

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

BRUCE KING  
GOVERNOR

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

*ADMINISTRATIVE ORDER DHC-804*

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Brian Collins

*Lakeshore "XH" Federal Well No. 1  
Unit F, Section 11, Township 21 South, Range 26 East, NMPM, Eddy  
County, New Mexico.  
Burton Flat Morrow and Undesignated Atoka Gas Pools*

Dear Mr. Collins:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception 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 two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 80 barrels per day, and total water production shall not exceed 160 barrels per day. 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.

*Administrative Order DHC-804*  
*Yates Petroleum Corporation*  
*May 24, 1991*  
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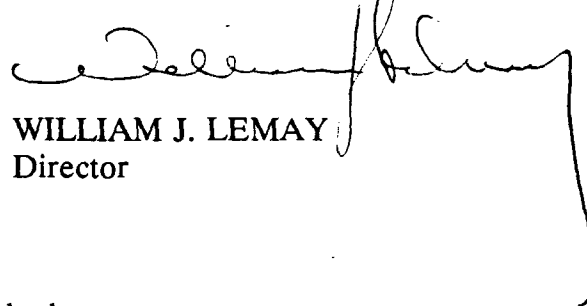
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Atoka Pool:	Oil	93%,	Gas	93%
Morrow Pool:	Oil	7%,	Gas	7%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of May, 1991.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

cc: US Bureau of Land Management - Carlsbad