

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order CTB-664
Application No. pDKB1235556454

December 20, 2012

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Miriam Morales:

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle oil and gas production from the Livingston Ridge; Delaware Pool (**39360**), and from the following federal leases and wells:

Martha AIK Federal Well No. 1 (**API 30-015-26549**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 2 (**API 30-015-26650**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 3 (**API 30-015-26723**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 4 (**API 30-015-26724**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 5 (**API 30-015-26908**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 6 (**API 30-015-26960**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 9H (**API 30-015-37512**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 10H (**API 30-015-37509**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 11H (**API 30-015-37510**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 13H (**API 30-015-37511**), Section 11, T-22-S, R-31-E
Martha AIK Federal Well No. 14H (**API 30-015-37556**), Section 11, T-22-S, R-31-E

All in NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located at the Martha AIK Federal Well No. 1 in Section 11 Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.


The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells; provided that production from the Martha AIK Federal Wells Nos. 1, 2 and 3, which have identical ownership, shall pass through a single separator, and be allocated back to individual wells based on well tests. The allocation meters shall be calibrated monthly.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management (BLM) before commencing the commingling operations.

DONE at Santa Fe, New Mexico, on December 20, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division