



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Surface Commingling Order CTB-591

July 17, 2008

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

JUL 28 2008
OCD-ARTESIA

Attention: Mayte Reyes

Yates Petroleum Corporation is hereby authorized to surface commingle Loco Hills; Wolfcamp Pool (39990) oil production from the following Federal leases.

Lease: Dixon Yates LM Federal Lease

Well: Dixon Yates LM Federal Well No. 1 (API No. 30-015-23272) Unit G Section 28
Township 18 South, Range 29 East, NMPM, Eddy County New Mexico

Lease: Dixon & Yates LM Federal Com Lease

Well: Dixon & Yates LM Federal Com Well No. 2 (API No. 30-015-32814)
Unit C Section 28 Township 18 South, Range 29 East,
NMPM, Eddy County, New Mexico

Commingled oil production from the wells detailed above shall be measured and sold at the **Dixon & Yates LM Federal Com Well No. 2 Tank Battery** located in Unit C of Section 28, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

Oil production from the Dixon Yates LM Federal Lease shall be measured continuously with calibrated allocation meters prior to commingling with the Dixon & Yates LM Federal Com Lease production for sales. The commingled oil and gas production from the Dixon Yates LM Federal Lease is approved for off-lease measurement and sales.

Oil production from the Dixon & Yates LM Federal Com Lease shall be measured continuously with calibrated allocation meters prior to commingling with the Dixon Yates LM Federal Lease production for sales. All the allocation meters shall be calibrated semi-annually.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. 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 prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on July 17, 2008.



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

MEF/re

cc: Oil Conservation Division – Artesia
Bureau of Land Management (BLM) - Carlsbad