



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark Fesmire, P.E.

Director

Oil Conservation Division

Administrative Commingling Order PLC-253

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

Attention: Mayte Reyes

The above named company is hereby authorized to commingle oil production between the following four groups of wells. This Division order does not grant permission to commingle gas production.

Section 36, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico

NW/4 SE/4

Dee 36SE State Well No. 3 (API No. 30-015-26623)
Canyon-Wolfcamp (Oil 08450) Pool

SE/4

Dee 36SE State Well No. 1 (API No. 30-015-21881)
Dee 36SE State Well No. 5 (API No. 30-015-26671)
Dee 36SE State Well No. 6 (API No. 30-015-26980)
North Dagger Draw-Upper Penn (Oil 15472) Pool

SW/4

Dee 36SW State Well No. 4 (API No. 30-015-27221)
North Dagger Draw-Upper Penn (Oil 15472) Pool

SW/4

Dee 36SW State Well No. 2 (API No. 30-015-26185)
North Dagger Draw-Upper Penn (Oil 15472) Pool

It is our understanding that each of these four groups of wells at this time have identical ownership. Prior to commingling oil production between these groups of wells, oil production from each group shall be separately and continuously metered. Oil production shall be allocated back to each well within each of these groups of wells based on periodic well tests.

The sales point for oil production shall be near the well site of the Dee 36SW State Com Well No. 2 in Unit M of Section 36.

Yates Petroleum Corporation
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June 1, 2004
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NOTE: It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 1st day of June 2004.

A handwritten signature in cursive script that reads "W. Jones for Mark Fesmire".

MARK E. FESMIRE, P.E.,
Division Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
State Land Office – Minerals Management