

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



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*o/Ray Stall*

October 12, 1999

Mr. Tim Gum  
State Of New Mexico  
OIL CONSERVATION DIVISION  
811 S. First Street  
Artesia, NM 88210



RE: ADMINISTRATIVE ORDER DHC-2208  
Loco ASI Federal Com No. 1  
API No. 30-015-30094  
Unit L, Sec. 10-T18S-R29E., NMPM  
Eddy County, New Mexico  
North Turkey Track-Morrow (Gas - 86500) and  
Loco Hills-Chester (Gas - 96845) Pools

Dear Mr. Gum,

The referenced order was approved by the Director of the New Mexico Oil Conservation Division on February 5, 1999, subject to obtaining your approval for an allocation schedule upon completion in the Morrow formation.

The Morrow interval 10,956'-11,005' was completed on October 9, 1999, flowing dry gas at a rate of 28 mcf/d. The Chester interval 11,397'-11,409' averaged 11 bo, 523 mcf/d, and 0.4 bwpd for 30 days in September 1999.

Accordingly, based on production ratios, the following allocation formula is submitted for your approval:

<u>Zone</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>
Chester	100%	95%	100%
Morrow	0%	5%	0%

If this formula meets with your approval, a copy will be submitted to the Santa Fe office of the Division.

Sincerely,

*Ray Stall*

Ray Stall  
Operations Engineer