40 acre oil spacing and proration unit
Wildcat; Wolfcamp Pool or Coyote; Wolfcamp Pool (97670)

Grid Iron BLI Federal Well No. 3 (API 30-005-64145)
Unit Letter M, Sec. 6, T12S, R27E, NMPM, 40 acre oil spacing and proration unit
Wildcat; Wolfcamp Pool or Coyote; Wolfcamp Pool (97670)

Grid Iron BLI Federal Well No. 4 (API 30-005-64146)
Unit Letter D, Sec. 7, T12S, R27E, NMPM, 40 acre oil spacing and proration unit
Wildcat; Wolfcamp Pool or Coyote; Wolfcamp Pool (97670)

We understand that oil and gas from these wells and future wells as approved above will be measured and sold Off-Lease near the Football BCF Federal Well No. 2H (API No. 30-005-64020) located within Unit Letter I, Section 1, T12S, R26E.

This approval is subject to like approval from the U.S. Bureau of Land Management (BLM). The operator shall notify the Artesia district office of the Division before commencement of Off-Lease Measurements.



Administrative permit OLM-23 is hereby superceded in its entirety by this permit. This approval for Off-Lease measurement and sales does not include approval for surface commingling.


JAMI BAILEY
Division Director

JB/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Roswell