

RECEIVED

APR 22 2004

OIL CONSERVATION
DIVISION

UNIT NAME: LACY J STATE EXPLORATORY UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

DATE	OCC CASE NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
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EFFECTIVE 04/15/2004		(Committed Acreage) 7478.84	7478.84	0	0	STRICT	5 YEARS SO LONG AS
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APPROVALS

SLO--04-15-2004 CASE NO. 13244
OCD--04-08-2004 ORDER NO. R-12128

TOWNSHIP 12 SOUTH, RANGE 34 EAST

SECTION 3: LOTS 1, 2, 3, 4, S/2N/2, S/2
SECTION 4: LOTS 1, 2, 3, 4, S/2N/2, S/2
SECTION 5: LOTS 1, 2, 3, 4, S/2N/2, SE/4
SECTION 6: LOTS 1, 2, 3, 4, 5, 6, 7, SE/4, S2/NE/4, E/2SW/4, SE/4NW/4
SECTION 7: LOTS 1, 2, 3, 4, E/2, E/2W/2
SECTION 8: ALL
SECTION 9: ALL
SECTION 10: ALL
SECTION 15: ALL
SECTION 16: ALL
SECTION 17: ALL
SECTION 18: LOTS 1, 2, 3, 4, E/2W/2, E/2

13244

PRIDE ENFE



EXHIBIT "B"
Lacy J State Exploratory Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1.	T12S, R34E Sec. 3: Lots 1-4 (N2N2) S2N2	320.80	VO-5832 6/1/05	State of New Mexico 1/6	Yates Petroleum Corporation 3-16-04	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
2.	T12S, R34E Sec. 3: S2	320.00	VO-5815 6/1/05	State of New Mexico 1/6	Murchison Oil & Gas, Inc. 3-16-04	None	Murchison Oil & Gas, Inc.
3.	T12S, R34E Sec. 4: Lots 1-4 (N2N2) S2N2	320.72	VO-5833 6/1/05	State of New Mexico 1/6	Yates Petroleum Corporation 3-16-04	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
4.	T12S, R34E Sec. 4: S2	320.00	VO-5834 6/1/05	State of New Mexico 1/6	Yates Petroleum Corporation 3-16-04	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
5.	T12S, R34E Sec. 5: Lots 1-4 (N2N2) S2N2, SE4	480.40	VO-5835 6/1/05	State of New Mexico 1/6	Murchison Oil & Gas, Inc. 3-16-04	None	Murchison Oil & Gas, Inc.
6.	T12S, R34E Sec. 6: Lots 4, 5, 6, 7, SE4	304.37	VO-5836 6/1/05	State of New Mexico 1/6	Yates Petroleum Corporation 3-16-04	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
7.	T12S, R34E Sec. 7: Lots 1-4 (W2W2) E2W2	305.64	VO-5816 6/1/05	State of New Mexico 1/6	Murchison Oil & Gas, Inc. 3-16-04	None	Murchison Oil & Gas, Inc.
8.	T12S, R34E Sec. 7: E2	320.00	VO-5837 6/1/05	State of New Mexico 1/6	Yates Petroleum Corporation 3-16-04	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
9.	T12S, R34E Sec. 8: N2	320.00	VO-5868 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation 3-16-04	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.

EXHIBIT "B"
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10.	T12S, R34E Sec. 8, S2	320.00 <i>C.S.</i>	VO-5852 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation <i>3-31-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>3-31-04</i>
11.	T12S, R34E Sec 9, W2	320.00 <i>C.S.</i>	VO-5853 7/1/05	State of New Mexico 1/6	Murchison Oil & Gas, Inc. <i>3-31-04</i>	None	Murchison Oil & Gas, Inc. <i>3-31-04</i>
12.	T12S, R34E Sec. 9, E2	320.00 <i>C.S.</i>	VO-5869 7/1/05	State of New Mexico 1/6	Murchison Oil & Gas, Inc. <i>3-31-04</i>	None	Murchison Oil & Gas, Inc. <i>3-31-04</i>
13.	T12S, R34E Sec 10, W2	320.00 <i>C.S.</i>	VO-5854 7/1/05	State of New Mexico 1/6	Murchison Oil & Gas, Inc. <i>3-31-04</i>	None	Murchison Oil & Gas, Inc. <i>3-31-04</i>
14.	T12S, R34E Sec 10, E2	320.00 <i>C.S.</i>	VO-5870 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation <i>3-31-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>3-31-04</i>
15.	T12S, R34E Sec 15, N2	320.00 <i>C.S.</i>	VA-2199 8/1/05	State of New Mexico 1/8	Yates Petroleum Corporation <i>3-31-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
16.	T12S, R34E Sec 15, S2	320.00 <i>C.S.</i>	VA-2209 8/1/05	State of New Mexico 1/8	Yates Petroleum Corporation <i>3-31-04</i>	None	Murchison Oil & Gas, Inc. Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
17.	T12S, R34E Sec 16, E2	320.00 <i>C.S.</i>	VA-2200 8/1/05	State of New Mexico 1/8	Yates Petroleum Corporation <i>3-31-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
18.	T12S, R34E Sec 16, W2	320.00 <i>C.S.</i>	VA-2210 8/1/05	State of New Mexico 1/8	Yates Petroleum Corporation <i>3-31-04</i>	None	Murchison Oil & Gas, Inc. Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.

SERIAL NUMBER

EXHIBIT "B"
Lacy J State Exploratory Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
19.	T12S, R34E Sec 17: E2 <i>C.S.</i>	320.00	VO-5893 8/1/05	State of New Mexico 1/6	Yates Petroleum Corporation <i>2-15-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>2-15-04</i>
20.	T12S, R34E Sec 17: W2 <i>C.S.</i>	320.00	VA-2211 8/1/05	State of New Mexico 1/6	Yates Petroleum Corporation <i>2-15-04</i>	None	Murchison Oil & Gas, Inc. Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>2-15-04</i>
21.	T12S, R34E Sec 18: Lots 1, 2, E2NW4, NE4 <i>C.S.</i>	313.27	VA-2201 8/1/05	State of New Mexico 1/8	Yates Petroleum Corporation <i>2-15-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>2-15-04</i>
22.	T12S, R34E Sec 18: Lots 3, 4, E2SW4, SE4 <i>C.S.</i>	313.49	VA-2202 8/1/05	State of New Mexico 1/8	Murchison Oil & Gas, Inc. <i>2-15-04</i>	None	Murchison Oil & Gas, Inc. <i>2-15-04</i>
23.	T12S, R34E Sec 5: SW4 <i>M/C</i>	160.00	E-9136 HBP	State of New Mexico 1/8	Occidental Permian Ltd. <i>M/C</i>	None	Occidental Permian Ltd. <i>2-15-04</i>
24.	T12S, R34E Sec 6: Lots 1, 2, 3, S2NE4 SE4NW4, E2SW4 <i>C.S.</i>	320.15	VO-1386 HBP	State of New Mexico 1/6	Yates Petroleum Corporation <i>2-15-04</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>2-15-04</i>

Total State Acreage
7638.84 acres, m/l