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



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

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DENNIS G. KINSEY

TREASURER

April 21, 1998

Rand Paulson
P. O. Box 9660
Rancho Santa Fe, CA 92067

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Morton Unit #1 located in Unit B of Section 5, Township 15 South, Range 35 East, Lea County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

Morris Keith Operations Engineer

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MK/th