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



S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 TELEPHONE (505) 748-1471

June 19, 1992

Maralo, Inc. P. O. Box 832 Midland, TX 79702

Gentlemen:

Enclosed please find a copy of the application for downhole commingling the Superior KJ Federal #1 located in D of Section 7-T20S-R29E. This copy of the application to commingle fulfills our requirement to notify offset operators per NMOCD Rule 303 D (10).

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,

Chuck Morga

Chuck Morgan, P. E.

CM/th