



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**

Director

**Oil Conservation Division**

## ***ADMINISTRATIVE ORDER DHC-3185***

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

Attention: James M. Hill

*Arley Federal Unit Well No. 1  
API No. 30-015-32684  
Unit K, Section 6, Township 20 South, Range 23 East, NMPM,  
Eddy County, New Mexico,  
Wildcat-Atoka (Gas), and  
Wildcat-Upper Penn (Gas) Pools*

Dear Mr. Hill:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the well bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., 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 and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

The applicant shall consult with the supervisor of the Artesia District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Artesia District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 9th day of September 2003.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



LORI WROTENBERY  
Division Director

LW/wvjj

cc: Oil Conservation Division – Artesia  
Bureau of Land Management-Carlsbad