

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 25, 2009

Administrative Order PLC-324

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Mayte Reyes

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

East Pierce Crossing-Bone Spring Pool (96473)
Cedar Canyon-Delaware Pool (11540)
Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (47545)
Corral Canyon-Delaware Pool (13360)
Cedar Canyon Bone Springs Pool (11520)
Wildcat Bone Springs Pool (37661)
Malaga Delaware Pool (42940)

and from the following diversely owned wells located on State or Federal leases in Eddy County, New Mexico:

Corral Draw AQH Federal Well No. 1 (API 30-015-29396) Unit L, Sec 13, T24S, R29E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Cedar Canyon-Delaware Pool (DHC-1696)

Corral Draw AQH Federal Well No. 2 (API 30-015-34257) Unit F, Sec 13, T24S, R29E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Cedar Canyon-Delaware Pool (DHC-3640)

Jester BFJ Federal Well No. 1 (API 30-015-34275) Unit N, Sec 12, T24S, R29E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Cedar Canyon-Delaware Pool (DHC-3729)

Ohkay BHH State Well No. 1 (API 30-015-34551) Lot 4, Sec 6, T25S, R30E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool
40 acre dedication: Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (DHC-3697)

Wyatt BHT State Well No. 1 (API 30-015-34553) Unit B, Sec 6, T25S, R30E, NMPM
40 acre dedication: East Pierce Crossing-Bone Spring Pool



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40 acre dedication: Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (DHC-3972)

Doc BHU State Well No. 1 (API 30-015-34552) Unit O, Sec 5, T25S, R30E, NMPM

40 acre dedication: East Pierce Crossing-Bone Spring Pool

40 acre dedication: Corral Canyon-Delaware Pool (DHC-3959)

Canyon BJK State Well No. 1Y (API 30-015-36605) Lot 1, Sec.1, T25S, R29E, NMPM

40 acre dedication: East Pierce Crossing-Bone Spring Pool

40 acre dedication: Nash Draw Delaware Pool

Tombstone BMB State Well No. 1 (API 30-015-36315) Unit D, Sec. 12, T25S, R29E, NMPM

40 acre dedication: East Pierce Crossing-Bone Spring Pool.

Juniper BIP Federal Well No. 5 (API 30-015-28577) Unit F, Sec 4, T24S, R29E, NMPM

40 acre dedication: Cedar Canyon-Bone Spring Pool

40 acre dedication: Malaga-Delaware Pool (DHC-3961)

Knoll AOK Federal Well No. 1 (API 30-015-28127) Unit G, Sec 3, T24S, R29E, NMPM

40 acre dedication: Cedar Canyon-Bone Spring Pool

Knoll AOK Federal Well No. 2H (API 30-015-35108) Units A-D, Sec 3, T24S, R29E, NMPM

320 acre dedication: Cedar Canyon-Bone Spring Pool

Knoll AOK Federal Well No. 3H (API 30-015-35907) Units H-E, Sec 3, T24S, R29E, NMPM

320 acre dedication: Cedar Canyon-Bone Spring Pool.

Juniper BIP Federal Well No. 6 (API 30-015-37076), Sec 4, T-24-S, R-29-E, NMPM

40 acre dedication: Cedar Canyon/bone Springs Pool.

Each of these diversely owned wells shall be equipped with gas allocation meters prior to commingling with production from other wells.

The Central Delivery Points (CDP) meters shall be located at the following locations:

Section 3, T-24-S, R-29-E

Section 8, T-25-S, R-30-E

Section 7, T-25-S, R-30-E

Section 7, T-24-S, R-30-E

The total overall volumetric CDP reading shall be the sum of the volumetric readings from the the four (4) CDP's which shall be used to allocate production back to individual wells. Gas is approved for off lease measurement and sales after being metered on-lease.

Yates Petroleum Corporation is also authorized to add prospective additional leases and wells from the following lands without additional notices to the owners of interest in the original wells as long as the wells being added produce from the Pools listed on page one (1).

T-24-S, R-29-E, Sections 3, 4, 8, 9, 12, 13, and 20

T-25-S, R-28-E, Section 36

T-25-S, R-29-E, Sections 1, 12, 20, and 29

T-25-S, R-30-E, Sections 5, and 6.

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In seeking to add additional leases and wells to this commingling authority, Yates shall apply formally to the Santa Fe Office of the Division, and notice shall only be given to those interest owners in the leases or wells to be added.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

This Order supersedes the commingling Order Nos. PLC-309, PLC-309-A, PLC-310, and PLC-310-A which were consolidated and combined into this Order.



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

MEF/re

cc: Oil Conservation Division – Artesia
Bureau of Land Management (BLM) – Carlsbad
State Land Office (SLO) – Oil, Gas, and Minerals Division