



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

COMMINGLING ORDER CTB-470

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

Attention: Ms. Pamela S. Evans

The above named company is hereby authorized to commingle North Dagger Draw Upper Penn Pool (15472) production from the following leases:

Lease: Serrano Federal Well Nos.1 and 2
Description: W/2 SW/4 of Section 11, and,

Lease: Apollo 'APU' Federal Com Well No.2
Description: NE/4 NE/4 of Section 15, and,

Lease: Arrow 'ARW' Federal Com Well No.1
Description: NW/4 SE/4 of Section 11,

all located Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Production shall be allocated to each lease by separately metering the production from each well prior to commingling.

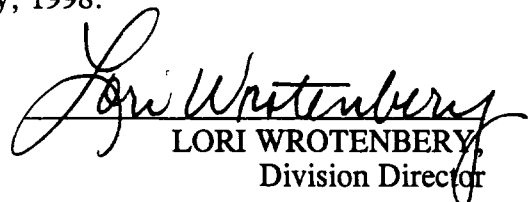
NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production shall be stored in Serrano No.2 tank battery facility located in Unit Letter 'L' of Section 11, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

PROVIDING: Validation of this authority shall be accomplished by like approval from the U.S. Bureau of Land Management.

DONE at Santa Fe, New Mexico, on this 29th day of May, 1998.


LORI WROTENBERY,
Division Director

LW/BES/kv
cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad