

APPLICATION FOR SURFACE COMMINGLING AND  
OFF LEASE SALES AND MEASUREMENT

Bureau of Land Management  
P. O. Box 1857  
Roswell, NM 88202

Yates Petroleum Corporation respectfully requests approval for surface commingling, off lease sales and measurement of gas from federal lease number RNM098, as follows:

Lodewick Federal Com #4, SWNE of Section 8-T5S-R25E, Chaves County, New Mexico (Abo)  
with gas production from the following federal lease number RNM097, as follows:

Lodewick Federal Com #1, NWSE of Section 8-T5S-R25E, Chaves County, New Mexico (Abo)

Production from the wells involved is as follows:

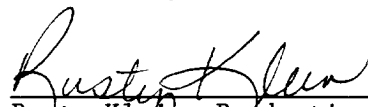
Lodewick Federal Com #4 - 44 MCFPD  
Lodewick Federal Com #1 - 91 MCFPD

A map is enclosed showing the location of the two wells that contribute production to the commingling.

The commingling point is located in the NWSE of Section 8-T5S-R25E, at the Lodewick Federal Com #1 location. The Lodewick Federal Com #4 has its own allocation meter on its location. The production for the Lodewick Federal Com #1 is figured by subtracting the #4's production from the total production at TW's meter number 20500 (CDP meter).

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

  
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Rusty Klein, Production Clerk  
May 10, 1995