

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

*COMMINGLING ORDER CTB-353*

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

Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, NM 88210

Attention: Paul Ragsdale

The above named company is hereby authorized to commingle South Dagger Draw Upper Pennsylvanian Associated Pool production from the following leases:

Lease: Saguaro "AGS" Federal Lease  
Description: W/2 SE/4, NW/4 SW/4 Section 14, T-20 South, R-24 East, NMPM

Lease: Senita "AIP" Federal Lease  
Description: E/2 SW/4 Section 14, T-20 South, R-24 East, NMPM

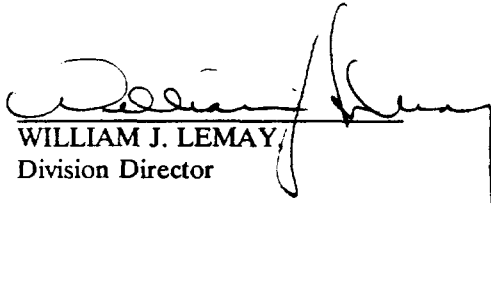
Lease: Hillview Federal Lease  
Description: S/2 Section 13, E/2 SE/4, SW/4 SW/4 Section 14, T-20 South, R-24 East, NMPM

All in 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.

DONE at Santa Fe, New Mexico, on this 17th day of April, 1991

  
WILLIAM J. LEMAY  
Division Director

cc: Oil Conservation Division -Artesia