



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

February 10, 1989

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Theresa Padilla

RE: Administrative Order OLM-13

Dear Ms. Padilla:

Reference is made to your letter dated January 10, 1989, whereby you requested authorization from the Division to meter the gas produced from the 22 wells described on Exhibit "A" attached to this order located in Chaves, Eddy and Lea Counties, New Mexico, off lease at the locations where the wells tie into Transwestern Pipeline's system.

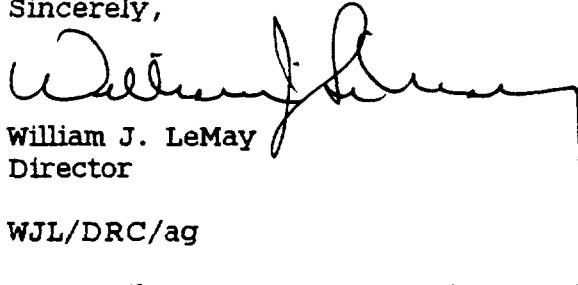
Inasmuch as double measurement would constitute economic waste, you are hereby authorized to meter the gas at the point where each well ties into Transwestern Pipeline's system (also described below) subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division;
2. All separation and liquids storage facilities shall be located on the originating lease;
3. The meters shall be read and maintained by the gas purchaser; and
4. Federal and state approval is required where applicable.

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In addition, all production, storage, transportation, sales and other operations shall comply with Division Rules and Regulations. It is the responsibility of the operator to notify the transporter of this approval.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William J. LeMay', is written over a horizontal line. A vertical line extends downwards from the end of the signature, crossing the line below the name.

William J. LeMay  
Director

WJL/DRC/ag

xc: Oil Conservation Division - Hobbs  
Oil Conservation Division - Artesia  
State Land Office - Oil and Gas Division

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Exhibit "A"  
Administrative Order OLM-13

<u>WELL NAME</u>	<u>LOCATION</u>	<u>METERING POINT</u>
<u>Chaves County</u>		
Blythe SV No. 1	Unit N, 9- 5S-25E	Unit B, 16- 5S-25E
Cities UO Federal No. 1	Unit H, 7- 5S-25E	Unit D, 7- 5S-25E
Doris RI Federal No. 1	Unit E, 15- 5S-25E	Unit B, 16- 5S-25E
East Wind State Unit No. 1	Unit G, 17- 9S-27E	Unit F, 7- 9S-27E
Ginger XZ Federal No. 1	Unit N, 31- 5S-24E	W/2 E/2, 1- 6S-24E
Huckaby TJ Federal No. 14	Unit E, 20- 8S-26E	Unit I, 19- 8S-26E
Leaman OC Federal No. 4	Unit D, 20- 7S-26E	Unit M, 17- 7S-26E
Mike Harvey TR Federal No. 4	Unit F, 3- 5S-24E	Unit D, 2- 5S-24E
Phillips KH Federal Com No. 1	Unit H, 23-14S-27E	Unit K, 23-14S-27E
Rolla TC No. 1	Unit O, 30- 9S-26E	Unit K, 31- 9S-26E
Sandbur ADC State Com No. 1	Unit M, 23- 5S-25E	Unit O, 22- 5S-25E
Savage NI Federal No. 4	Unit C, 29- 6S-26E	Unit M, 20- 6S-26E
Short RM Federal No. 1	Unit K, 25- 7S-25E	Unit E, 25- 7S-25E
Verbena UV Federal No. 1	Unit H, 26- 7S-25E	Unit E, 25- 7S-25E
<u>Eddy County</u>		
Amigo WT State No. 1	Unit L, 16-19S-27E	Unit B, 17-19S-27E
Bluffside WF Federal No. 1	Unit E, 9-19S-27E	Unit E, 9-19S-27E
Cedar Lake ADI Fed. Com No. 1	Unit E, 26-17S-30E	Unit G, 34-17S-30E
Emma QE Com No. 2	Unit O, 21-19S-24E	Unit K, 22-19S-24E
Jackson Estate BY No. 17	Unit H, 21-17S-25E	Unit K, 21-17S-25E
Powell Kissinger BS No. 2	Unit O, 33-17S-25E	Unit K, 33-17S-25E
Richard Knob AEX State No. 1	Unit G, 34-17S-24E	Unit D, 35-17S-24E
<u>Lea County</u>		
Lazy Tree State Unit No. 1	Unit A, 12-13S-32E	S/2 SE/4, 4-13S-33E