

DHC-2987

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

**ADMINISTRATION**

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

GENERAL COUNSEL

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

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766

COMMERCIAL 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

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

January 16, 2002

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

Attn: Mr. James W. Pringle

Re: Downhole Commingling Application
Handicapper 'AWT' State Well No. 2
Unit Letter D, Section 3-10S-26E
Foor Ranch (Wolfcamp) and Foor Ranch (Cisco) Pools
Chaves County, New Mexico

Dear Mr. Pringle:

Your application to downhole commingle the Foor Ranch (Wolfcamp) and Foor Ranch (Cisco) production from within the wellbore of the above-captioned well was received on January 14, 2002.

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>
Foor Ranch (Wolfcamp)	0%	50%
Foor Ranch (Cisco)	0%	50%
	-----	-----
	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 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 dollar filing fee has been received.

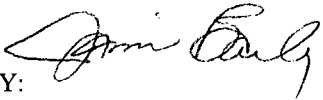
Also, please submit a copy of the Oil Conservation's approval.

Yates Petroleum Corporation
Page 2
January 16, 2002

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

~~OCD--Attention: David Catanach~~