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December 21, 1978

Gulf Oil Corporation
Box 1150
Midland, Texas 79702

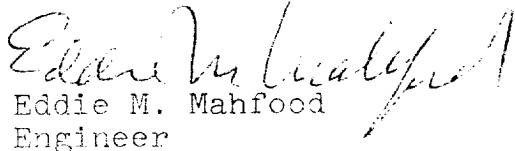
Re: Downhole Commingling
YPC Federal AB #2, 0-5-18S-25E

Gentlemen:

Yates Petroleum Corporation proposes to downhole commingle the Eagle Creek Permo Penn completion and the Richard Knob Atoka Morrow completion in their Federal AB #2 well located in Unit 0, Section 5, T18S, R25E, Eddy County, New Mexico as authorized under NMOCC Order No. 5460.

Yours truly,

YATES PETROLEUM CORPORATION


Eddie M. Mahfood
Engineer

EMM/ob