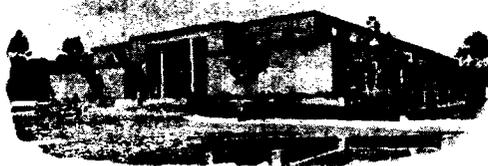


State of New Mexico



PHIL R. LUCERO
COMMISSIONER



Commissioner of Public Lands

October 4, 1977

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

REGISTER. RETURN. RECEIPT. REQUESTED

Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

Re: State of New Mexico Oil and Gas Lease No. LG-1290
(SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 36, T-16S, R-29E)

Attn: Mr. Jack McCaw

Gentlemen:

An audit of the subject lease has revealed that the Miley #1 Well located on this lease and operated by C. E. La Rue and B. N. Muncy, Jr. is being commingled with the production from the Gulf State lease, the Hollis lease, the Leonard lease, and the Wright State lease, under New Mexico Oil Conservation Commission Administrative Order CTB-102.

One of the requirements for commingling is that the ownership must be common throughout the entire area in order for authority to be granted to commingle. By virtue of this lease dated August 1, 1973, it is obvious that this ownership is not common according to the information in this office.

In compliance with Chapter 7-11-14, 1953 Com. & N.M.S.A., you are hereby given thirty days in which to cease commingling the production from this lease with any other production, and to set separate tank battery facilities for this well. Please advise when this installation is completed in order that we may conduct a field inspection of this operations.

Very truly yours,

Phil R. Lucero
Commissioner of Public Lands

By:  Ray D. Graham, Director
Oil and Gas Division

PRL:RDB:cw

cc: Mr. C. E. La Rue and B. N. Muncy, Jr.
P. O. Box 196
Artesia, New Mexico 88210

OCC - CTB-102 Order ✓

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