



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER PLC-271

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

Attention: Ms. Mayte Reyes

RECEIVED

OCT 24 2005

OOD-ARTESIA

The above-named company is hereby authorized to surface commingle Chosa Draw-Morrow (Gas - 74900) and Sage Draw-Atoka (Gas - 97334) Pool production from the following-described Federal and fee leases located in Eddy County, New Mexico:

Lease: Chosa "ATR" Federal Lease (Federal Lease No. NM-94589)
Description: W/2 of Section 8, Township 25 South, Range 26 East, NMPM;

Well: Chosa "ATR" Federal Well No. 1 (API No. 30-015-31215) Unit L,
Downhole Commingled in Chosa Draw-Morrow and Sage Draw-Atoka Gas Pools

Lease: Guitar "BFL" Com Lease
Description: N/2 of Section 17, Township 25 South, Range 26 East, NMPM;

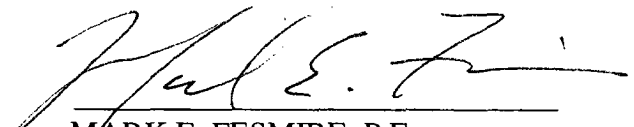
Well: Guitar "BFL" Com Well No. 1 (API No. 30-015-33747) Unit B,
Downhole Commingled in Chosa Draw-Morrow and Sage Draw-Atoka Gas Pools

Production shall be allocated to each well/lease by separately measuring the production from each well, on location, prior to commingling. Gas from these wells/leases shall be sold at a gas sales meter located at the Delta Federal Well No. 1 location in Unit G of Section 7, Township 25 South, Range 26 East, NMPM.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Artesia District Office of the Division upon commencement of commingling operations.

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Done, at Santa Fe, New Mexico on this 17th day of October, 2005.



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

MEF/drc.....

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