

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



December 05, 2008

Administrative Order PLC-319

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Mayte Reyes

Yates Petroleum Corporation ("Yates") is hereby authorized to surface commingle oil and gas production from the following Pools:

Four Lakes: Austin, South Pool (97164)
Ranger Lake Devonian West Pool (83480)

and from the following two diversely owned wells located on State leases in Lea County, New Mexico:

Orbison State Unit Well No. 1 (**API 30-025-36916**), Unit H of Sec. 14, T12S, R29E, NMPM
Lea County, New Mexico (**State Lease: VO-5874**)

Orbison State Unit Well No. 2 (**API 30-025-38888**) Unit J, of Sec 14, T12S, R29E, NMPM
Lea County, New Mexico (**State Lease: V-5875**)

Each of these diversely owned wells shall be equipped with continuous allocation meters for oil and gas production prior to oil and gas being commingled for sales. The oil allocation meters shall be calibrated semi-annually, while the gas allocation meters shall be calibrated quarterly.

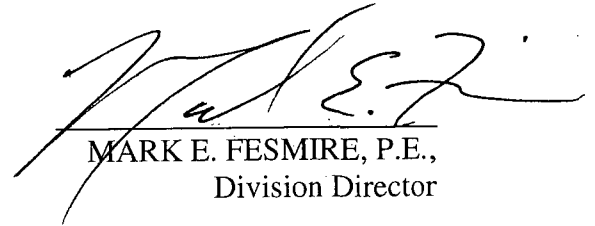
The oil and gas sales point for the commingled production shall be located at the battery near the Orbison State Unit Well No. 1 in Unit H of Section 14, Township 12 South, Range 29 East. Oil and gas production from the Orbison State Unit Well No. 2 is approved for off lease measurement and sales after being metered on-lease.

It is the responsibility of the producer to notify the transporter of this commingling authority.

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



DONE at Santa Fe, New Mexico, on December 05, 2008.



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

MEF/re

cc: Oil Conservation Division – Hobbs
State Land Office (SLO) Oil, Gas, and Minerals Division
