



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1430

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

Attention: Mr. Morris Keith

*Haracz 'AMO' Federal No. 7
Unit F, Section 19, Township 24 South, Range 32 East, NMPM,
Lea County, New Mexico.
Wildcat Delaware (96646) and
East Cotton Draw Bone Spring (96556) Pools*

Dear Mr. Keith:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 230 B/D	Gas 460 Mcf/D	Water 460 B/D
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Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Wildcat Delaware Pool	Oil 80%	Gas 35%
East Cotton Draw Bone Spring Pool	Oil 20%	Gas 65%

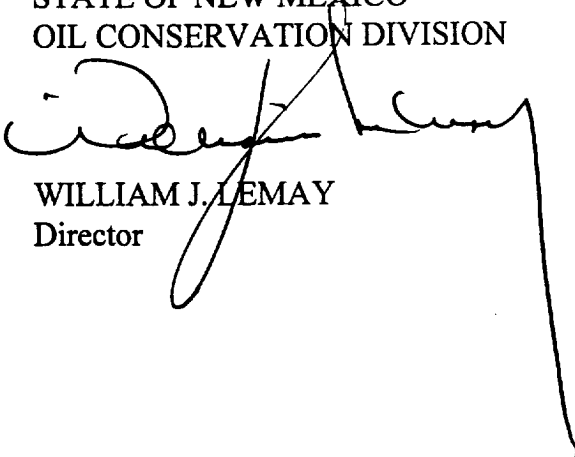
REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Administrative Order DHC-1430
Yates Petroleum Corporation
February 10, 1997
Page 2

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 10th day of February, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

WJL/BES

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



N.M. Oil Cons. Division
P.O. Box 1980
Hobbs, NM 88241

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105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

December 23, 1996

State of New Mexico
OIL CONSERVATION DIVISION
P.O. Drawer 1980
Hobbs, NM 88240

Gentlemen,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Haracz "AMO" Federal #7 located in Unit F of Section 19, Township 24 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morris Keith
Engineer

MK/th

Enclosures

RECEIVED
JAN 6 10 00 AM '97
OIL CONSERVATION DIVISION
HOBBS, NM

RECEIVED
DEC 30 2 04 PM '96
BUREAU OF LAND MANAGEMENT
HOBBS, NM

APPROVED

JAN 28 1997

AUTHORIZED OFFICER, MINERALS
BUREAU OF LAND MANAGEMENT