



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Surface Commingling Order CTB-593

December 04, 2008

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Attention: Mayte Reyes

Yates Petroleum Corporation is hereby authorized to surface commingle County Line Tank; Wolfcamp Pool (97712) oil and gas production from the following leases.

Lease: **Pequeno Mike BLU Federal Lease No. NM-105211**

Well: Pequeno Mike BLU Federal Well No. 1H (API No. **30-015-36390**) Section 2
Township 16 South, Range 29 East, NMPM, Eddy County New Mexico

Lease: **Big Miguel BKN State Com Lease No. B-2885**

Well: Big Miguel BKN state Com Well No. 1H (API No. **30-015-36027**)
Section 2 Township 16 South, Range 29 East,
NMPM, Eddy County, New Mexico

Commingled oil and gas production from the wells detailed above shall be measured and sold at the **Big Miguel BKN State Com Well No. 1H** Tank Battery located in Unit M of Section 2, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

Oil production from the Pequeno Mike BLU Federal Well No. 1H shall be measured continuously with calibrated allocation meters prior to commingling with the Big Miguel BKN state Com Well No. 1H production for sales. The commingled oil and gas production from the Pequeno Mike BLU Federal Well No. 1H is approved for off-lease measurement and sales. The allocation meters for oil shall be calibrated semi-annually.

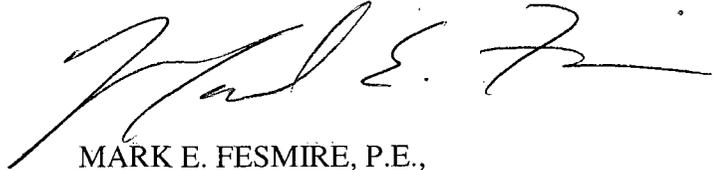
A subtraction method of measurement is approved for oil production for the Big Miguel BKN State Com Well No. 1H for allocation purposes.

Gas production from the wells shall be measured continuously with calibrated allocation meters installed in the wells prior to commingling with gas from other wells. The allocation meters shall be calibrated quarterly.

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 December 04, 2008.



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

MEF/re

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