



RECEIVED

PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

2009 OCT 18 8:09 AM  
COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

October 15, 2009

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

Attn: Ms. Barbara Nelson

Re: Voluntary Termination  
Elvis State Exploratory Unit  
Lea County, New Mexico

Dear Ms. Nelson:

Your letter of September 23, 2009 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Elvis State Exploratory Unit Agreement. Enclosed with your letter of September 23, 2009 are ratifications of over 99% of the working interest owners requesting the unit termination.

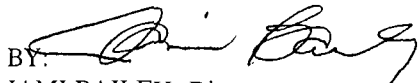
Pursuant to Article 17 of the Elvis State Exploratory Unit Agreement, please be advised that this office has terminated the Elvis State Exploratory Unit Agreement effective October 15, 2009.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director  
Oil, Gas & Minerals Division  
PL/JB/pm

pc: Reader File  
NMOCD Attention: Mr. Ed Martin  
TRD-Attention: Mr. Valdean Severson  
RMD-Attn: Mr. Kurt McFall  
Jeff Albers

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

UNIT NAME: ELVIS STATE EXPLORATORY UNIT  
OPERATOR: YATES PETROLEUM CORPORATION  
COUNTY: LEA

| DATE       | OCC CASE NO.      | TOTAL   | STATE   | FEDERAL | INDIAN | SEGREGATION | TERM       |
|------------|-------------------|---------|---------|---------|--------|-------------|------------|
| APPROVED   | OCC ORDER NO.     | ACREAGE |         |         | FEE    | CLAUSE      |            |
| EFFECTIVE  | CASE NO. 13331    | 1280.00 | 1280.00 | 0       | 0      | STRICT      | 5 YEARS    |
| 10/18/2004 | ORDER NO. R-12212 |         |         |         |        |             | SO LONG AS |

APPROVALS

SLO--10-18-2004  
OCD--09-09-2004

TOWNSHIP 10 SOUTH, RANGE 34 EAST

TERMINATED  
EFFECTIVE DATE 10-15-2009  
APPROVAL DATE 10-15-2009

SECTION 22: ALL  
SECTION 27: ALL

**EXHIBIT "B"**  
**Elvis State Exploratory Unit**

| TRACT<br>NUMBER | DESCRIPTION<br>OF LANDS                     | SERIAL NUMBER<br>AND |                   | LESSOR &<br>ROYALTY        | LESSEE OF RECORD            | OVERRIDING |         | WORKING INTEREST  |  |
|-----------------|---|----------------------|-------------------|----------------------------|-----------------------------|------------|---------|---|--|
|                 |   | NET<br>ACRES         | EXPIRATION DATE   |                            |                             | ROYALTY    | ROYALTY |   |  |
| 1.              | T10S, R34E<br>Sec. 27: N2<br>Lea County, NM | 320.00               | VA-2113<br>1/1/05 | State of New Mexico<br>1/8 | Yates Petroleum Corporation | None       | 8/4/04  | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Myco Industries, Inc. | 70.000%<br>10.000%<br>10.000%<br>10.000% |
| 2.              | T10S, R34E<br>Sec. 27: S2<br>Lea County, NM | 320.00               | VA-2104<br>1/1/05 | State of New Mexico<br>1/8 | Yates Petroleum Corporation | None       | 8/4/04  | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Myco Industries, Inc. | 70.000%<br>10.000%<br>10.000%<br>10.000% |
| 3.              | T10S, R34E<br>Sec 22: N2<br>Lea County, NM  | 320.00               | VO-5715<br>2/1/05 | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       | 8/4/04  | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Myco Industries, Inc. | 70.000%<br>10.000%<br>10.000%<br>10.000% |
| 4.              | T10S-R34E<br>Sec 22: S2<br>Lea County, NM   | 320.00               | VO-5716<br>2/1/05 | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       | 8/4/04  | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Myco Industries, Inc. | 70.000%<br>10.000%<br>10.000%<br>10.000% |

100% STATE LANDS      1280.00