State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



October 2, 2014

Surface Commingling Order PC-1235-A Administrative Application Reference No. pMAM1427334642

Yates Petroleum Corporation Attention: Ms. Miriam Morales

Yates Petroleum Corporation has requested to amend Division Order No. PC-1235 to add gas production to the surface commingling order. The Division has reviewed your application and hereby grants your request.

The Division Order No. PC-1235 is hereby amended, and Yates Petroleum Corporation (OGRID 25575) is hereby authorized to surface commingle oil and gas from the following pools located in Section 4, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

Malaga; Delaware (42940) Cedar Canyon; Bone Spring (11520)

And from the following wells located on the Juniper BIP lease in Section 4, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

Well Name	API No.	Unit Letter
Juniper BIP Federal Well No. 5	30-015-28577	F
Juniper BIP Federal Well No. 6Y	30-015-37076	D
Juniper BIP Federal Well No. 8H	30-015-37252	L
Juniper BIP Federal Well No. 9H	30-015-37407	M
Juniper BIP Federal Well No. 10H	30-015-37968	D

Commingled oil and gas production from the wells shall be measured and sold at Juniper BIP Federal Well No. 5 tank battery in (Unit F) of Section 4, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

The oil and gas production from each well shall be separately metered, before commingling with production from other wells. The meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C(2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

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The producer/Operator shall notify the transporter of this commingling authority and the Artesia District Office of the Division prior to implementation of commingling operations.

This approval is subject to like approval by the U.S. Bureau of Land Management.

Done at Santa Fe, New Mexico, on October 2, 2014

Division Director

JB/mam

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