

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



August 28, 2013

ADMINISTRATIVE COMMON TANK BATTERY ORDER

Administrative Order CTB-679
Administrative Application Reference No. pAXK1321156670

Yates Petroleum Corporation
Attention: Ms. Miriam Morales

RE: Surface Commingling

Reference is made to your administrative application received on July 29, 2013.

It is our understanding that you propose to commingle production from diversely owned wells, limited to one common source of supply, through facilities operated by the above named operator ("Applicant"). By this application you are seeking commingling approval pursuant to Division Rule 19.15.12.10.C.(4) NMAC. It is further understood that you have provided notice to all interest owners in accordance with Rule 12.10.C(4)(c) NMAC, and no objections have been received.

Applicant is hereby authorized to surface commingle oil and gas production from the North Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565) from the following wells located in Township 19 South, Range 25 East, Eddy County, New Mexico:

Amole ANM State Com. Well No. 2 (API No. 30-015-28424), located 1780 FSL & 1980 FWL, (Unit K) in Section 16

Barbara Well No. 17 (API No. 30-015-24717), located 1650 FSL & 1650 FWL, (Unit K) in Section 17

Barbara Well No. 18 (API No. 30-015-27631), located 660 FSL & 760 FEL (Unit P) in Section 17

It is our understanding that production from these wells is diversely owned. Production will be allocated by separate metering. Meters will be calibrated as required by Rule 19.15.12.10.C(2) NMAC.

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Off lease storage and sale is approved. The oil from these wells will be measured and sold at the central battery near the Amole State Com Well No. 2 in the Southwest Quarter of Section 16.

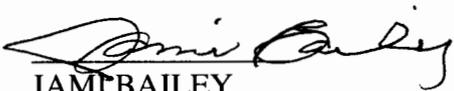
This installation shall be constructed and operated in accordance with applicable Division Rules.

The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations, and shall notify the transporter of this commingling authority.

As per Division Rule 19.15.12.10.C.(4)(h) NMAC, the operator shall not commence commingling prior to approval from the New Mexico State Land Office.

Applicant has not provided notice that it is requesting addition of future wells or additional leases or pools to this commingle as per Rule 12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or pools shall not be included in this surface commingle without the operator again making application and providing notice to all owners.

Sincerely,



JAMI BAILEY
Division Director

JB/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office