NHC-26

COMMERCAL RESOURCES Phone (505) 827-5724 Fax (505) 827-6157

MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

 SURFACE RESOURCES

 Phone
 (505) 827-5793

 Fax
 (505) 827-5711

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

 PUBLIC AFFAIRS

 Phone
 (505) 827-5765

 Fax
 (505) 827-5766

February 22, 2000

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

Attn: Mr. Albert R. Stall

Re: Downhole Commingling Application Windmill ATI State Well No. 1 Unit Letter J, Section 16-15S-28E Cisco and Wildcat Morrow Pools Chaves County, New Mexico

Dear Mr. Stall:

Your application to downhole commingle the Cisco and Wildcat Morrow production from within the wellbore of the above-captioned well was received on February 18, 2000.

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.

Your \$30.00 filing fee has been received.

Also, please submit a copy of the Oil Conservation Division's approval order.

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:

JAMI BAILEY, Director Oil, Gas and Minerals Division (505) 827-5744

RP/JB/cpm Enclosure xc: Reader File

QCD=Attention: -David Catanach; Ben Stone

"WE WORK FOR EDUCATION"



New Mexico State Land Office Commissioner of Public Lands Ray Powell, M.S., D.V.M.