



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

2ND AMENDED ADMINISTRATIVE ORDER DHC-2208

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Albert R. Stall

*Loco "ASI" Federal Com No. 1
API No. 30-015-30094
Unit L, Section 10, Township 18 South, Range 29 East, NMPM,
Eddy County, New Mexico.
South Empire-Morrow (Gas - 76400),
Loco Hills-Chester (Gas - 96845) and
Undesignated Turkey Track-Atoka (Gas - 86445) Pools*

Dear Mr. Stall:

Reference is made to your recent application for an amendment to Division Order No. DHC-2208 dated November 29, 1999, which authorized the downhole commingling of South Empire-Morrow and Loco Hills-Chester Gas Pool production within the wellbore, to add the Undesignated Turkey Track-Atoka Gas Pool as the third commingled zone in the well.

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

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.

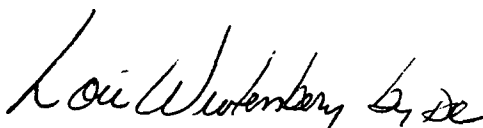
The applicant shall consult with the supervisor of the Artesia District Office of the Division upon completion and testing of the well in order to establish a fixed allocation of production from each of the commingled zones. Upon approval by the Division's District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 11th day of July, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Artesia
Bureau of Land Management-Carlsbad