

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-808*

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Brian Collins

*East Apple State Unit Well No. 1  
Unit G, Section 5, Township 26 South, Range 28 East, NMPM, Eddy  
County, New Mexico.  
Delaware River Bone Spring and Undesignated Delaware 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 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Delaware River Bone Spring Pool.

*Administrative Order DHC-808  
Yates Petroleum Corporation  
June 12, 1991  
Page 2*

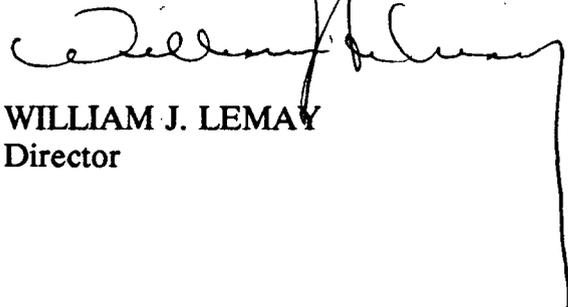
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Delaware Pool:	Oil	65%,	Gas	0%
Bone Spring Pool:	Oil	35%,	Gas	100%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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 12th day of June, 1991.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L