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PATRICK H. LYONS
COMMISSIONER

2009 JAN 29 PM

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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January 27, 2009

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Ms. Mayte Reyes

Re: Surface Pool/ Lease Commingling of Gas Production
Corral Draw AQH Federal #1 API # (30-015-29396)
Corral Draw AQH Federal #2 API # (30-015-34257)
Jester BFJ Federal #1 API # (30-015-34275)
Pierce Crossing/Bone Spring, Cedar Canyon /Delaware
Ohkay BHH State Well #1 API # (30-015-34551)
Wyatt BHT State Well #1 API # (30-015-34553)
Canyon BJK State #1Y API # (30-015-36605)
Nash Draw/Delaware, Pierce Crossing/Bone Spring
Doc BHU State Well No. 1 API # (30-015-34552)
Pierce Crossing/Bone Spring, Corral Canyon/Delaware
Tombstone BMB State #1 API # (30-015-36315)
Pierce Crossing; Bone Spring
Eddy County, New Mexico

Dear Ms. Reyes:

We are in receipt of your application of September 17, 2008 requesting our approval for surface commingling and off lease measurement and storage of the production from the above captioned wells:

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 is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Our approval does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Please Submit a \$30.00 dollar filing fee.

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

-State Land Office Beneficiaries -

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cc: Reader File
OCD-Attention: Ed Martin
BLM Roswell – Attn: Mr. John Simitz