



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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January 9, 2003

Robert L. Bayless, Producer LLC
Oil & Gas Producer
P.O. Box 168
Farmington, New Mexico 87499

Attn: Mr. Tom McCarthy

Re: Downhole Commingling Application
Mosely Well No. 1
Unit Letter K, Section 2-30N-12W
Flora Vista Fruitland and Basin Fruitland Coal Pools
San Juan County, New Mexico

Dear Mr. McCarthy:

Your application to downhole commingle the Flora Vista Fruitland and Basin Fruitland Coal production from within the wellbore of the above-captioned well has been received.

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.

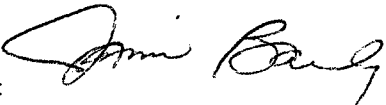
Your \$30.00 dollar filing fee has been received.

Also, please submit the appropriate approval from the New Mexico Oil Conservation Division.

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