

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

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



August 25, 2010

Administrative Order PLC-345 Administrative Application Reference No. pTGW11-21055844

Yates Petroleum Corporation Attention: Ms. Miriam Morales

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle <u>gas</u> <u>production</u> from the following Pools:

Burton Flat; Strawn (Gas) (73360) Cedar Hills; Bone Spring (11560) Burton Flat; Morrow (Gas) (73280)

and from the following diversely owned wells located on State of New Mexico leases in Eddy County, New Mexico:

Aviette ALK State Com Well No. 1 (API 30-015-21546), Unit L, Sec. 17, T21S, R27E, Eddy County, New Mexico.

Aviette ALK State Well No. 2 (API No. 30-015-31003), Unit O, Sec. 17, T21S, R27E, Eddy County, New Mexico

Glider AKG State Well No. 1 (API 30-015-26906), Unit F of Sec 17, T21S, R27E, Eddy County, New Mexico.

The gas sales point for the commingled production shall be located in Section 8, Township 21 South, Range 27 East. Gas production from the wells is approved for off lease measurement and sales. Liquid production shall not be commingled. It is understood that no downhole commingling between pools is authorized or is occurring in any of the subject wells.

Oil Conservation Division 1220 South St. Francis Drive - Santa Fe, New Mexico 87505 Phone (505) 476-3440 - Fax (505) 476-3462 - <u>www.emnrd.state.nm.us/OCD</u>

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Gas production from the wells shall be measured continuously with calibrated allocation meters prior to commingling with production from other wells. The allocation meters shall be calibrated in accordance with 19.15.12.10.C(2)(b) NMAC.

This approval is expressly conditioned on your obtaining like approval by the Commissioner of Public Lands of the State of New Mexico prior to commingling.

The producer/operator shall notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

Sincerely,

JAMI BAILEY,

Director

JB/db

cc: Oil Conservation Division District Office – Artesia New Mexico State Land Office