



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE
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January 16, 2003

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

Attn: Mr. James W. Pringle

Re: Downhole Commingling Application
Dallas "AUE" State Well No. 5
Unit Letter N, Section 34-09S-26E
Foor Ranch Wolfcamp Gas and Undesignated Foor Ranch Pre-Permian Pools
Chaves County, New Mexico

Dear Mr. Pringle:

This office is in receipt of your application of January 13, 2003, requesting our approval to downhole commingle the production from the above subject well from the Foor Ranch Wolfcamp Gas and Undesignated Foor Ranch Pre-Permian Pools in Chaves County, New Mexico.

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 Gas	0 %	50 %
Undesignated Foor Ranch Pre-Permian	0 %	50 %
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	0 %	100 %

Since it appears that 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 the production from the above-mentioned well 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 your filing fee in the amount of \$30.00.

RECEIVED

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OIL CONSERVATION
DIVISION


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In addition, 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,

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--David Catanach