

NM-39949
3162 (067)

APR 16 1993

Yates Petroleum Corporation
Attention: Mr. Brian Collins
105 South Fourth Street
Artesia, NM 88210

Re: Well No. 1-Alexandre AHX Federal
NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 33, T19S, R24E
Eddy County, New Mexico
Federal Lease NM-39949

DHC-782

Gentlemen:

Your request to downhole commingle Upper Penn and Wolfcamp gas production from the subject well is hereby approved.

As stated in your application, production allocation will be 65.22% to the Upper Penn and 34.78% to the Wolfcamp based on production tests and estimated ultimate recoveries from the individual formations. Also, it is our understanding that commingling is based on economics and will not result in reduced royalty.

This approval is subject to the concurrence of the New Mexico Oil Conservation Division.

Please contact Shannon Shaw or Adam Salameh at (505) 887-6544, or at the letterhead address if any further information is required.

Sincerely,

/s/ Gary Bowers

FOR Richard L. Manus
Area Manager

bcc:
NM (065, B. Lopez, D. Glass)
NM (067, S. Shaw; E. Inman)

NMOCD - Attn.: Mr. D. R. Catanach
P. O. Box 2088
Santa Fe, NM 87504