

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



Administrative Order PLC-358-B  
Administrative Application Reference No. pPRG131561523

ADMINISTRATIVE POOL-LEASE COMMINGLING ORDER

June 3, 2013

Yates Petroleum Corporation  
Attention: Ms. Miriam Morales

Yates Petroleum Corporation is hereby authorized to surface commingle oil and gas production from the following pools located in Section 32, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico.

Triple X; Bone Spring Pool (59900)  
Brinninstool; Delaware Pool (96193)

and from the following diversely owned wells located on State of New Mexico leases in said section, township and range in Lea County, New Mexico:

Hemlock BSH State Well No. 1H  
API No. 30-025-40489  
SHL: 330 FNL & 1980 FWL, Unit C  
BHL: 492 FSL & 2006 FWL, Unit N

Hemlock BSH State Well No. 2H  
API No. 30-025-40891  
SHL: 220 FNL & 580 FWL, Unit D  
BHL: 330 FSL & 660 FWL, Unit M

Yarrow BHY State Well No. 1  
API No. 30-025-37561  
990 FNL & 990 FEL, Unit A

Yarrow BHY State Well No. 2  
API No. 30-025-40878  
2310 FNL & 330 FEL, Unit H

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Yarrow BHY State Well No. 3H  
API No. 30-025-40314  
SHL: 330 FNL & 2280 FEL, Unit B  
BHL: 330 FSL & 1980 FEL, Unit O

Yarrow BHY State Well No. 4H  
API No. 30-025-41054  
SHL: 475 FNL & 2043 FEL, Unit B  
BHL: 330 FSL & 1980 FEL, Unit O

Yarrow BHY State Well No. 5H  
API No. 30-025-40907  
SHL: 200 FNL & 660 FEL, Unit A  
BHL: 330 FSL & 660 FEL, Unit P

Oil production shall be separately metered at the wellhead of each well. Meters shall be calibrated in accordance with Division Rule 15.15.12.10.C(2).

Commingled oil from the Hemlock wells will be stored and sold at the Hemlock BHS State No. 1 Battery located in Unit C of Section 32. Commingled oil production from the Yarrow wells will be stored and sold at the Yarrow BHY State No. 1 Battery located in Unit A of Section 32.

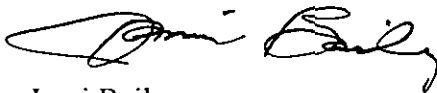
The commingled gas production shall be measured and sold at the central delivery point located in the NE/4 NE/4 of Section 32, and will be allocated back to the respective wells based on EFM readings. Gas production from the wells is approved for off-lease measurement and sale.

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

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

This approval is subject to like approval from the New Mexico State Land Office before commencement of the commingling operations.

Sincerely,



Jami Bailey  
Division Director

JB/re

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