

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



July 21, 2014

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-359-A
Administrative Application Reference No. pEH1418330528

YATES PETROLEUM CORPORATION
Attn: Ms. Miriam Morales

Yates Petroleum Corporation has requested to amend Division Order No. PLC-359 to add the Hanagan APL Federal Com Well No. 3H (API No. 30-015-39801) to the surface commingling order. The Division has reviewed your application and hereby grants your request.

The Division Order No. PLC-359 is hereby amended, and Yates Petroleum Corporation (OGRID 25575) is hereby authorized to surface commingle oil and gas production, from the following pools located in Section 31, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico.

HG; Atoka	(96461)
HG; Morrow (Gas)	(78400)
Parkway; Bone Spring	(49622)

and from the following diversely owned wells located on federal leases in said Section, Township and Range in Eddy County, New Mexico:

Hanagan "APL" Federal Com Well No. 1
API No. 30-015-26835
1980 FNL & 1980 FEL, Unit G

Hanagan "APL" Federal Com Well No. 2H
API No. 30-015-39511
1600 FSL & 330 FWL, Unit L

Hanagan "APL" Federal Com Well No. 3H
API No. 30-015-39801
660 FSL & 180 FWL, Unit M

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The commingled gas production shall be measured and sold at the Hanagan "APL" Federal Com Well No. 1 central tank battery located in Unit G of Section 31, Township 19 South, Range 30 East, Eddy County, New Mexico.

Gas production from each well shall be separately metered before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC

The commingled oil production shall be measured and sold at the Hanagan "APL" Federal Com Well No. 2H central tank battery located in Unit L of Section 31, Township 19 South, Range 30 East, Eddy County, New Mexico.

Oil production from each well shall be separately metered before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC

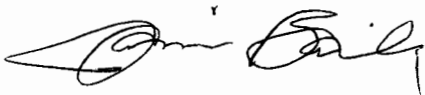
The operator shall notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

This order supersedes Order No. PLC-359 issued on September 10, 2012.

This approval is subject to like approval from the Bureau of Land Management (BLM) before commencement of the commingling operations.

Done at Santa Fe, New Mexico, on July 21, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Division Director

JB/mam

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