ADMINISTRATIVE ORDER DHC-3240

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

Attention: James W. Pringle

> *MEC Com Well No. 2*
> *API No. 30-005-63501*
> *Lot 6, Section 6, Township 7 South, Range 23 East, NMPM,*
> *Chaves County, New Mexico*
> *West Pecos Slope-Abo (Gas - 82740), and*
> *Wildcat-Wolfcamp (Gas – N/A) Pools*

Dear Mr. Pringle:

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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:
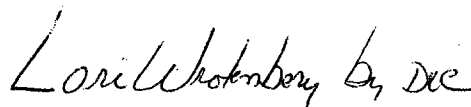
West Pecos Slope-Abo Gas Pool	Oil-N/A	Gas-87%
Wildcat-Wolfcamp Gas Pool	Oil-N/A	Gas-13%

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Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 16th day of February, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Division Director

LW/DRC

cc: Oil Conservation Division – Artesia