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ARTESIA, NEW MEXICO 88210
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JAN - 4 1980

O. C. D.
ARTESIA, OFFICE

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

January 3, 1980

Mr. Bill Gressett, District Supervisor
NMOCD
Drawer DD
Artesia, NM 88210

Re: Extending Vertical Limits
of the Angell Ranch Morrow

Dear Bill;

Our Reddy Trigg JV Federal No. 1, H-35-19s-27e, Angell Ranch Atoka, is a marginal well currently producing only 8 or 9 MCFPD. The Morrow zone was producing about 30 MCFPD in October 1979 when the well was plugged back.

We would suggest that the vertical limits of the Angell Ranch Morrow be extended to include the Atoka formation. It is our understanding that there are some 13 wells in this area in more or less the same status as our well, and downhole commingling of the Morrow and Atoka will conserve reserves and protect correlative rights.

Sincerely yours,

YATES PETROLEUM CORPORATION

Eddie Mahfood, Engineer