

New Mexico Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



Administrative Order PC-1235
August 16, 2011

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

Attention: Miriam Morales

Yates Petroleum Corporation ("Yates") has applied to surface commingle oil production from the following six wells, Eddy County, New Mexico:

Juniper BIP Federal Well No. 5 API 30-015-28577
Located in Unit Letter F, Sec 4, T24S, R29E
Malaga; Delaware Pool (42940) 40 acre spacing
Cedar Canyon; Bone Spring Pool (11520) 40 acre spacing, DHC-3961

Juniper BIP Federal Well No. 6Y API 30-015-37076
Located in Unit Letters D, C, B, A, Sec 4, T24S, R29E
Cedar Canyon; Bone Spring Pool (11520) 160 acre spacing

Juniper BIP Federal Well No. 8Y API 30-015-37252
Located in Unit Letters L, K, J, I, Sec 4, T24S, R29E
Cedar Canyon; Bone Spring Pool (11520) 160 acre spacing

Juniper BIP Federal Well No. 9Y API 30-015-37407
Located in Unit Letters M, N, O, P, Sec 4, T24S, R29E
Cedar Canyon; Bone Spring Pool (11520) 160 acre spacing

Juniper BIP Federal Well No. 10Y API 30-015-37968
Located in Unit Letters D, C, B, A, Sec 4, T24S, R29E
Malaga; Delaware Pool (42940) 160 acre spacing

Juniper BIP Federal Well No. 11Y API 30-015-38152
TO BE Located in Unit Letters D, C, B, A, Sec 9, T24S, R29E
Cedar Canyon; Bone Spring Pool (11520) 160 acre spacing



It is our understanding that all of these wells and producing pools are contained in one identically owned federal lease - depths including the Delaware and Bone Spring formations.

Oil production from this lease is continuously measured for each well then transported for sales to the Juniper BIP Federal Well No. 5 location in Unit letter F of Section 4.

As allowed in 19.15.12.10 NMAC, Yates' application for surface commingling as proposed in the application is hereby approved. Gas production is not approved for surface commingling.

The operator shall notify the Artesia district office of the Division upon commencement of off-lease measurement and sales.



JAMIE BAILEY
Division Director

JB/wvj

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