State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



COMMINGLING ORDER CTB-404

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

Attention: Rusty Klein

The above named company is hereby authorized to commingle Penasco Draw Upper Penn Pool production from the following leases:

Lease:

Matlock "AJW" Well No.1

Description:

NW/4 SE/4 and,

Lease:

Bradshaw Well No.1

Description:

SE/4 SE/4,

both in Section 4, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." If is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 31st day of January, 1995.

WILLIAM J. LEMAY, Division Director

WJL/BES

cc:

Oil Conservation Division - Artesia

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830

Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco

Office of the Secretary 827-5950 Administrative Services 827-5925

Energy Conservation & Management 827-5900

Mining and Minerals 827-5970

Oil Conservation
827-7131