State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



Administrative Order OLM-62

May 18, 2012

Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210

Attention: Miriam Morales:

Yates Petroleum Corporation ("Yates") is hereby authorized to measure <u>oil and gas production</u> Off-Lease from the following wells which is producing from Penasco Draw; San Andres-Yeso Pool (50270) in Eddy County, New Mexico:

Warren ANW Federal Well No. 1 (API No. 30-015-27748), Section 9, T-19-S, R-25-E.

Warren ANW Federal Well No. 2 (API No. 30-015-28147), Section 9, T-19-S, R-25-E

The oil and gas production from the well shall be measured and sold at the Thomas AJJ Well No.3 Tank Battery located in Unit J Section 8, T-19-S, R-25-E, NMPM, in Eddy County, New Mexico. The surface commingling of oil and gas production is **NOT** authorized.

The operator shall notify the Artesia district office of the Division before commencement of Off-Lease Measurements.

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

Jami Bailey

Division Director

JB/re

cc: Oil Conservation Division - Artesia

Bureau of Land Management BLM - Roswel