

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



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April 21, 1998

David Catanach
State of New Mexico
OIL CONSERVATION DIVISION
2040 S. Pacheco Street
Santa Fe, NM 87505-5472

Dear Mr. Catanach,

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