



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 30, 2010

Administrative Order DHC-4290
Application Reference Number: pTGW1017957892

Yates Petroleum Corporation
Attn: Ms. Margrethe Hotter
105 South Fourth St.
Artesia, NM 88210-02118

Re: Dice BHD State Com. Well No. 3
API No. 30-005-64110

Pools: Foor Ranch Wolfcamp (97111)
Foor Ranch Pre-Permian (76730)

Dear Mr. Farris:

Reference is made to your application for an exception to Division Rule 12.9.A to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11.A., that reservoir damage or waste will not result from such downhole commingling, and that correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described.

In accordance with Division Rule 12.11.A(6), 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:

Pool: Foor Ranch Wolfcamp	Pct Gas: To be supplied	Pct Oil: To be supplied
Pool: Foor Ranch Pre-Permian	Pct Gas: To be supplied	Pct Oil: To be supplied



It is our understanding that allocation percentages will be determined from well tests after the workover has been completed. The production allocation percentages of oil and gas between these pools shall be reported to the Division's Santa Fe office within 60 days following completion of this well in the Wolfcamp.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

This approval is conditional upon approval by the New Mexico State Land Office prior to commencement of commingling.

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

Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.
Acting Director

MEF/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe