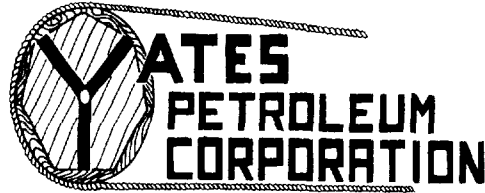


MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

POC 8/13/97

951

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

June 23, 1997

JUL 24 1997

New Mexico Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505-6429

Attention: Ben Stone

3610 RE: Surface Commingling and Pool Commingling
Atoka San Andres and Atoka ~~Penn.~~ *Sycamore Gas*
Eddy County, New Mexico

Dear Mr. Stone,

Yates Petroleum Corporation respectfully requests your approval for surface commingling, and pool commingling for the following wells:

Hawkins GY #1
430' FNL & 1830' FWL
Unit C, NENW
Section 27-T18S-R26E
Eddy County, NM
Fee Lease

Hawkins GY #2
330' FNL & 2310' FEL
Unit B, NWNE
Section 27-T18S-R26E
Eddy County, NM
Fee Lease

Hawkins GY #3
990' FNL & 2310' FWL
Unit C, NENW
Section 27-T18S-R26E
Eddy County, NM
Fee Lease

Hawkins GY #4
990' FNL & 1650' FWL
Unit C, NENW
Section 27-T18S-R26E
Eddy County, NM
Fee Lease

Hawkins GY #5
660' FNL & 1980' FEL
Unit B, NWNE
Section 27-T18S-R26E
Eddy County, NM
Fee Lease

The production will be transported prior to measurement to a common tank battery located at the Hawkins GY #1 location. A map is enclosed for your information

The purpose of the surface commingling, and pool commingling is to reduce operating costs for storage and treating thereby extending the economic life of each well. Without approval for utilizing the existing battery located at the Hawkins GY #1 it will become necessary to build a separate facility for the Hawkins GY #4.

Because working interests for the wells are different, oil from each of the wells will be measured by positive displacement, temperature compensated metering equipment prior to surface commingling. Gas from the wells will also be metered separately. This metering will ensure that all production from each of the wells is equitably accounted for with no significant effect on your revenue. The production from the wells #1,2,3,&5 are from the Atoka San Andres zone. The Hawkins GY #4 is from the Atoka Permo Penn zone.

In accordance with the Oil Conservation Division's Rules 303-B, 309-B and 309-C, the following diagrams and maps are enclosed for your information:

- A diagram of the proposed measurement equipment, separators and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities".
- Notification of working interest, royalty interest and overriding royalty interest owners of the proposal to commingle production (list enclosed).

If you should have any questions or need further information, please give me a call at (505) 748-4178, direct line.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Pamela S. Evans".

Pamela S. Evans
Production Clerk

Enclosures:

Working Interest Owners, Royalty Interest Owners, Overriding Royalty Interest

Gertrude Runyan Martin
915 S. 4th Street
Artesia, NM 88210

Judith Anderson
c/o McCormick, Carawar,
Tabor, & Madrid
Carlsbad, NM 88221-1718

Barbara Emmett
Margaret Morris 1980 Trust
P.O. Box 101535
Fort Worth, TX 76185-1535

Barbara Emmett
12407 Degas Lane
Dallas, TX 75230

John Holstead
Marilyn Morris Holstead Trust
3690 Del Monte
Houston, TX 77019

Guy P. Witherspoon III
4704 Birchman Ave
Houston, TX 77019

Whitten Guitar Witherspoon
3824 Arroyo Rd.
Fort Worth, TX 76109

Brett Guitar Witherspoon
3833 Arroyo Rd.
Fort Worth, TX 76109

John Guitar Witherspoon Jr.
7404 Lemonwood Lane
Fort Worth, TX 76133-7012

Betty Witherspoon Nevill
Gayle Nevill Trust
750 W. Creedside
Houston, TX 77024

Leslie David Guitar
P.O. Box 1460
Stafford, TX 77477

Eric Christopher Friske
103 Pawnee
Topanga, CA 90290

Jan Witherspoon Carsey
P.O. Box 1308
Fredricksburg, TX 78624

Peter R. Carter
9320 Straford Way
Dallas, TX 75389-5083

Shriners Hospital for Crippled Children
Office of Treasurer
P.O. Box 277457
Atlanta, GA 30384-7457

Rex Shudde
27105 Arriba Way
Carmel, CA 93923

Norwest Bank of New Mexico
Allie M. Lee Trust
P.O. Box 2468
Roswell, NM 88202-2468

P 059 488 883

US Postal Service

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No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Gertrude Runyan Martin

915 S. 4th Street

Artesia, NM 88210

PS Form 3800, April 1995

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Special Delivery Fee	
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Return Receipt Showing to Whom & Date Delivered	
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TOTAL Postage & Fees	\$
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P 059 488 884

US Postal Service

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Judith Anderson
c/o McCromick, Caraway, Tabor & Madrid
P.O. Box 1718
Carlsbad, NM 88221-1718

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Barbara Emmett
Margaret Morris 1980 Trust
P.O. Box 101535
Fort Worth, TX 76185-1535

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TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64</i> <i>mailed</i> <i>1, 2, 3, 4, 25</i> <i>5-7-97</i>	

P 059 488 886

US Postal Service

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Barbara Emmett
12407 Degas Lane
Dallas, TX 75230

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Restricted Delivery Fee	
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TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64</i> <i>mailed</i> <i>1, 2, 3, 4, + 5</i> <i>6-7-97</i>	

P 059 488 887

US Postal Service

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John Holstead
Marilyn Morris Holstead Trust
3690 Del Monte
Houston, TX 77019

PS Form 3800, April 1995

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Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Houston TX 64</i> <i>1, 2, 3, 4-46</i> <i>Mailed 5-7-97</i>	

P 059 488 888

US Postal Service

Receipt for Certified Mail

No Insurance Cover

Guy P. Witherspoon III
4704 Birchman Ave.
Houston, TX 77019

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins</i> <i>mailed</i> <i>64 12345</i> <i>5-7-97</i>	

P 059 488 889

US Postal Service

Receipt for Certified Mail

Whitten Guitar Witherspoon
3824 Arroyo Rd.
Fort Worth, TX 76109

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64</i> <i>1, 2, 3, 4 & 5</i> <i>mailed</i> <i>5-7-97</i>	

P 059 488 890

US Postal Service

Receipt for Certified Mail

Maximum Insurance \$5000

Brett Guitar Witherspoon
3833 Arroyo Rd.
Fort Worth, TX 76109

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Malibu 5-7-97</i> <i>Hawkins GY 1, 2, 3, 4, 5</i>	

P 059 488 891

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

John Guitar Witherspoon Jr.
7404 Lemonwood Lane
Fort Worth, TX 76133-7012

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64 1,2,3,4,5 Mailed 5-7-97</i>	

P 059 488 892

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Betty Witherspoon Nevill
Gayle Nevill Trust
750 W. Creedside
Houston, TX 77024

PS Form 3800, April 1995

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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64 mailed 1,2,3,4 & 5 5-7-97</i>	

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US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Leslie David Guitar

P.O. Box 1460

Stafford, TX 77477

PS Form 3800, April 1995

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Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmarked Date <i>March 7-97</i> <i>Hawkins G4</i> <i>1, 2, 3, 4 + 5</i>	

P 059 488 894

US Postal Service

Receipt for Certified Mail

No Insurance Coverage

Eric Christopher Friske

103 Pawnee

Topanga, CA 90290

S Form 3800, April 1995

Postage	\$
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Restricted Delivery Fee	
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TOTAL Postage & Fees	\$
Postmark or Date <i>Hawthorne 64</i> <i>1, 2, 3, 4 + 5</i> <i>mailed</i> <i>5-7-97</i>	

P 059 488 895

US Postal Service

Receipt for Certified Mail

Jan Witherspoon Carsey

P.O. Box 1308

Fredricksburg, TX 78624

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64</i> <i>1, 2, 3, 4 & 5</i> <i>mailed 5-7-97</i>	

P 059 488 896

US Postal Service

Receipt for Certified Mail

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Peter R. Carter

9320 Straford Way

Dallas, TX 7520-5083

PS Form 3800, April 1995

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Restricted Delivery Fee	
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TOTAL Postage & Fees	\$
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US Postal Service

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Shriners Hospital for Crippled Children
Office of Treasurer
P.O. Box 277457
Atlanta, GA 30384-7457

PS Form 3800, April 1995

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Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins, GA</i> <i>1, 2, 3, 4 + 5</i> <i>mailed</i> <i>5-7-97</i>	

P 059 488 898

US Postal Service

Receipt for Certified Mail

Rex Shudde
27105 Arriba Way
Carmel, CA 93923

PS Form 3800, April 1995

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64</i> <i>1, 2, 3, 4 + 5</i> <i>mailed 5-7-97</i>	

P 059 488 899

US Postal Service

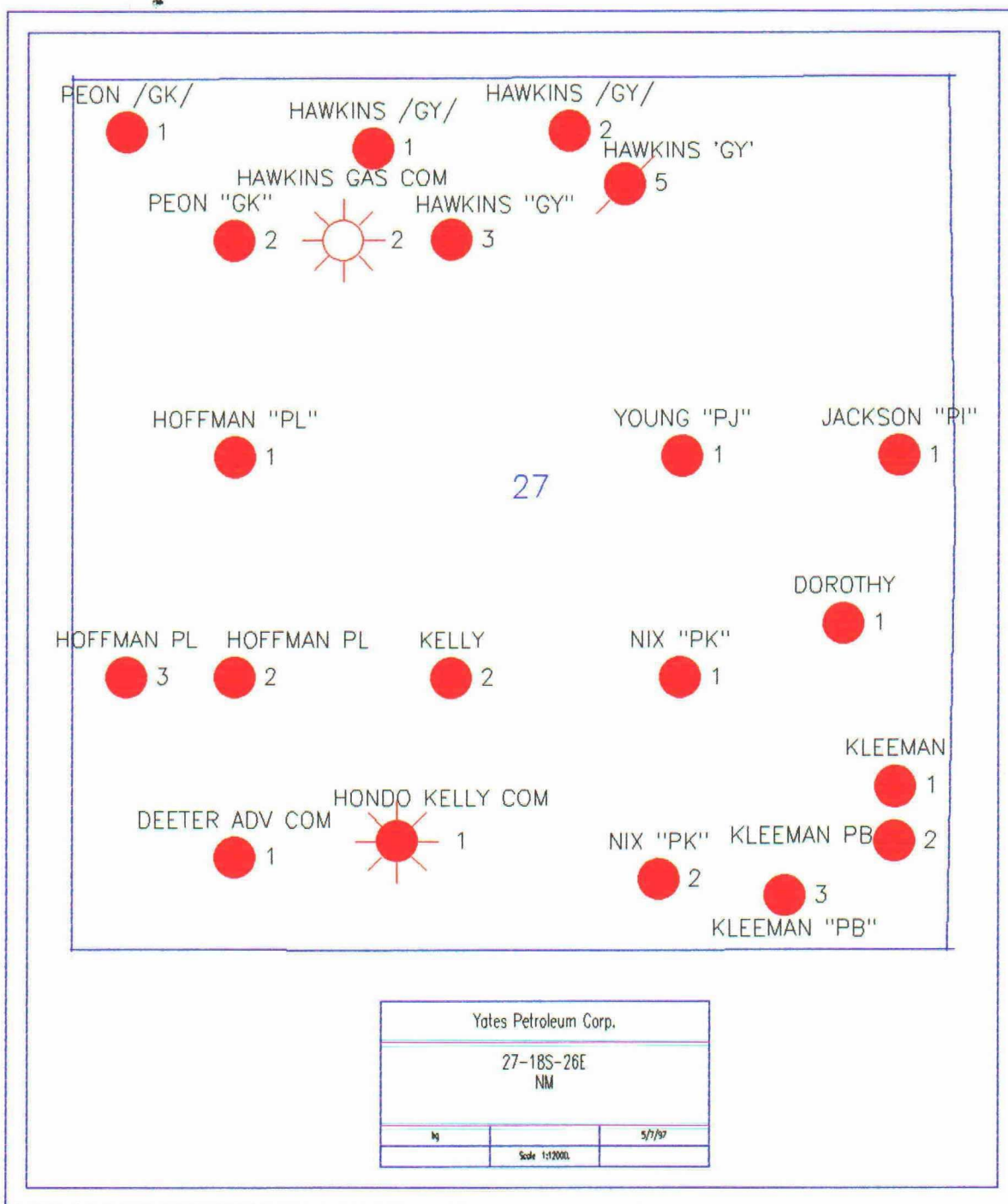
Receipt for Certified Mail

No Insurance Coverage Provided

Norwest Bank of New Mexico
Allie M. Lee Trust
P.O. Box 2468
Roswell, NM 88202-2468

PS Form 3800, April 1995

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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Hawkins 64</i> <i>1, 2, 3, 4 + 5</i> <i>mailed 5-7-97</i>	



HAWKINS GY TANK BA

Hawkins GY #1
430' FNL & 1830' FWL
Unit C, NENW
Section 27-T18S-R26E
Eddy Co., NM
Fee Lease

Site Facility Diagram on File:
Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

- #1 Oil Lines sealed closed during sales
- #2 Oil Equalizer Lines sealed closed during sales
- #3 Oil Sales Lines sealed closed
- #4 Emergency drains sealed closed
- #5 Gas Meter to Bayton system
- "A" 4x20 Gun barrel
- "B" 210 BBL Stock Tank
- "C" 210 BBL WATER STORAGE to Bayton system
- "D" Drain Tank
- E1 Separator 10'x30"
- E2 TEST Separator

