



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

COMMINGLING ORDER CTB-518

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

Attention: Ms. Rusty Klein

The above named company is hereby authorized to commingle Indian Basin-Upper Pennsylvanian Associated Pool (Associated – 33685) production from the Anemone “ANE” Federal Wells No. 1, 2, 3, 4 and 5, and the Walt Canyon “AMA” Federal Wells No. 3 and 4, located on the following leases:

Lease: Anemone “ANE” Federal Lease (Lease No. NM-78214)
Description: All of Section 9, Township 22 South, Range 24 East, NMPM;

Lease: Walt Canyon “AMA” Federal Lease (Lease No. NM-78213)
Description: N/2 of Section 3, Township 22 South, Range 24 East, NMPM;

All in Eddy County, New Mexico

Due to differences in ownership, production shall be allocated by separately metering the production from each well prior to commingling. Oil production shall then be commingled and stored at a tank battery located on the Anemone “ANE” Federal Lease in the NW/4 NW/4 of Section 9, Township 22 South, Range 24 East, NMPM.

NOTE: 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.

FURTHER: The operator shall notify the Artesia district office of the Division prior to commingling. This order is subject to like approval by the Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 11th day of September, 2001.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division – Artesia
U.S. Bureau of Land Management – Carlsbad