

COMMISSIONER'S OFFICE

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

DHC-2892

COMMERCIAL RESOURCES

Phone (505) 827-5724

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MINERAL RESOURCES

Phone (505) 827-5744

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ROYALTY MANAGEMENT

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Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

February 23, 2001

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

Attn: Mr. James W. Pringle

Re: Application for Downhole Commingling
Wager AWG State Well No. 4
State Lease VA-2066
Unit Letter D, Section 34-09S-26E
Foor Ranch Wolfcamp and Foor Ranch Ordovician Pools
Chaves County, New Mexico

Dear Mr. Pringle:

Your application to downhole commingle the Foor Ranch Wolfcamp and Foor Ranch Ordovician production from within the wellbore of the above-captioned well was received on February 14, 2001.

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.

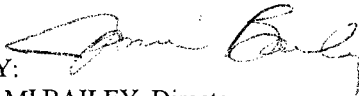
Also, please submit a copy of the Oil Conservation Division's approval order.

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

OCD--Attention:--David Catanach