

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order CTB-660

November 20, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Miriam Morales:

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle oil production from the Lost Tank; Delaware Pool (**40299**), and from the following Federal Leases and wells.

Capella BOP Federal Well No. 1 (**API 30-025-39528**), Section 9, T-21-S, R-32-E.

Capellal BOP Federal Com Well No. 2H (**API No. 30-025-39529**), Section 8, T-21-S, R-32-E.

All in NMPM, Lea County, New Mexico

The commingled oil production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located at the Capella BOP Federal Well No. 1 in Section 9 Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.

The oil production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated monthly.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

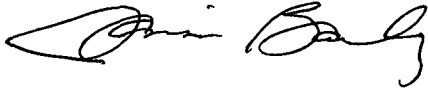
FURTHER: The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

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

DONE at Santa Fe, New Mexico, on November 20, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Hobbs
Bureau of Land Management (BLM) - Roswell