

STATE OF NEW MEXICO
P. O. DRAWER DD - ARTESIA
88210



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

April 7, 1978

Yates Petroleum Corporation
207 South 4th Street
Artesia, NM 88210

Artesia District Office
Administrative Order No.DHC II-9

Gentlemen:

In accordance with the provisions of Commission Order No.R-5460 approval is hereby granted for the downhole commingling of the Permo-Penn, Strawn, Atoka and Morrow zones within the well-bore of your State CY #1-K, Section 32, T-17S, R-25E.

Allocation of production from the well shall be on the following basis:

Eagle Creek Permo Penn-86% of the gas and 100% of the
Condensate.

Eagle Creek Strawn-1% of the gas.

Eagle Creek Atoka-Morrow-13% of the gas.

Pursuant to said Order No.R-5460, the commingling authority granted by this order may be rescinded by the Secretary Director if, in his opinion, waste or reservoir damage is resulting thereby, or if any change of conditions render the installation no longer eligible for downhole commingling.

Sincerely yours,

W. A. Gressett
Supervisor, District II

WAG:rc

Xc: OCC Santa Fe, NM
Attn: Mr. Stamets
Transporters TWP & NCO