



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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DHC-3131
RECEIVED

APR 03 2003

OIL CONSERVATION
DIVISION
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

March 31, 2003

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Mr. James M. Hill

Re: Application for Downhole Commingling
Purple Gosling BBD State Well No. 1
Unit Letter M, Section 2-16S-28E
Wildcat Atoka and Diamond Mound Morrow Pools
Eddy County, New Mexico

Dear Mr. Hill:

Your application to downhole commingle the Wildcat Atoka and Diamond Mound Morrow production from within the wellbore of the above-captioned well was received on March 31, 2003.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Please submit a copy of the Oil Conservation Division's approval order.

Your \$30.00 filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/cpm
Enclosure
xc: Reader File

~~OCD~~ Attention: David Catanach