

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

5/22/96
CTB-428

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

April 29, 1996

Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505-6429
ATTN: Mr. Ben Stone

Re: Surface Commingling, Lease Commingling,
Off-Lease Storage and Measurement.
Dagger Draw Upper Penn, North Pool
Eddy County, New Mexico

Dear Mr. Stone,

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

Apollo APU Federal #1 660' FNL & 1980' FEL Unit B, NWNE Section 15-T19S-R25E Eddy County, New Mexico	Polo AOP Federal #1 1980' FSL & 1980' FWL Unit K, NESW Section 10-T19S-R25E Eddy County, New Mexico	Polo AOP Federal #2 1980' FSL & 1980' FEL Unit J, NWSE Section 10-T19S-R25E Eddy County, New Mexico
Polo AOP Federal #3 660' FSL & 660' FWL Unit M, SWSW Section 10-T19S-R25E Eddy County, New Mexico	Polo AOP Federal #4 760' FSL & 1780' FWL Unit N, SESW Section 10-T19S-R25E Eddy County, New Mexico	

The production from this well is transported prior to measurement to a common tank battery, located at the Polo AOP Fed. #2 (Unit J 1980' FSL & 1980' FEL Sec. 10-T19S-R25E).

The purpose of the surface commingling, lease commingling, off lease storage and measurement 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.

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 Canyon.

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

- | | |
|----------------|--|
| Attachment II | A map showing the location of the wells. |
| Attachment III | A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual of Installation and Operation of Commingling Facilities". |
| Attachment IV | Notification of working interest, royalty interest and overriding royalty interest owners. |
| Attachment V | Notification to the Bureau of Land Management. |

If you should have any questions or need further information, please give me a call at (505) 748-4178 (direct line).

Thank you for your cooperation.

Sincerely,



Pamela S. Evans
Production Clerk

PE
Attachments

YATES PETROLEUM CORP.
PATRICK "AP"



FASKEN, DAVID
ARCO FL



YATES PETROLEUM CORP.
POLO "AOP" FED.



10 YATES PET
POLO "AOP" FEDERAL



YATES PET YATES PETROLEUM CORP.
POLO "AOP" FEDERAL POLO "AOP" FED.



NEARBURG PRODUCING CO.
OSAGE BOYD "15" FED. COM.



YATES PET
APOLLO "APU" FED.



HONDO DRLG CO
OSAGE-BOYD



YATES PET
BOYD



15

EPPENAUER ETAL
BOYD 1



YATES PET
BOYD "BN"

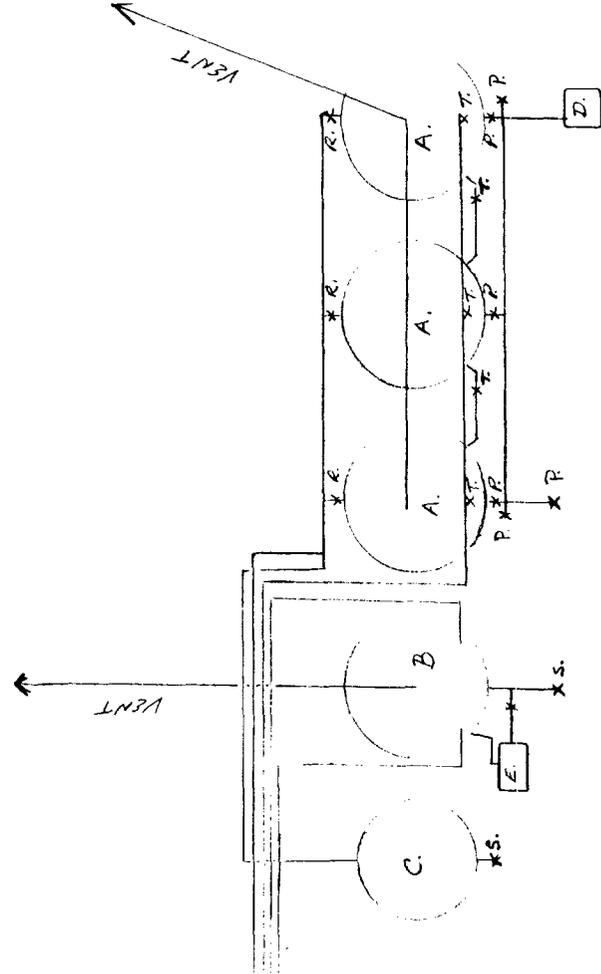
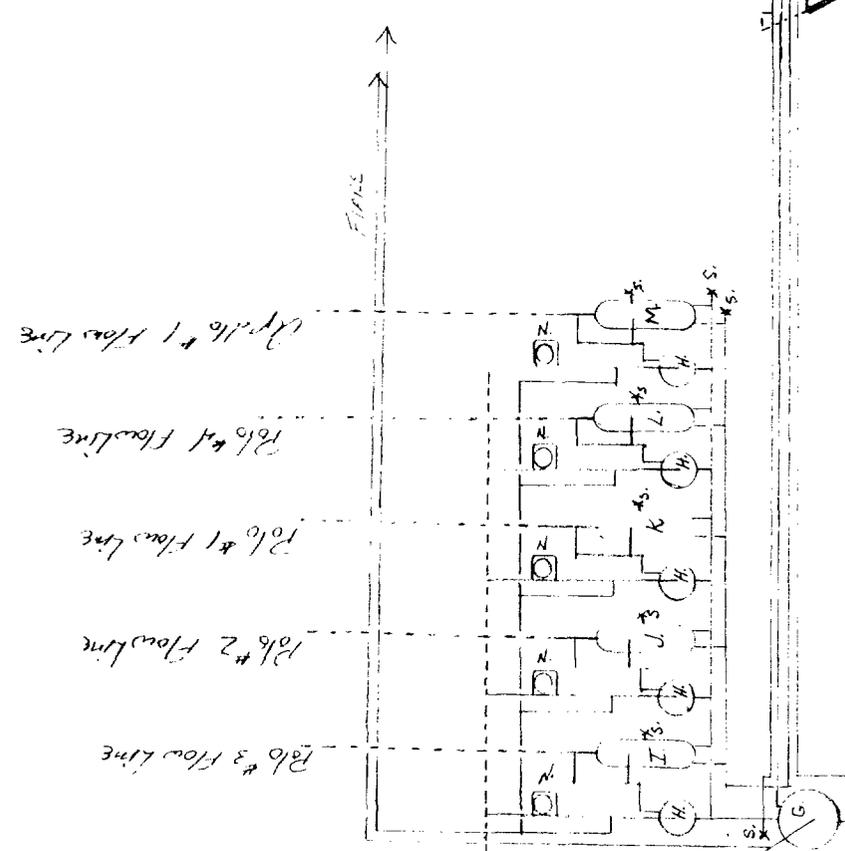
Yates Petroleum Corporation		
NEW MEXICO BASE MAP 19S25E		
		4/3/96

Site Security Plan on File at:

Yates Petroleum Corporation
 105 S. 4th Street
 Artesia, NM 88210

- A. 500 Bk. METAL STACK TANKS
- B. 500 Bk. FIBERGLASS WATER TANK
- C. 210 Bk. FIBERGLASS BSWW TANK
- D. LACT (oil/seals)
- E. WATER DISPOSAL PUMP
- F. BSWW Circulating Pump
- G. 6'x20' HEATER TREATER
- H. 30"X16' VERTICAL Gas Separator Tank production
- I. P.O.#3 48"X10' 3-Phase
- J. P.O.#2 48"X10' 3-Phase
- K. P.O.#1 48"X10' 3-Phase
- L. P.O.#4 48"X10' 3-Phase
- M. P.O.#5 48"X10' 3-Phase
- N. HORIZONTAL SEPARATOR (TEST UNIT)
- O. GAS METERS (SALES)
- P. 4" Valves sealed closed
- Q. 3" Valves sealed closed
- R. 3" Valves sealed closed
- S. 3" Valves sealed closed
- T. 3" Valves not sealed for

- U. HORIZONTAL SEPARATOR (TEST UNIT)
- V. P.O.#2 48"X10' 3-Phase
- W. HORIZONTAL SEPARATOR (TEST UNIT)
- X. P.O.#1 48"X10' 3-Phase
- Y. HORIZONTAL SEPARATOR (TEST UNIT)
- Z. P.O.#4 48"X10' 3-Phase
- AA. HORIZONTAL SEPARATOR (TEST UNIT)



Yates Petroleum Corporation
 Polo AOP Battery
 NWSE - Section 10-T19S-R25E
 Eddy County, New Mexico

ATTACHMENT IV

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

Barbara T. Fasken
303 W. Wall , Suite 1900
Midland, TX 79701

Brooks Oil & Gas Interest
P.O. Box 620020
Dallas, TX 79262-0209

James W. Childress
P.O. Box 209
Roswell, NM 88202 0209

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

Charles H. Coll
P.O. Box 1818
Roswell, NM 88202-1818

James N. Coll
P.O. Box 1818
Roswell, NM 88202-1818

Jon F. Coll
P.O. Box 1818
Roswell, NM 88202-1818

Max Coll, III
Rt.9, Box 72F
Santa Fe, NM 87505

Lynn E. Desper
50 Coronado Rd.
Corrales, NM 87048-9520

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

William Bryan Landsheft
Rt. 6, 15880 S. Peoria
Bixby, OK 74008

Marshall & Winsotn, Inc.
P.O. Box 50880
Midland, TX 79710-0880

Payne-Johnson Management, Inc.
812 First Place
Tyler, TX 75702

Everett R. Sharp
7042 Turtle Creek Lane
Dallas, TX 75205-1263

Sunwest Bank of Albuquerque,
T.J. and Mary Ray Sivley Trust
P.O. Box 26900
Albuquerque, NM 87125-6900

Devon Energy Corporation
P.O. Box 843559
Dallas, TX 75284-3559

Z 149 003 523



**Receipt for
Certified Mail**

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

Sent to <i>Barbara Foster</i>	
Street and No. <i>303 W. Wall</i>	
P.O., State and ZIP Code <i>Midland TX 79701</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>Off-Receipt</i> <i>Apollo APU #1</i> <i>Feb 1, 2, 3 & 4</i> <i>1-14-96</i>	

PS Form 3800, March 1993

Z 149 003 524



Receipt for Certified Mail

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

Sent to <i>Brooks Oil + Gas Int</i>	
Street and No. <i>P.O. Box 620020</i>	
P.O., State and ZIP Code <i>Dallas TX 79262-0209</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>off lease</i> <i>Apollo APC #1</i> <i>Polo APO #1,2,3+4 4-19-96</i>	

PS Form 3800, March 1993

Z 149 003 525



Receipt for Certified Mail

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

Sender's Name <i>Shirley Childress</i>	
Street and No. <i>604 D. Delaware Ave #2</i>	
City, State and ZIP Code <i>Rockwell, NM 88201-2135</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>Off lease 4-19-96</i> <i>quello AP#1</i> <i>Data APD #1,2,3,4</i>	

PS Form 3800, March 1993

Z 149 003 526



Receipt for Certified Mail

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

PS Form 3800, March 1993

Sent to <i>James W. Childress</i>	
City and Zip <i>P.O. Box 209</i>	
State and ZIP Code <i>Roswell, NM 88202-0209</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>off. license</i> <i>Apollo APD #1</i> <i>Auto APD #1,2,3,4</i> <i>4-9-96</i>	

2 149 003 527



Receipt for Certified Mail

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

Sent To <i>Charles H. Coll</i>	
Street and No. <i>P.O. Box 1818</i>	
P.O. State and ZIP Code <i>Rosewell, NM 88202-1818</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>off-lease 4-14-96</i> <i>Apello AP#1</i> <i>Auto APO # 1,2,3+4</i>	

PS Form 3800, March 1993

Z 149 003 528



Receipt for Certified Mail

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

Sent to <i>James N. Coll</i>	
Street and No. <i>P.O. Box 1818</i>	
P.O., State and ZIP Code <i>Biswell, TN 38202-1818</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>off-lease</i> <i>April 1996</i> #1 4-19-96 <i>Also APO #1,2,3,+4</i>	

PS Form 3800, March 1993

2 149 003 529



Receipt for Certified Mail

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

POST TO <i>Gen F. Call</i>	
STREET NO. <i>P.O. Box 1818</i>	
CITY, STATE AND ZIP CODE <i>Beaverton, OR 97002-1818</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>Off-lease</i> <i>Apr 10 APO #1</i> <i>Apr 10 APO #1, 2, 3, +4</i> <i>4-19-96</i>	

PS Form 3800, March 1993

2 149 003 530



Receipt for Certified Mail

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

Sent by <i>Max Coll III</i>	
Street and No. <i>Rt. 9, Box 72F</i>	
P.O., State, and ZIP Code <i>Santa Fe, NM 87505</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>Off-lease 4-14-96</i>	
<i>Delivered April #1</i>	
<i>Palomares #1, 2, 3 & 4</i>	

PS Form 3800, March 1993

Max Coll III
Rt. 9, Box 72F
Santa Fe, NM 87505

Mailed
Certified / ATD
Receipt

Z 149 003 531



Receipt for Certified Mail

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

Sender <i>Rynn E. Dwyer</i>	
Street and No. <i>50 Coronado Rd.</i>	
City, State and ZIP Code <i>Corrales, NM 87048-9520</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>Off lease</i> <i>Apalo APO #1</i> <i>Polo APO #1, 2, 3-11</i> <i>4-19-96</i>	

PS Form 3800, March 1993

Z 149 003 532



Receipt for Certified Mail

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

Send to: <i>Richard Larr's left Jr.</i>	
Street and No.: <i>2313 Gene Dent</i>	
P.O., 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>off-lease</i> <i>Apr 10 APD #1</i> <i>APD #1,2,3,+4</i> <i>4-19-96</i>	

PS Form 3800, March 1993

Z 149 003 533



Receipt for Certified Mail

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

Sent to <i>William Byron Tombslett</i>	
Street and No. <i>Rt 6, 15880 S. Porcum</i>	
P.O. State and ZIP Code <i>Dixie, 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 Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>off-lease</i> <i>April 19 1996</i> <i>Bo APO #1, 2, 3, +4</i> <i>4-19-96</i>	

PS Form 3800, March 1993

Z 149 003 534



Receipt for Certified Mail

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

To: <i>Marshall + Winston</i>	
Street and No. <i>P.O. Box 50880</i>	
P.O. State and ZIP Code <i>Midland, TX 79710-0880</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>Off - Cancel</i> <i>Apollo APL #1</i> <i>Folo APO #1, 2, 3, +4</i> <i>4-19-96</i>	

PS Form 3800, March 1993

2 149 003 535



Receipt for Certified Mail

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

Special Agent in Charge	
Rayne Johnson Moneg.	
Street and No.	
812 First Place	
P. O. State and ZIP Code	
Tyler, TX 75702	
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	off-lease
	Apelo APO #1
	Polo APO #1, 2, 3+4
	4-19-96

PS Form 3800, March 1993

2 149 003 536



Receipt for Certified Mail

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

Sent to	
<i>Ernest R. Sharp</i>	
Street and No.	
<i>7042 Turtle Creek Lane</i>	
P.O., State and ZIP Code	
<i>Dallas, TX 75205-1263</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>off-lease</i>	
<i>Apello APL #1</i>	
<i>Job APO #1, 2, 3+4</i>	
<i>4-19-96</i>	

PS Form 3800, March 1993

Z 149 003 537



Receipt for Certified Mail

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

Sent to <i>Sunwest Bank of Albuq.</i>	
Street and No. <i>P.O. Box 26900</i>	
City, State, and ZIP Code <i>Albuquerque, NM 87125</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>off lease</i> <i>Acello APR #1</i> <i>Also APR #1,2,3,4</i> <i>4-19-96</i>	

PS Form 3800, March 1993

Z 149 003 536



**Receipt for
Certified Mail**

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

Send To <i>Wescom Energy Corp.</i>	
Street and No. <i>PO Box 843559</i>	
City, State and ZIP Code <i>Dallas, TX 85284-3559</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>off - release</i> <i>Copello APO #1</i> <i>Polo APO #1, 2, 3, +4</i> <i>4-19-96</i>	

PS Form 3800, March 1993

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.

NM-82845

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Polo AOP Federal Com #2

9. API Well No.

3001520334

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, North

11. County or Parish, State

Eddy, N.M.

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 S. 4th Street, Artesia, NM 88210 (505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 10-T19S-25E Unit J 1980' FSL & 1980' FEL NWSE

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Subsequent Report

Recompletion

New Construction

Final Abandonment Notice

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Altering Casing

Conversion to Injection

Other Surface Commingling & Storage

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request approval for surface commingling and off lease storage and measurement.
Please see attached application.

14. I hereby certify that the foregoing is true and correct

Signed

Pamela S. Evans

Title

Production Clerk

Date

04/29/96

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

CRA BLM FORMAT

**APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND MEASUREMENT APPROVAL**

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88221-1778

Yates Petroleum Corporation (Operator's Name) is requesting approval for surface commingling and off lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM-023855-B; Lease Name: Apollo APU Federal.

<u>Well</u>					
<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>B</u>	<u>15</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn, North</u>

with hydrocarbon production from the following formation(s) and well(s) on a Federal lease No. NM-82845; Polo AOP Federal.

<u>Well</u>					
<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>K</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn, North</u>
<u>2</u>	<u>J</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn, North</u>
<u>3</u>	<u>M</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn, North</u>
<u>4</u>	<u>N</u>	<u>10</u>	<u>19S</u>	<u>25E</u>	<u>Dagger Draw Upper Penn, North</u>

Production from the well involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Apollo APU Fed. #1</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Polo AOP Fed. #1</u>	<u>94.4</u>	<u>43.5</u>	<u>88</u>
<u>Polo AOP Fed. #2</u>	<u>5</u>	<u>43.5</u>	<u>44</u>
<u>Polo AOP Fed. #3</u>	<u>233.3</u>	<u>43.5</u>	<u>311</u>
<u>Polo AOP Fed. #4</u>	<u>419</u>	<u>43.5</u>	<u>443</u>

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the location of all the wells that will contribute production to the proposed commingling/common storage facility.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at NWSE-1/4, Sec. 10, T19S, R25E, on Federal lease Polo AOP #2, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method of allocating production to contributing sources is as follows:

Continued.

Continued:

Oil will be transported prior to measurement and will be measured by positive displacement, temperature compensated metering equipment. Gas will also be measured separately.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced leases.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Signature: *Patricia S. Evans*

Name: Patricia S. Evans

Title: Production Clerk

Date: 4-29-96