



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3471

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210-2118

Attention: Mark Hoskins

*Luke BAV Federal Com Well No. 1
API No. 30-015-31947
Unit J, Section 3, Township 21S, Range 22E, NMPM,
EDDY County, New Mexico
Wildcat-Abo,
Wildcat-Canyon, and
Wildcat-Morrow Pools*

RECEIVED

JUN 17 2005

OCD-ARTESIA

Dear Mr. Hoskins:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

The applicant is hereby authorized to commingle the production as described above.

The applicant shall supply the following items in writing (referencing DHC-3471) to the Santa Fe office of the Division within 60 days following completion of this new well:

- 1) Forms C102 for each pool to be commingled clearly showing the spacing unit orientation and size and whether the pool is to be classified as "gas" or "oil".
- 2) Bottom-hole pressure data for each of the intervals commingled.
- 3) Test data for each of the commingled intervals.
- 4) Oil and gas production percentages for each interval.

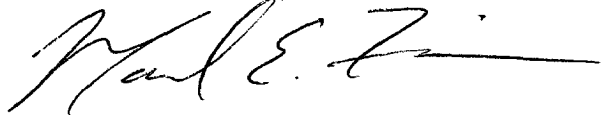
In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on June 8, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad