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



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 De 1089

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S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT

PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON

DENNIS G. KINSEY TREASURER

May 19, 2003

Re: Surface Commingling Application Cottonwood Ranch MK St. #1

Carrier State

Dear Mr. Catanach,

As per your request in commingling order PC-1089 the following information is being furnished.

The Abo formation tested at 43 mcf per day or 96% of the gas production. The Penn formation tested at 2 mcf per day or 4% of the gas production and all oil and water production.

If you have any questions please don't hesitate to call me at 505-748-4205.

Sincerely,

Michelle Taylor

Regulatory Compliance Manager

Michelle /ay/07