

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order PLC-309
June 9, 2008

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Mayte Reyes

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle gas production from the following Pools:

East Pierce Crossing-Bone Spring Pool (96473)
Cedar Canyon-Delaware Pool (11540)
Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (47545)
Corral Canyon-Delaware Pool (13360)

and from the following six diversely owned, wells located on State or Federal leases in Eddy County, New Mexico:

Corral Draw AQH Federal Well No. 1 (API 30-015-29396) Unit L, Sec 13, T24S, R29E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Cedar Canyon-Delaware Pool (DHC-1696)

Corral Draw AQH Federal Well No. 2 (API 30-015-34257) Unit F, Sec 13, T24S, R29E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Cedar Canyon-Delaware Pool (DHC-3640)

Jester BFJ Federal Well No. 1 (API 30-015-34275) Unit N, Sec 12, T24S, R29E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Cedar Canyon-Delaware Pool (DHC-3729)

Ohkay BHH State Well No. 1 (API 30-015-34551) Lot 4, Sec 6, T25S, R30E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (DHC-3697)

Wyatt BHT State Well No. 1 (API 30-015-34553) Unit B, Sec 6, T25S, R30E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (DHC-3972)

Doc-BHU State Well No. 1 (API 30-015-34552) Unit O, Sec 5, T25S, R30E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Corral Canyon-Delaware Pool (DHC-3959)

Each of these diversely owned wells (or groups of wells with identical ownership) shall be equipped with allocation meters on gas prior to commingling for sales.



The gas sales point for this commingled production shall be located near the Jester BFJ Federal Well No. 1 in Unit N of Section 12, Township 24 South, Range 29 East. Gas is approved for off lease measurement and sales after being metered on-lease. Oil is not approved for 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.

This order is approved as of the date shown above.



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

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad
State Land Office – Oil, Gas, and Minerals Division