OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

May 22, 1998

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

Attention: Mr. Morris Keith

11990

Re:

Downhole Commingling Application

Morton Unit Well No. 1

Unit B, Section 5, T-15S, R-35E, NMPM

Lea County, New Mexico

Dear Mr. Keith:

Reference is made to your request dated April 21, 1998, to downhole commingle Atoka, Morrow and Mississippian production within the subject well. Please be advised that pursuant to Division Rule No. 303.C.(1)(b)(ii), the well does not qualify for administrative approval for downhole commingling. I am therefore setting your application to hearing before a Division examiner on the June 25th docket.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach

Engineer

xc: OCD-Hobbs Lori Wrotenbery Mr. William F. Carr