

NEW MEXICO TERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

AMENDED ADMINISTRATIVE ORDER DHC-1834

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

Attention: Mr. Albert R. Stall

ARTESIA

Big Freddie Unit No. 1 API No. 30-015-29734 Unit G, Section 10, Township 23 South, Range 22 East, NMPM, Eddy County, New Mexico. Wildcat-Strawn (Gas – N/A), Wildcat-Atoka (Gas – N/A) and Southwest Indian Basin-Upper Pennsylvanian (Gas – 96783) Pools

Dear Mr. Stall:

Reference is made to your recent application for an amendment to Division Order No. DHC-1834 dated February 27, 1998, which authorized the downhole commingling of Wildcat-Cisco and Wildcat-Strawn Pool production in the well, to permit the addition of the Wildcat-Atoka as a third commingled zone in the wellbore.

It appearing that the subject well qualifies for approval for such amendment 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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be determined as follows:

Amended Administrative Order DHC-1834 Yates Petroleum Corporation March 27, 2000 Page 2

Wildcat-Strawn Gas Pool	Oil-5%	Gas-5%
Southwest Indian Basin-Upper Pennsylvanian Gas Pool	Oil-80%	Gas-80%
Wildcat-Atoka Gas Pool	Oil-15%	Gas-15%

REMARKS: The operator shall notify the Artesia 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Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 27th day of March, 2000.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Julenberg by De

LORI WROTENBERY Director

S E A L

LW/DRC

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