



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

COMMINGLING ORDER CTB-409

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

Attention: Rusty Klein

The above named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool production from the following leases:

Lease: Tackitt "AOT" Well No.1
Description: NE/4 SE/4, Section 28 and,

Lease: State "K" Well No.3
Description: NE/4 SW/4, Section 28

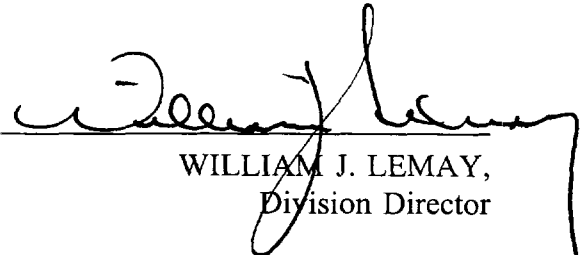
Both in Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the District Office prior to implementation of the commingling process. Production shall be stored in State "K" and Tackitt Tank Battery located in Unit Letter J, Section 28, Township 19 South, Range 25 East, Eddy County, New Mexico.

DONE at Santa Fe, New Mexico, on this 15th day of February, 1995.


WILLIAM J. LEMAY,
Division Director

WJL/BES

cc: Oil Conservation Division - Artesia