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



S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

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

April 4, 1997

Jerry Sexton 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.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morros Keich

Morris Keith Engineer

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Enclosures