CASE NO. 11990 Order No. R-11030 Page -3-

(12) The applicant should consult with the supervisor of the Hobbs District Office of the Division at the conclusion of completion and testing operations on the Morton Unit Well No. 1 in order to determine a proper allocation of production from each of the commingled zones.

(13) The applicant should submit the production allocation to the Santa Fe Office of the Division subsequent to approval by the district office.

(14) The operator should immediately notify the supervisor of the Hobbs District Office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present to the Division a plan for remedial action.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Yates Petroleum Corporation, is hereby authorized to downhole commingle North Morton-Atoka Gas (96676), Undesignated East Morton-Morrow Gas (96395) and Morton-Mississippian Gas (96593) Pool production in its Morton Unit Well No. 1 (API No. 30-025-33314) located 770 feet from the North line and 2150 feet from the East line (Unit B) of Section 5, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico.

(2) The applicant shall consult with the supervisor of the Hobbs District Office of the Division at the conclusion of completion and testing operations on the Morton Unit Well No. 1 in order to determine a proper allocation of production from each of the commingled zones.

(3) The applicant shall submit the production allocation to the Santa Fe Office of the Division subsequent to approval by the district office.

(4) The operator shall immediately notify the supervisor of the Hobbs District Office of the Division any time the subject well has been shut-in for seven consecutive days and shall concurrently present to the Division a plan for remedial action.

(5) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.