

State of New Mexico  
Energy, Minerals and Natural Resources Department

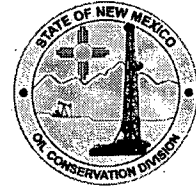
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**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



April 15, 2013

ADMINISTRATIVE COMMON TANK BATTERY ORDER

**Administrative Order CTB-473-A**  
**Administrative Application Reference No. pPRG1307329528**

**Yates Petroleum Corporation**  
Attention: Ms. Miriam Morales

**RE: Surface Commingling**

Reference is made to your administrative application received on March 14, 2013.

It is our understanding that you propose to commingle production from diversely owned lands, 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 19.15.12.10.C(4)(c), and no objections have been received.

Applicant is hereby authorized to surface commingle **oil production only** from the North Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565) from the following wells located in Eddy County, New Mexico:

| <u>Name</u>            | <u>API No.</u> | <u>Footages</u>  | <u>ULSTR</u> |
|------------------------|----------------|------------------|--------------|
| Amole AMM State Com #4 | 30-015-28542   | 1980 FS & 660 FE | I-16-19S-25E |
| Boyd X State #12       | 30-015-28738   | 1880 FN & 660 FE | H-16-19S-25E |

This is an amendment to Administrative Order CTB-473, issued on June 29, 1998, which authorized surface commingling of production from these wells from the North Dagger Draw; Upper Penn Pool. Since the completions of both these wells in that pool have been permanently abandoned, this approval will result in no pool commingling. Production will be allocated by individual well metering.

It is our understanding that production from these wells is diversely owned, and that all interest owners have been notified of this Application.

Off lease storage and sale is hereby approved. The commingled production shall be stored in Boyd 'X' State Com tank battery facility located in Unit Letter 'O' of Section 16, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

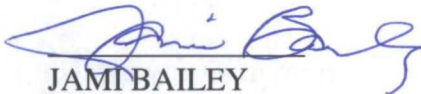
This installation shall be constructed and operated in accordance with applicable Division Rules.

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