



RECEIVED 3129

APR 03 2003

OIL CONSERVATION  
DIVISION

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

March 31, 2003

Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, New Mexico 88210

Attn: Mr. James W. Pringle

Re: Application for Downhole Commingling  
Ultra UA State Com State Well No. 2  
Unit Letter H, Section 32-09S-26E  
Foor Ranch Wolfcamp and Foor Ranch Pre-Permian Pools  
Chaves County, New Mexico

Dear Mr. Pringle:

Your application to downhole commingle the Foor Ranch Wolfcamp and Foor Ranch Pre-Permian production from within the wellbore of the above-captioned well was received on March 17, 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.

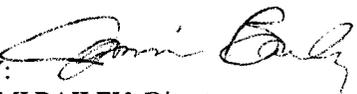
Please submit a copy of the Oil Conservation Division's approval order.

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