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OIL CONSERVATION
DIVISION
COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

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

April 16, 2003

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

Attn: Mr. James W. Pringle

Re: Application for Downhole Commingling
Cowdrey "BBQ" State Well No. 1
Unit Letter E, Section 11-09S-31E
Wildcat Canyon and Carson Morrow Pools
Chaves County, New Mexico

Dear Mr. Pringle:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on April 11, 2003. Your application requests our approval to downhole commingle the Wildcat Canyon and Carson Morrow production within the wellbore of the Cowdrey "BBQ" State Well No. 1 located in Unit Letter E, Section 11-09S-31E, 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>
Wildcat Canyon	0%	3%
Carson Morrow	0%	97%
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	0%	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.

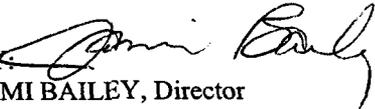
Your \$30.00 filing fee has been received.

Yates Petroleum Corporation
April 16, 2003
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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~~