



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-429

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 Atoka San Andres Pool (3610) production from the following leases:

Lease: Pearson 'APE' Well No.1
Description: SE/4 NW/4. and;

Lease: Cannon 'FW' Well Nos.1 and 2
Description: NE/4 NW/4 and SW/4 NW/4.

both in Section 21, Township 18 South, Range 26 East, Eddy County, New Mexico.

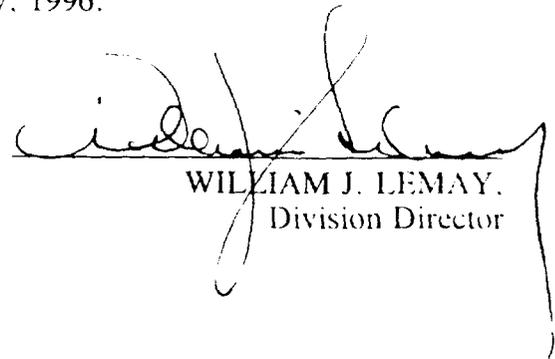
Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

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 Cannon 'FW' No.1 tank battery facility located in Unit Letter 'C' of Section 21, Township 18 South, Range 26 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 23rd day of July, 1996.


WILLIAM J. LEMAY,
Division Director

WJL:BS

cc: Oil Conservation Division - Artesia