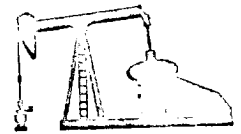


OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

DIRECTOR
JOE D. RAMEY

September 22, 1977

Yates Petroleum Corporation
207 South 4th Street
Artesia, NM

Artesia District Office
Administrative Order No. DHC II-6

Gentlemen:

In accordance with the provisions of Commission Order No. R-5460 approval is hereby granted for the downhole commingling of the Upper Penn and Morrow zones within the well-bore of your Federal EF Com #1-O, Sec. 6-T18S-R25E.

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

Eagle Creek Permo-Penn Gas Pool = 60% of gas and 47% of condensate
Richard Knob Atoka-Morrow Gas Pool = 40% of gas and 53% of condensate

Pursuant to said Order No. R-5460, the commingling authority granted by this order may be rescinded by the Secretary Director if, in his opinion, waste or reservoir damage is resulting thereby, or if any change of conditions render the installation no longer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:jw
Xc: OCC Santa Fe, NM
Attn: Mr. Stamets
Transporters TWP & NCO