



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

COMMINGLING ORDER PC-980

Yates Petroleum Corporation
105 South Forth Street
Artesia, New Mexico 88210
Attention: Ms. Pamela Evans

WELL NAME: Conoco AGK Fed. Lease (Federal Lease No. NM-045275),
Well Nos. 2, 3, 4, 5, 8, 9, 11 and 15
DESCRIPTION: Section 26, Township 20 South, Range 24 East, NMPM,
Eddy County, New Mexico.

The above-named company is hereby authorized to commingle Dagger Draw Upper Penn, South (15475) and Cemetery Wolfcamp (74680) Pool production from the above mentioned lease and to determine production from each pool by separately metering each well.

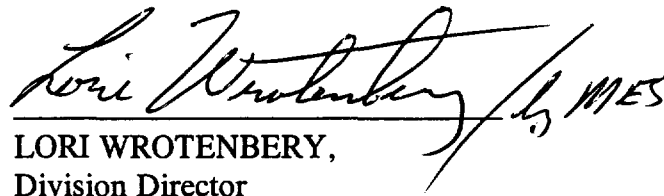
FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

REMARKS: 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.

NOTE: Commingled production shall be stored in the Conoco AGK Fed. tank battery facility located in Unit Letter G, Section 26, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico.

NOTE: Validation of this authority shall be accomplished with like approval by the Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 24th day of July, 1998.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division- Artesia
Bureau of Land Management - Carlsbad