



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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December 30, 2008

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Ms. Margrethe Hotter

Re: Downhole Commingling Application
Cottonwood Ranch MK State Well No. 1 (API # 30-005-60615)
Unit Letter B, Section 36-06S-25E
Pecos Slope; Abo (Gas), and Undesignated Cottonwood Ranch; Penn (Gas) Pools
Chaves County, New Mexico

Dear Ms. Hotter:

Thank you for your application to downhole commingle the Pecos Slope; Abo (Gas), and Undesignated Cottonwood Ranch; Penn (Gas) pools from the referenced well in Chaves County, New Mexico.

Since it appears that all the New Mexico Oil Conservation's (OCD) 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 application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

Your filing fee in the amount of \$30.00 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
PL/JB/jm
Enclosure
xc: Reader File OCD—Ed Martin,

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