



DHC - 1193

OIL CONSERVATION DIVISION
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State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766RAY POWELL, M.S., D.V.M.
COMMISSIONER

April 29, 1996

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

Attn: Mr. Brian Collins

Re: Downhole Commingling Request
Cedro APG State Com #1
Undesignated Atoka Morrow
Unit Letter C, Section 36-17S-30E
Eddy County, New Mexico

Dear Mr. Collins:

Your request for our approval of your application to downhole commingle production from the Atoka and Morrow Formations in the above-captioned well was received on April 19, 1996.

Since it appears that all the New Mexico Oil Conservation Division 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.

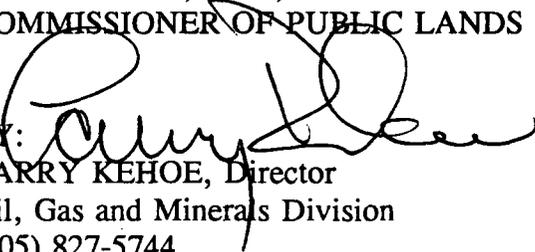
Please submit a communitization agreement for the Atoka and Morrow Formations for the above-mentioned well to this office for approval. Also, per our telephone conversation with Rusty Klein of your office, please check with the Oil Conservation Division regarding the pool names for these two zones.

Yates Petroleum Corporation
April 29, 1996
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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,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File
OCD--Roy Johnson