Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Administrative Order DHC-4584
Order Date: 8/30/2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Margrethe Hotter

Berry APN State Well No. 1
API No: 30-025-27250
NW/4SW/4, Irregular Section 5, Township 21 South, Range 34 East, NMPM
Lea County, New Mexico

Pool: Wildcat Delaware   Oil
Names: North Berry; Bone Spring   Oil 5535

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

Wildcat Delaware Oil Pool	Pct Gas: 20	Pct Oil: 50
North Berry; Bone Spring Pool	Pct Gas: 80	Pct Oil: 50

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs