

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2918

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118

Attention: Mr. James H. Hill

Echo "AWF" Federal No. 1 API No. 30-015-31547 Unit C, Section 15, Township 21 South, Range 21 East, NMPM, Eddy County, New Mexico. Wildcat-Atoka (Gas – N/A) and Undesignated Little Box Canyon-Morrow (Gas – 80240) Gas Pools

Dear Mr. Hill:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject 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 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 gas pool as printed in the Division's Southeast Gas Proration Schedule.

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

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Wildcat-Atoka Gas Pool	Oil-40%	Gas-40%
Little Box Canyon-Morrow Gas Pool	Oil-60%	Gas-60%

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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 9th day of July, 2001.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Director

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