



New Mexico Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Surface Commingling Order CTB-639

February 8, 2012

Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

Attention: Miriam Morales:

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle oil production from Atoka; Glorieta-Yeso Oil Pool (**3250**) from the following Fee Leases and wells.

Wells: Waldrip JY Well No. 1 (API No. **30-015-22755**), Unit L, Sect. 34, T-18-S, R-26 E.

Waldrip JY Well No. 2 (API No. **30-015-24940**), Unit K Section 34, T-18-S, R-26-E

Waldrip JY Well No. 3H (API No. 30-015-39301, Units D & M, Sect. 34, T-18-S, R-26-E.

All in NMPM, Eddy County, New Mexico

Commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located in Unit L, Section 34, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

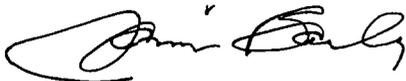
Oil production from the Waldrip JY Well No. 3H shall be continuously measured with allocation meters before commingling with production from other wells. The oil allocation meters shall be calibrated semi-annually. The oil production from the Waldrip JY Well No. 1 and the Waldrip JY Well No. 2 shall be based on periodic well tests.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations.



DONE at Santa Fe, New Mexico, on February 8, 2012.



Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Artesia