



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

*JAC*  
*853*

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

October 19, 1992

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

Attention: Mr. Brian Collins

Re: Application Downhole Commingling Lease No. V644  
Paloma WW State #1 Sec 3-14S-33E  
Lea County, New Mexico

Dear Mr. Collins:

Reference is made to your letter of September 24, 1992, wherein you have requested our approval to downhole commingle production within the wellbore of the Paloma WW State #1 Well. This well is currently completed in the Lazy J. Penn and Lazy J. Wolfcamp.

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 is hereby approved. Any deviation from the substances 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.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *F. O. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.  
cc: Reader File