

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA GOVERNOR

COMMINGLING ORDER CTB-311

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEX CO 87501 (505) 827-5800

Harvey E. Yates Co. Security National Bank Bldg. Suite 300 Roswell, New Mexico 88201

Attention: Ray F. Nokes

The above-named company is hereby authorized to commingle Undesignated Bone Springs pool production from the following leases:

Lease Name: Federal, N.M.-4364 Description: Young Deep "4" Federal Well No. 2, Unit P, Sec. 4, T-18-S, R-32-E, Lea County

Lease Name: Federal, N.M.-14789 Description: Young Deep Unit Well No. 1, Unit D, Sec. 10, T-18-S, R-32-E, Lea County

Production shall be allocated to each lease by well tests. (If this method or the subtraction method above is to be authorized, all commingled production must be of identical ownership: working interest, royalty interest, and overriding royalty interest.).

- NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B 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: Tank Battery is to be located on the Young Deep Unit Well No. 1 drill pad and both leases are contained in the Young Deep Unit, Lea County.

DONE at Santa Fe, New Mexico, on this 29th day of January, 1985.

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