



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

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January 5, 1994

SANTA FE, NEW MEXICO 87504-1148

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

Attention: Mr. Brian Collins

Re: Application for Downhole Commingling
State Lease No. L-6779-1
Long Arroyo OD State Com Well #1-I
Section 14-14S-27E
Chaves County, New Mexico

DK-960

Dear Mr. Collins:

Reference is made to your application of December 28, 1993, wherein you have requested our approval to downhole commingle production within the well bore of the Long Arroyo OD State Com Well N. 1-I, Section 14-14S-27E. Your application proposes to commingle the production from the Morrow and Strawn zone.

Since the dedicated acreage for this well has been communitized and there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands, this date, approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of thirty (\$30.00) dollars has been received.

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

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
RBP/FOP/pm

cc: Reader File
OCD - Mr. David Catanach, Mr. Ben Stone
TRD
L-6779-1