NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1378

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Morris Keith

Hunt 'APO' Federal State No.1
Unit L, Section 4, Township 21 South, Range 34 East, NMPM,
Lea County, New Mexico.
Wildcat Delaware (pool code not assigned) and
North Grama Ridge Bone Spring (28434) Pools

Dear Mr. Keith:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 230 B/D	Gas 460 Mcf/D	Water 460 B/D

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Wildcat Delaware Pool	Oil 60%	Gas 40%
North Grama Ridge Bone Spring Pool	Oil 40%	Gas 60%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 16th day of October, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WJL/BES

cc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division