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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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January 27, 2009

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Ms. Debbie Chavez

Re: Downhole Commingling Application
Tombstone BMB State Well No. 1 (API # 30-015-36315)
Unit Letter D, Section 12-25S-29E
Nash Draw; Delaware, and Pierce Crossing; Bone Spring, East Pools
Eddy County, New Mexico

Dear Ms. Chavez:

Thank you for your application to downhole commingle the Nash Draw; Delaware, and Pierce Crossing; Bone Spring, East pools from the referenced well in Eddy County, New Mexico.

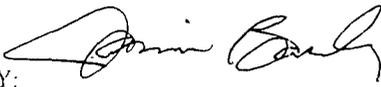
Since it appears that all the New Mexico Oil Conservation's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

Your filing fee in the amount of \$30.00 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,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JSB/jm
Enclosure

xc: Reader File OCD—Ed Martin,

-State Land Office Beneficiaries -

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