



DHC-3094

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

February 17, 2003

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

Attn: Mr. James W. Pringle

Re: Application for Downhole Commingling
Bittersweet AOZ State Com Well No. 1
Unit Letter J, Section 28-09S-26E
Foor Ranch Wolfcamp North and Foor Ranch-Pre Permian Pools
Chaves County, New Mexico

RECEIVED

FEB 19 2003

OIL CONSERVATION
DIVISION

Dear Mr. Pringle:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on December 18, 2002. Your application requests our approval to downhole commingle the Foor Ranch Wolfcamp North and Foor Ranch-Pre Permian production within the wellbore of the Bittersweet AOZ State Com Well No. 1 located in Unit Letter J, Section 28-09S-26E, Chaves 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>
Foor Ranch Wolfcamp North	0%	20%
Foor Ranch-Pre Permian	0%	80%
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	0%	100%

Since it appears that 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.

Your \$30.00 filing fee has been received.

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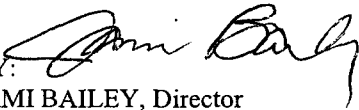
Also, please submit a copy of the Oil Conservation Division's Order approving this application.

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