

OIL CONSERVATION DIVISION

AMENDED COMMINGLING ORDER CTB-409

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

Attention: Ms. Rusty Klein

The above named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool production from the following leases:

Lease: Tackitt "AOT" Well No.1
Description: NW/4 SE/4, and;

Lease: Tackitt "AOT" Well No.2
Description: NE/4 SE/4, and;

Lease: Tackitt "AOT" Well No.3
Description: NE/4 SW/4, and;

Lease: State "K" Well No.3
Description: SW/4 SE/4;

All in Section 28, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

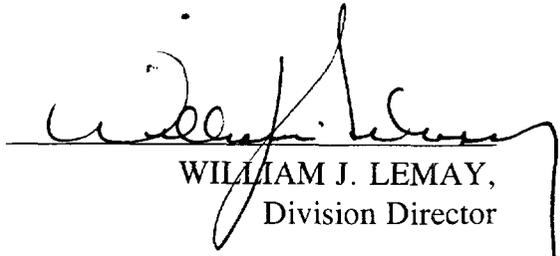
Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the District Office prior to implementation of the commingling process. Production shall be stored in State "K" / Tackitt 'AOT' tank battery facility located in Unit Letter K, Section 28, Township 19 South, Range 25 East, Eddy County, New Mexico.

NOTE: Validation of this authority shall be accomplished by like approval by the State Land Office.

DONE at Santa Fe, New Mexico, on this 9th day of February, 1996.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia