



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

COMMINGLING ORDER PLC-244

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

Attention: Ms. Mayte Reyes

The above-named company is hereby authorized to surface commingle Feather-Wolfcamp (Gas - 24210) and Feather-Morrow (Gas - 24190) Pool gas production from the following wells and leases all located in Township 15 South, Range 32 East, NMPM, Lea County, New Mexico.

Lease, Legal Description, and Producing Pools with Wells.

Avian "AYA" State Lease (State Lease No. VO-4837)

S/2 of Section 20

Feather-Wolfcamp Pool

Avian "AYA" State Well No. 1 (API No. 30-025-35377), Unit P,

Red Tail "AWR" State Com Lease (State Leases No. V-4767, V-4783, E-8974)

W/2 of Section 28

Feather-Morrow Pool

Red Tail "AWR" State Com Well No. 1 (API No. 30-025-35180), Unit D

Due to the diverse ownership between the wells, each well shall be separately metered prior to commingling.

The commingled gas production shall be sold at the CDP sales meter located on the Red Tail "AWR" State Com Lease in Unit D of Section 28.

No oil or water shall be commingled.

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.

Yates Petroleum Corporation
Commingling Order PLC-244
March 12, 2004
Page 2 of 2

Done, at Santa Fe, New Mexico on this 12th day of March 2004.

Lori Wrotenberg by Dec
LORI WROTENBERY
Division Director

LW/DRC

cc: Oil Conservation Division – Hobbs
State Land Office-Oil & Gas Division



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January 27, 2004

Ms. Mayte Reyes
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Re: Surface Commingling Application
Avian AYA State No. 1
Red Tail AWR State No. 1
T-15S, R-32E, NMPM

Dear Ms. Reyes:

I have reviewed your application to surface commingle Wolfcamp and Morrow production within the two wells described above. I have two questions with regards to this application:

- (1) Your application shows Devon Energy Production Company to be a working interest owner in the Red Tail AWR State No. 1; however, no notice was sent to this company. Please explain or clarify.
- (2) With regards to the measurement of gas, there does not appear to be an allocation meter for the Red Tail AWR Well No. 1. Please explain in detail how production is to be allocated between these two wells.

I will process your application upon receipt of the requested information.

If you have any questions, please call me at (505) 476-3466.

Sincerely,

David Catanach
Engineer