

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

MAY 27 2008
OC-D-ARTESIA

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order CTB-589
May 16, 2008

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Ms. Mayte Reyes

Yates Petroleum Corporation (OGRID 25575) is hereby authorized to surface commingle oil and gas production within the following-described wells.

Township 18 South, Range 30 East, Eddy County, New Mexico, NMPM

Creek AL Federal Well No. 19 (API No. 30-015-32896) Unit E, 1402 FNL & 859 FWL, Sec 25
Federal Lease: LC-28990-B
North Shugart-Bone Spring Pool (56405) Unit E (40 acre) Dedication

Creek AL Federal Well No. 15 (API No. 30-015-32095) Unit H, 1980 FNL & 990 FEL, Sec 24
Federal Lease LC-28990-B
North Shugart-Bone Spring Pool (56405) Unit H (40 acre) Dedication

It is our understanding that this is a surface commingle of diversely owned production from the same pool and the same Federal lease and the tank battery and sales point for oil is to be located at the surface well site for Well No. 15.

Oil and gas production from each well shall be continuously measured with metering separators and/or allocation meters prior to commingling for sales.

NOTE: This installation shall be installed and operated in accordance with the applicable rules and regulations of the Division applicable to surface commingling. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.


2 MARK E. FESMIRE, P.E.
Director

MEF/wvj
cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad

