



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3220-A

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

Attention: James H. Hill

*Chosa "ATR" Federal Well No. 1
API No. 30-015-31215
Unit L, Section 8, Township 25 South, Range 26 East, NMPM,
Eddy County, New Mexico
Chosa Draw-Morrow (Gas 74900), and
Wildcat-Atoka (Gas) Pools*

RECEIVED
JAN 22 2004
OCD-ARTESIA

Dear Mr. Hill:

Reference is made to your recent application for an amendment to Division Order No. DHC-3220 dated December 7, 2003. Division Order No. DHC-3220 authorized Yates to downhole commingle the Atoka and Morrow formations within the Chosa "ATR" Federal Well No. 1. It is our understanding that production data is now available for the well, and that a production allocation can now be established.

It appears that the proposed production allocation is reasonable and should therefore be approved.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Wildcat-Atoka Gas Pool	Oil-50%	Gas-42%
Chosa Draw-Morrow Gas Pool	Oil-50%	Gas-58%

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 this 14th day of January, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/DRC

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