



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Surface Commingling Order PLC-308

March 05, 2008

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

Attention: Mayte Reyes:

Yates Petroleum Corporation is hereby authorized to surface commingle Townsend/Morrow Gas Pool (**86400**), Big Dog Strawn Gas Pool (**96690**), and Shoe Bar Strawn Gas Pool (**56270**) gas production from the following Fee leases.

Lease: **Global BBG (Fee)**
Well: Global BBG Well No. 1 (**API No. 30-025-36016**) Unit M, Section 12
Township 16 South, Range 35 East, NMPM, Lea County, New Mexico

Lease: **Global BBG (Fee)**
Well: Global BBG Well No. 2 (**API No. 30-025-36319**) Unit K, Section 12
Township 16 South, Range 35 East, NMPM, Lea County, New Mexico

Lease: **Runnels ASP (Fee)**
Runnels ASP Well No. 5 (**API No. 30-35697**) Unit P, Section 11
Township 16 South, Range 35 East, NMPM, Lea County, New Mexico

Commingled gas production from the wells detailed above shall be measured and sold at the Targa (CDP) located in Section 11, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico..

Gas production from all the wells shall be measured continuously with calibrated allocation meters installed in the wells prior to commingling with gas from other wells. Gas production shall then be allocated back to each well utilizing allocation and sales meter volume data, and shall be determined in accordance with the following procedure.



The production allocated to each well will be the integrated volume from the CDP gas sales meter, less the sum of the other allocation meter volumes, plus any lease use gas. In the event the sum of the allocation meter volumes do not equal the integrated volume of the CDP gas sales meter, the gas production from each well shall be calculated using the volume its allocation meter indicates, divided by the sum of all the allocation meter volumes. This percentage will then be multiplied by the integrated volume of the CDP gas sales meter, plus lease use gas.

Gas is approved for off-lease measurement and sales after being metered on-lease. Any liquid hydrocarbons produced from the wells shall **NOT** be commingled. The allocation and the CDP meters shall be calibrated semi-annually.

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 Hobbs district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on March 5, 2008.

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over the typed name.

MARK E. FESMIRE, P.E.,
Division Director

MEF/re

cc: Oil Conservation Division – Hobbs