OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

June 1, 1998

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attention: Mr. Ray Stall

Re:

Administrative Downhole

Commingling Application

Martin "ARH" No. 1

Unit J, Section 27, T-17S, R-26E

Eddy County, New Mexico

Dear Mr. Stall:

Reference is made to your application dated April 28, 1998 for authorization to downhole commingle Upper Penn, Atoka and Morrow production within the subject well. Pleased be advised that the subject application does not qualify for administrative approval pursuant to Division Rule No. 303.C.(1)(b)(ii). I am therefore setting the application to hearing on the next available docket, June 25, 1998.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

Care 11991

David Catanach

Engineer

xc: OCD-Artesia Lori Wrotenbery