



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-423

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

Attention: Ms. Pamela S. Evans

The above named company is hereby authorized to commingle South Dagger Draw Upper Penn Pool (Associated - 15475) production from the following leases:

Lease: Mojave "AJY" Com Well No.2
Description: SW/4 SE/4, and;

Lease: Mojave "AJY" Com Well No.3
Description: SE/4 SW/4,

both in Section 35, Township 20.5 South, Range 23 East, and;

Lease: Diamond "AKI" Federal Well No.1
Description: SE/4 SW/4 of Section 34, Township 20 South, Range 24 East,

all in Eddy County, New Mexico.

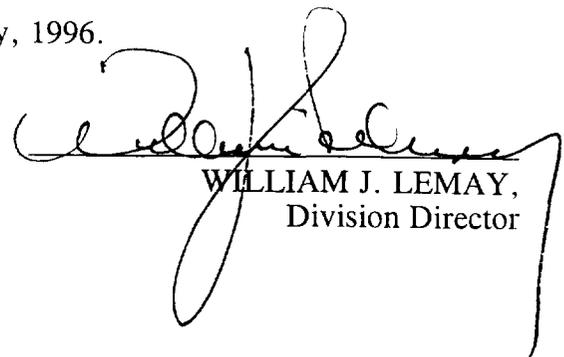
Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

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.

REMARKS: The commingled production shall be stored in the Mojave 'AJY' Federal No.2 tank battery facility located in Section 35, Township 20.5 South, Range 23 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 1st day of May, 1996.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad