

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

February 2, 1996

CTB 2-26-96
420
S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

Oil Conservation Division
P. O. Box 6429
Santa Fe, NM 87504-6429

ATTENTION: Mr. Ben Stone

RE: Surface Commingling, Lease Commingling,
Off-Lease Storage and Measurement
Saunders Permo Upper Penn Pool
Lea County, New Mexico

Dear Ben:

Yates Petroleum Corporation respectfully requests administrative approval for surface commingling, lease commingling, off-lease storage and measurement for the following wells:

Childress AKV #1
990' FSL & 330' FWL
Unit M, SWSW
Section 1-T14S-R33E
Lea County, New Mexico
Fee Lease

Childress AKV #2
1980' FSL & 660' FWL
Unit L, NWSW
Section 1-T14S-R33E
Lea County, New Mexico
Fee Lease

Sanders AOU #1
1980' FNL & 1980' FWL
Unit F, SENW
Section 1-T14S-R33E
Lea County, New Mexico
Fee Lease

The production from the Childress AKV #2 and the Sanders AOU #1 will be transported prior to measurement to a common tank battery located at the Childress AKV #1 location. A map labeled Attachment I is enclosed for your information.

The purpose of this off-lease storage and surface commingling is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the wells.

Surface Commingling, Etc.:

Page 2:

February 2, 1996

Because working interests for the wells are different, oil from each of the wells will be measured by positive displacement, temperature compensated metering equipment prior to surface commingling. Gas from the wells will also be metered separately. This metering will ensure that all production from each of the wells is equitably accounted for with no significant effect on your revenue. The production is from the same producing zone which is the Permo Penn.

In accordance with the Oil Conservation Division's Rules 303-B, 309-B and 309-C, the following diagrams and maps are enclosed for your information:

Attachment II A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities".

Attachment III Notification of working interest, royalty interest and overriding royalty interest owners

If you should have any questions or need further information, please give me a call at 505-748-4205 (direct line).

Thank you for your cooperation.

Sincerely,



Rusty Klein
Production Clerk

rk

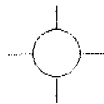
Enclosures

14S/33E

SKELLY OIL
SANDERS WILLIAM



SKELLY OIL
SANDERS WILLIAM *4PG (Re-entry)*
SANDERS HCU #1



1

SKELLY OIL
CHILDRESS A

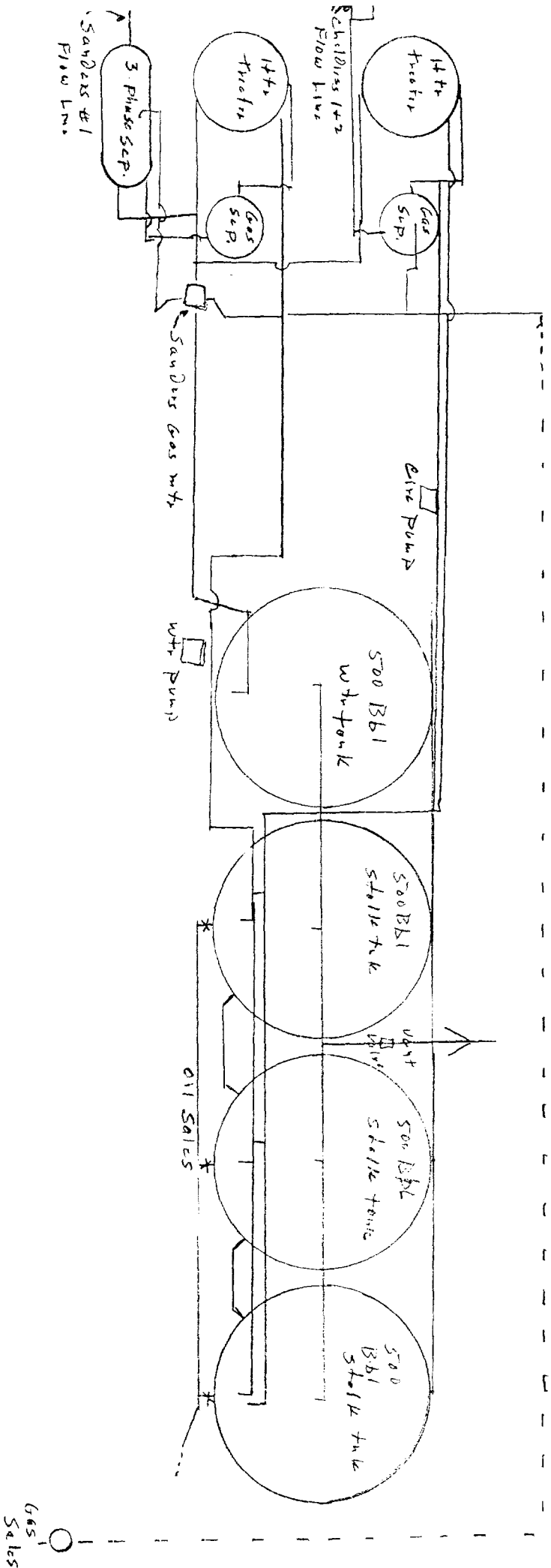


YATES PET
CHILDRESS "AKV" ST.



ATTACHMENT I

Yates Petroleum Corp
Childress AKV Bldg
S-1-145-33E
Loo do NM



ATTACHMENT III

Working Interest, Royalty Interest and Overriding Royalty Interest Owners:

Roy G. Barton, Jr.
P. O. Box 978
Hobbs, NM 88240

Della Brooks Estate
c/o Charles Brooks Trogolo
2 South Illinois Avenue
Duquoin, IL 62832

James W. Childress
P. O. Box 209
Roswell, NM 88202

Colleen Crough
3151 Shasta Way
Sacramento, CA 95821

Glen C. Crough
4451 South Sheridan Road
Muskegon, MI 49444

Edward Crough
3913 Casa Grande Avenue
Las Vegas, NV 89102-0523

Vern Otis Greenwood
1029 Arlington Drive
Billings, MO 59102

Geraldine Ann Kromminga
Sole & Separate Property
3941 W. Belle Plaine
Chicago, IL 60618

William Brian Landsheft
Route 6
15880 S. Peoria
Bixby, OK 74008

Maurice Charles Lucky
555 Eastgate Lane
Montecito, CA 93108

Myrtle G. Moore
P. O. Box 935
Lovington, NM 88260

Roy G. Barton, Jr.
Trustee of Roy G. Barton, Sr.
& Opal Barton Revocable Trust
P. O. Box 978
Hobbs, NM 88240

Katherine Burgess
2206 N. Richland Street
Phoenix, AZ 85006-1617

Shirley Childress
604 N. Delaware Ave. #2
Roswell, NM 88201-2135

Edward A. Crough
P. O. Box 2315
Redway, CA 95560

John Robert Crough
1490 Kellogg Drive - Space 43
Weed, CA 96094

Lynn Despar
Sole & Separate Property
50 Coronado Place
Corrales, NM 87048

Keohane, Inc.
P. O. Box 1120
Roswell, NM 88202-1120

Richard H. Landsheft, Jr.
2313 Jim Dent
El Paso, TX 79936

Tom Lespade, Jr.
Sole & Separate Property
1395 Tenderden
Channelview, TX 77530

Nancy Alice Mason
Sole & Separate Property
4712 Saratoga
Downers Grove, IL 60515

Nina Pennacchia
Sole & Separate Property
1830 Ravine Drive
Gurnee, IL 60031-6013

Mary Etcheverry Sanders
Sole & Separate Property
6253 City Farm Road
San Angelo, TX 76905-8509

June D. Speight
P. O. Drawer 1687
Lovington, NM 88260

Barbara L. Shannon
11011 Huntwyck
Houston, TX 77024

Robert Greenwood
Heirs & Devisees of Louie Greenwood,
Jr. and Dorothy Greenwood, Deceased
1405 Randall Court
Aurora, IL 60506-3573

2 149 003 402



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Roy G. Baston, Jr.</i>	
Sent to and from <i>P.O. Box 978</i>	
Post Office and Zip Code <i>Hobbs, NM 88240</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>2-2-96</i> <i>Hobbs lease - Sanders AOC</i>	

PS Form 3800, March 1993

Z 14-1 003 403



UNITED STATES
POSTAL SERVICE

Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sub to <i>Ray C. Barton</i>	
Street <i>Deegee & Roy & Opal Barton</i> <i>P.O. Box 278</i> <i>Rev. Trust</i>	
P.O. State and ZIP Code <i>Dobbs, NM 88240</i>	
Postage	\$
Certified Fee	
Special Delivery rate	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>2-2-96</i> <i>off lease - Sanders Hou #1</i>	

PS Form 3800, March 1993

Z 149 003 404



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Delta Brooks Estate	
C/o Charles Brooks Trogolo	
2 So. Illinois Avenue	
Dugun, FL 32832	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date February 2, 1996 off-lease - Sanders AOC	

PS Form 3800, March 1993

Z 149 003 405



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Subscriptor's Name <i>Katherine Burgess</i>	
Street and No. <i>2206 N. Rickland Street</i>	
City, State and ZIP Code <i>Phoenix, AZ 85006-1617</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>off lease - Sanders AOC</i>	

PS Form 3800, March 1993

Z 149 003 406



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>James W. Chilares</i>	
Street and No. <i>P.O. Box 209</i>	
City, State and ZIP Code <i>Roswell, NM 88202</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off lease - Sanders Hill</i>	

PS Form 3800, March 1993

Z 149 003 402



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To (Name)	
Shirley Childress	
Street and No.	
604 N. Delaware # 2	
Post Office and ZIP Code	
Roswell, NM 88201-2135	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
February 2, 1996	
off lease - Sanders AOC	

PS Form 3800, March 1993

Z 149 003 408



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Colleen Crough</i>	
Street and No. <i>3151 Shasta Way</i>	
City, State and ZIP code <i>Sacramento, CA 95821</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off lease. Sanders ACU</i>	

PS Form 3800, March 1993

Z 149 003 409



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Edward A. Croag</i>	
Street and No. <i>P.O. Box 2315</i>	
P.O. State and ZIP Code <i>Redway, CA 95560</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off Lease - Sanders AOA</i>	

PS Form 3800, March 1993

2 149 003 410



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

S.A. No. <i>Glen C. Crough</i>	
Street and No. <i>4451 So. Sheridan Road</i>	
City, State and ZIP Code <i>Musteagon, MI 49444</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Address, Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>066 lease - Sandus AD4</i>	

PS Form 3800, March 1993

Z 149 003 411



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>John Robert Crough</i>	
Street and No. <i>1490 Kellogg Dr. - Spc 43</i>	
City, State and Zip <i>Weed, CA 96094</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off lease - Sanders A04</i>	

PS Form 3800, March 1993

2 149 003 412



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Postage	
\$	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	
\$	
Postmark or Date February 2, 1996 off lease - Sanders A04	

PS Form 3800, March 1993

Z 149 003 413



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: <i>Dynn Desper</i>	
Address: <i>Sole & Separate property</i>	
City and State: <i>50 Coronado Place</i>	
Post Office: <i>Cortales, NM 87048</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
Total Postage & Fees	\$
Postmark or Date: <i>February 2, 1996</i> <i>Off-lease - Sanders AOA</i>	

PS Form 3800, March 1993

Z 149 003 414



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Vern Oles Greenwood</i>	
Street and No. <i>1089 Arlington Drive</i>	
P.O. Box and ZIP Code <i>Billings, MO 59102</i>	
Postage	\$
Certified fee	
Special Delivery fee	
Restricted Delivery fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>866 Lease - Sanders #04</i>	

PS Form 3800, March 1993

2 149 003 415



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Hecham, Inc.</i>	
Street and No. <i>P.O. Box 1120</i>	
P.O. State and ZIP Code <i>Roswell, NM 88202-1120</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off-lease Sanders A04</i>	

PS Form 3800, March 1993

Z 149 003 416



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Geraldine Ann Krommaga</i>	
Street and No. <i>3941 W. Belle Plaine</i>	
City, State and ZIP Code <i>Chicago, IL 60618</i>	
Postage:	\$
Certified Fee:	
Special Delivery Fee:	
Restricted Delivery Fee:	
Return Receipt Showing to Whom & Date Delivered:	
Return Receipt Showing to Whom, Date, and Addressee's Address:	
TOTAL Postage & Fees:	\$
Postmark or Date <i>February 2, 1996</i> <i>Off lease - Sanders A.O.C.</i>	

PS Form 3800, March 1993

Z 149 003 417



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: <i>Richard H. Sandsheft, Jr.</i>	
Street and No. <i>2313 Jim Dent</i>	
City, State and Zip Code <i>El Paso, TX 79936</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off lease - Sandsheft 404</i>	

PS Form 3800, March 1993

Z 149 003 418



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>William Brian Handcraft</i>	
Address <i>13880 S. Peoria</i>	
City, State and ZIP Code <i>Buxby, OK 74008</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Address of Addressee	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>off - lease - Sanders #011</i>	

PS Form 3800, March 1993

2 149 003 419



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Send to:	
Tom Tespade, Jr.	
Street and No.	
1395 Sanders Ave	
City, State and Zip Code	
Chattanooga, TN 37530	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt following to Whom & Date Delivered	
Return Receipt following to Whom & Date and Address of Addressee	
Total Postage & Fees	\$
Postmark or Date	
February 2, 1996	
Off. Lease - Sanders Ave	

PS Form 3800, March 1993

2 149 003 421



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

S. No. <i>Maurice Charles Luckie</i>	
Street and No. <i>555 Eastgate Lane</i>	
P.O. State and Zip Code <i>Monticello, VA 23108</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>066 lease - Sanders AOC</i>	

PS Form 3800, March 1993

Z 149 003 422



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: <i>Nancy Alice Mason</i>	
Street and No. <i>4712 Saratoga</i>	
City, State and ZIP Code <i>Downers Grove, IL 60515</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>off lease - Sanders AOU</i>	

PS Form 3800, March 1993

Z 149 003 423



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sender's Name <i>Myrtle G. Moore</i>	
Street and No. <i>P.O. Box 935</i>	
City, State and Zip Code <i>Houngton, Nm 88260</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>off lease - Sanders Adu</i>	

PS Form 3800, March 1993

Z 149 003 424



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sender's Name <i>Nina Pennacchia</i>	
Street and No. <i>1830 Ravine Drive</i>	
City, State and ZIP Code <i>Gurnee, IL 60031-6013</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off-lease - Sanders Ave</i>	

PS Form 3800, March 1993

Z 149 003 425



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: <i>Mary Eckert Sanders</i>	
Street: <i>6253 City View Road</i>	
City, State and ZIP: <i>San Angelo, TX 76905-8509</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date: <i>February 2, 1996</i> <i>Off lease - Sanders A04</i>	

PS Form 3800, March 1993

2 149 003 427



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>June D. Spught</i>	
Street and No. <i>P.O. Drawer 1687</i>	
R.C. State and ZIP Code <i>Albuquerque, NM 88260</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>Off lease - Sanders A04</i>	

PS Form 3800, March 1993

Z 149 0013 426



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Barbara L. Shannon</i>	
Street and No. <i>11011 Huntwyck</i>	
PO#, State and ZIP code <i>Houston, TX 77024</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (showing to Whom & Date Delivered)	
Return Receipt (showing to Whom Date, and Addressee's Address)	
TOTAL Postage & Fees	\$
Postmark or Date <i>February 2, 1996</i> <i>066 Leuse - Sanders Hou</i>	

PS Form 3800, March 1993

Z 149 1113 428



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail

Sent to: <i>Robert Greenwood</i>	
: <i>Dorothy Greenwood, deceased</i>	
Street and No.: <i>1405 Randall Court</i>	
P.O. State and ZIP Code: <i>Aurora, IL 60506-3523</i>	
Postage:	\$
Certified Fee:	
Special Delivery Fee:	
Restricted Delivery Fee:	
Return Receipt Showing to Whom & Date Delivered:	
Return Receipt Showing to Whom, Date, and Addressee's Address:	
TOTAL Postage & Fees:	\$
Postmark or Date: <i>February 2, 1996</i> <i>Off-lease - Sanders ADU</i>	

PS Form 3800, March 1993