NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PLC-154

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

Attention: Ms. Pamela S. Harris

The above-named company is hereby authorized to commingle South Dagger Draw-Upper Penn, (15475) and Cemetery-Wolfcamp (74680) Pool production from the following leases:

Lease:	Saguaro AGS Federal Com. Lease Wells No. 5 and 9 (Federal Lease No. NM-043625),
Description:	E/2 NW/4 of Section 23, Township 20 South, Range 24 East, NMPM, and
Lease:	Hill View Federal Com. Lease Well No. 11 (Federal Lease No. NM-86241),
Description:	NE/4 SE/4 of Section 23, Township 20 South, Range 24 East, NMPM,

All in Eddy County, New Mexico.

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

FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.
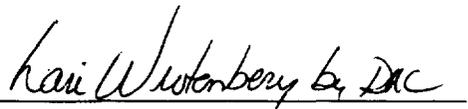
REMARKS: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

NOTE: Commingled production shall be stored and measured at the Saguaro AGS Federal Com. Well No. 5 tank battery facility located in the SE/4 NW/4 (Unit F), Section 23, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

NOTE: Validation of this authority shall be accomplished with like approval by the Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 3rd day of May, 1999.

LORI WROTENBERY,
Division Director

LW/MWA/kv
cc: Oil Conservation Division- Artesia
       Bureau of Land Management - Carlsbad