

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



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TREASURER

April 21, 1998

Chris Willaims
State of New Mexico
OIL CONSERVATION DIVISION
P. O. Drawer 1980
Hobbs, NM 88240

Dear Mr. Sexton,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Morton Unit #1 located in Unit B of Section 5, Township 15 South, Range 35 East, Lea County. We have applied to add additional pay in the Atoka section. We would sure like to commingle these marginal gas zones while the rig is there.

Should you have any questions, feel free to contact me at (505) 748-4182. Thank you.

Sincerely,

Morris Keith
Engineer

MK/th

Enclosures