

DHC-3034

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

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SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

August 2, 2002

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

Attn: Mr. James W. Pringle

Re: Application for Downhole Commingling
 Witz "VN" State Well No. 6
 Unit Letter D, Section 26-09S-26E
 Foor Ranch (Wolfcamp) and Undesignated Foor Ranch-Pre Permian Pools
 Chaves County, New Mexico

Dear Mr. Pringle:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on July 29, 2002. Your application requests our approval to downhole commingle the Foor Ranch (Wolfcamp) and Undesignated Foor Ranch-Pre Permian production within the wellbore of the Witz "VN" State Well No. 6 located in Unit Letter D, Section 26-09S-26E, 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)	0%	90%
Undesignated Foor Ranch-Pre Permian	0%	10%
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	0%	100%

Since it appears that 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 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.

Your \$30.00 filing fee has been received.

"WE WORK FOR EDUCATION"

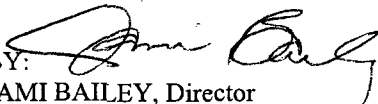
310 Old Santa Fe Trail P. O. Box 1148 Santa Fe, New Mexico 87504-1148

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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