STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

COMMINGLING ORDER CTB-383

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210

Attention: Rusty Klein

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

Lease:

Ocotillo "ACI" Federal Well No. 2

Description:

SE/4 SE/4, Section 10; and

Lease:

Saguaro "AGS" Well No. 1

Description:

NW/4 SW/4, Section 11.

Both in Township 20 South, Range 24 East, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each pool 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.

FURTHER: The operator shall notify the Artesia District Office prior to the implementation of the commingling process.

REMARKS: Commingled production shall be stored in the Saguaro "AGS" No. 1 tank battery located in Unit Letter L of Section 11, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

DONE at Santa Fe, New Mexico, on this 21st day of December, 1993.

WILLIAM J. LEMAY

Division Director

cc: Oil Conservation Division - Artesia

Oil Conservation Division - Data Processing Bureau of Land Management - Carlsbad