



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PLC-283

Yates Energy Corporation
c/o O'Briant & Associates, Inc.
P.O. Box 10487
Midland, Texas 79702

The above-named company is hereby authorized to surface commingle production from the Wildcat Wolfcamp, Undesignated East Hess Hills-Upper Penn (Gas – 97383), Undesignated Bandana Point-Strawn (Gas – 71485) and Undesignated East Hess-Morrow (Gas – 78380) Pools originating from the following-described Federal leases in Eddy County, New Mexico:

Lease Name: North Hess Federal "23" Lease (Federal Lease No. NM-111398)
Description: S/2 of Section 23, Township 23 South, Range 23 East, NMPM;

Well: North Hess Federal "23" Well No. 1 (API No. 30-015-34509),
1955' FSL & 710' FEL, Unit I, Section 23;
Completion Interval(s): Wildcamp Wolfcamp
Undesignated East Hess Hills-Upper Penn
Undesignated Bandana Point-Strawn
Undesignated East Hess-Morrow

Lease Name: Lonesome Dove Federal Lease (Federal Lease No. NM-69333)
Description: N/2 of Section 26, Township 23 South, Range 23 East, NMPM;

Wells: Lonesome Dove Federal Well No. 2 (API No. 30-015-33873),
660' FNL & 660' FEL, Unit A, Section 26;
Completion Interval(s): Undesignated East Hess Hills-Upper Penn
Undesignated Bandana Point-Strawn

Due to the diversity of ownership between the leases, separate gas allocation meters shall be installed so as to measure the gas production from each lease prior to commingling. After being measured, the gas will be combined and sent on to a gas sales meter. If oil is commingled, all oil production shall be separately metered prior to commingling.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Artesia District Office of the Division upon commencement of commingling operations.

Administrative Order No. PLC-283

Yates Energy Corporation

September 11, 2006

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Done, at Santa Fe, New Mexico on this 11th day of September, 2006.



MARK E. FESMIRE, P.E.,
Division Director

MEF/drc

cc: OCD-Artesia
 BLM-Carlsbad