



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Harrison H. Schmitt
Cabinet Secretary-Designee

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Administrative Order OLM-32

January 13, 2011

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

Attention: Mayte Reyes

Yates Petroleum Corporation (“Yates”) is hereby authorized to measure **oil and gas production** Off-Lease from the following well which is producing from the Wildcat/Wolfcamp Oil Pool in Chavez County, New Mexico:

Quarterback BQG Federal Well No. 1 (API 30-005-34168)
Sec. 6, T-12-S, R-27-E, NMPM, Federal Lease No. NM-101579

The oil and gas production from this well shall be measured and sold at the CDP Sales Meter located in Section 1, T-12-S, R-26-E, NMPM, in Chavez County, New Mexico. The Quarterback BQG Federal Well No. 1 shall have its own tank battery and meter at all times. **This approval is subject to like approval by the Bureau of Land Management (BLM) before commencing the Off-Lease Measurements.**

The surface commingling of oil and gas production is **NOT** authorized.

The operator shall notify the Artesia district office of the Division before commencement of Off-Lease Measurements.

Daniel Sanchez
Acting Division Director

MEF/re

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

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