

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER CTB-362

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

Attention: Paul Ragsdale

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

Lease: Foster "AN" Lease (Well No. 2)
Description: NE/4 Section 1, Township 20 South, Range 24 East, NMPM;

Lease: Foster "AN" Lease (Well No. 3)
Description: NE/4 Section 1, Township 20 South, Range 24 East, NMPM;

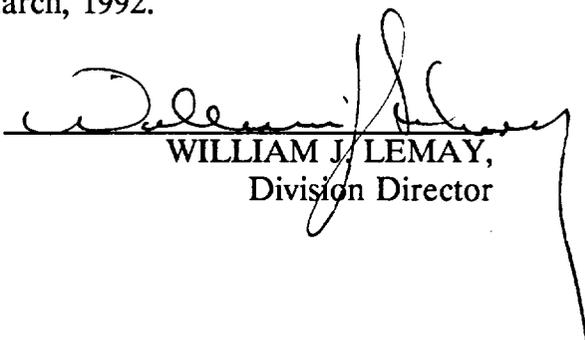
Eddy County, New Mexico.

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 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.

REMARKS: Production from the Foster "AN" Well Nos. 2 & 3 shall be transported prior to measurement to its own tank battery to be located in the NW/4 NW/4 of said Section 1.

DONE at Santa Fe, New Mexico, on this 9th day of March, 1992.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Artesia