



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

2005 FEB 11 PM 1:33
COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

February 10, 2005

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Mr. Sam Brandon

Re: Application for Downhole Commingling
Clint BFC State Well No. 1
Unit Letter I, Section 4-10S-34E
Wildcat Atoka, Wildcat Morrow, and Wildcat Austin Cycle (Mississippian) Pools
Lea County, New Mexico

DFC
3395

Dear Mr. Brandon:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on February 8, 2005. Your application requests our approval to downhole commingle the Wildcat Atoka, Wildcat Morrow, and Wildcat Austin Cycle (Mississippian) production within the wellbore of the Clint BFC State Well No. 1 located in the NE/4SE/4 of Section 4-10S-34E, Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas%</u>
Wildcat Atoka	0%	34%
Wildcat Morrow	0%	45%
Wildcat Austin Cycle (Mississippian)	100%	21%
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	100%	100%

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 the production from the above-mentioned well 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.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Water Conservancy • Western New Mexico University

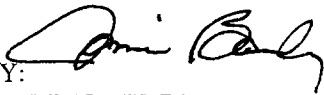
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Your \$30.00 filing fee has been received.

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