



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

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(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

July 20, 1998

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

Attn: Land Department

Re: Application for Downhole Commingling
Morton Unit Well No. 1
Unit Letter B, Section 5-15S-35E
Atoka, Morrow and Mississippian Pools
Lea County, New Mexico

Gentlemen:

We have received a copy of the New Mexico Oil Conservation Division's Case No. 11990 which notifies this office of your application to downhole commingle the production from the above-captioned well.

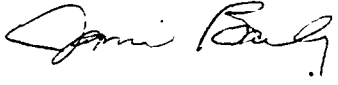
Pursuant to State Land Office Rule Nos. 1.053, 1.054 and 1.055, please submit a copy of your commingling request to this office. Enclosed is a copy of our commingling rules and regulations. The filing fee for a commingling application is thirty (\$30.00) dollars.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
pc: Reader File

OCD