



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3199

Corrected 12/9/03

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: James Pringle

*Emjay BBJ Federal Well No. 1
API No. 30-005-21185
Unit L, Section 8, Township 6 South, Range 30 East, NMPM,
Chaves County, New Mexico
Wildcat-Cisco (Gas), and
Wildcat-Mississippian Lime (Oil)*

Dear Mr. Pringle:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the well bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., 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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), the commingled oil pool shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool, and the maximum amount of gas that may be produced from the gas pool shall be determined by Division Rules and Regulations.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless modified with permission of the Hobbs District Office and copied in writing

to the Santa Fe office.

Wildcat-Cisco Gas	Oil-0%	Gas-14%
Wildcat-Mississippian Lime Oil	Oil-100%	Gas-86%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 23rd day of October 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Division Director

LW/wvj

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