



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

March 16, 1994

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

Attention: Rusty Klein

Dear Ms. Klein:

Reference is made to your request dated February 7, 1994, for an amendment to Division Order No. CTB-362, which order authorized the surface commingling of North Dagger Draw-Upper Pennsylvanian Pool production from several wells located on the Foster "AN" Fee Lease in the NE/4 of Section 1, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico. It is our understanding that you wish to add the Mobil "AOB" Well No. 1 to the commingling order.

In examining your application, it has been determined that the subject wells are located on a fee lease which has been consolidated for the purpose of forming a standard 160-acre proration unit comprising the NE/4 of Section 1.

Please be advised that since the subject leases have been consolidated, the Division considers the NE/4 of Section 1 to be a commonly owned standard proration unit, and therefore commingling approval is not necessary.

Division Order No. CTB-362 is hereby cancelled.

Enclosed please find your application filed in this matter. If I can be of further assistance, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Division Director

xc: OCD-Artesia
File-CTB-362