

3162 (067)
RNM-127

APR 29 1992

JAC. 504

Yates Petroleum Corporation
Attn. : Mr. Brian Collins
105 South fourth Street
Artesia, NM 88210

Re: Well No. 1-Lakeshore XH Fed:
SE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 11, T21S, R26E
Eddy County, New Mexico
Federal lease NM-3606
Communitization Agreement RNM-127

Gentlemen:

Your request to downhole commingle Atoka and Morrow gas production from the subject well, is hereby approved.

As stated in your application, production allocation will be 92.74% to the Atoka and 7.26% to the Morrow based on production tests 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,

Orig. Signed by Shannon J. Shaw
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

067:DGlass:nm:04/29/92:A:\RNM-127.DCC