

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



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

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

May 28, 1997

Robert R. Emmons
P.O. Box 1836
Carlsbad, NM 88220

RE: Cerritos APT Fed. Com. #1
Township 18 South, Range 29 East
Section 1: W/2
Eddy County, New Mexico

Dear Mr. Emmons:

Yates Petroleum Corporation proposes to drill the captioned well in the very near future. Please find enclosed our Authority for Expenditure which sets out the costs to drill this well. If you wish to participate please sign and return the Authority for Expenditure along with your check in the amount of \$1,460.94 to cover your share of the dry hole costs (1 acres/320 acres = 0.3125% x \$467,500.00.)

Should you not wish to participate Yates will take an Assignment of your interest allowing you to retain a 7.5% Overriding Royalty interest which is the trade we have made with Marvin & Norman Fay Emmons, Mary Miller and Frances Netherlin. This Assignments were mailed to you on February 4, 1997.

Your interest must be accounted for in some fashion. Please let us hear from you. You can call me collect at 505-748-4351 if you would like to visit about it.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11806 Exhibit No. 3

Submitted by: Yates Petroleum Corporation

Hearing Date: July 10, 1997

P 216 557 693

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Robert R. Emmons
P.O. Box 1836
Carlsbad, NM 88220

4a. Article Number

P 216 557 693

4b. Service Type

- ☐ Registered
- ☒ Certified
- ☐ Express Mail
- ☐ Insured
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

5/30/97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Betty J. Emmons

Carlsbad APT #1

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Robert R. Emmons

P.O. Box 1836

Carlsbad, NM 88220

Post Office, State, & ZIP Code

Postage

\$ -

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

\$

Postmark or Date

PS Form 3800, April 1995

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SECRETARY
DENNIS G. KINSEY
TREASURER

May 28, 1997

Heirs of Laura and Roland Najar
George E. Najar, Executor
3904 Allendale
Calleyville, TX 76034

RE: Cerritos APT Fed. Com. #1
Township 18 South, Range 29 East
Section 1: W/2
Eddy County, New Mexico

Dear Mr. Najar:

Yates Petroleum Corporation proposes to drill the captioned well in the very near future. Please find enclosed our Authority for Expenditure which sets out the costs to drill this well. If you wish to participate please sign and return the Authority for Expenditure along with your check in the amount of \$1,460.94 to cover your share of the dry hole costs (1 acres/320 acres = 0.3125% x \$467,500.00.)

Should you not wish to participate Yates will take an Assignment of your interest allowing you to retain a 7.5% Overriding Royalty interest which is the trade we have made with Marvin & Norman Fay Emmons, Mary Miller and Frances Netherlin. This Assignments were mailed to you on February 4, 1997.

Your interest must be accounted for in some fashion. Please let us hear from you. You can call me collect at 505-748-4351 if you would like to visit about it.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB/dc
Enclosure(s)

Is your RETURN ADDRESS completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Heirs of Laura and Roland Najar George E. Najar, Executor 3904 Allendale Calleyville, TX 76034		4a. Article Number P 216 557 692	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery 5-31-97	
5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X <i>George E. Najar</i>		<i>Cerritos APT #1</i>	

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sender Heirs of Laura and Roland Najar George E. Najar, Executor 3904 Allendale Calleyville, TX 76034	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

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EXECUTIVE VICE PRESIDENT
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SECRETARY
DENNIS G. KINSEY
TREASURER

May 28, 1997

Sharon S. Emmons,
Personal Representative of the
Estate of Charles R. Emmons
134 Nesmith Road
Abilene, Texas 79602

RE: Cerritos APT Fed. Com. #1
Township 18 South, Range 29 East
Section 1: W/2
Eddy County, New Mexico

Dear Ms. Emmons:

Yates Petroleum Corporation proposes to drill the captioned well in the very near future. Please find enclosed our Authority for Expenditure which sets out the costs to drill this well. If you wish to participate please sign and return the Authority for Expenditure along with your check in the amount of \$1,460.94 to cover your share of the dry hole costs (1 acres/320 acres = 0.3125% x \$467,500.00.)

Should you not wish to participate Yates will take an Assignment of your interest allowing you to retain a 7.5% Overriding Royalty interest which is the trade we have made with Marvin & Norman Fay Emmons, Mary Miller and Frances Netherlin. This Assignments were mailed to you on February 4, 1997.

Your interest must be accounted for in some fashion. Please let us hear from you. You can call me collect at 505-748-4351 if you would like to visit about it.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB/dc
Enclosure(s)

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1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Sharon S. Emmons,
Personal Representative of the
Estate of Charles R. Emmons
134 Nesmith Road
Abilene, Texas 79602

4a. Article Number

P 216 557 691

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

JUN 03 1997

5. Received By: (Print Name)

EARL Emmons

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)

Cerritos APT #1

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Form 3800, April 1995

P 216 557 691

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sharon S. Emmons,
Personal Representative of the
Estate of Charles R. Emmons
134 Nesmith Road
Abilene, Texas 79602

Postage \$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

\$

Postmark or Date

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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PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

May 28, 1997

George Shannon Emmons
17 N. Lancaster Lane,
Newtown, PA 18940

RE: Cerritos APT Fed. Com. #1
Township 18 South, Range 29 East
Section 1: W/2
Eddy County, New Mexico

Dear Mr. Emmons:

Yates Petroleum Corporation proposes to drill the captioned well in the very near future. Please find enclosed our Authority for Expenditure which sets out the costs to drill this well. If you wish to participate please sign and return the Authority for Expenditure along with your check in the amount of \$1,460.94 to cover your share of the dry hole costs (1 acres/320 acres = $0.3125\% \times \$467,500.00$.)

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Your interest must be accounted for in some fashion. Please let us hear from you. You can call me collect at 505-748-4351 if you would like to visit about it.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB/dc
Enclosure(s)

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

George Shannon Emmons
17 N. Lancaster Lane,
Newtown, PA 18940

4a. Article Number

P 216 557 694

4b. Service Type

- ☐ Registered
☐ Express Mail
☐ Return Receipt for Merchandise
- ☒ Certified
☐ Insured

7. Date of Delivery,

5. Received By: (Print Name)

8. Addressee's Address (Only if request and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

Cerritos #1



PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

George Shannon Emmons

17 N. Lancaster Lane,

Street & Number

Newtown, PA 18940

Post Office, State, & ZIP Code

Postage	\$ -
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

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



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

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

June 4, 1997

Enron Oil & Gas Company
PO Box 2267
Midland, Texas 79701

CERTIFIED MAIL
Return Receipt Requested

Attention: Mr. Patrick J. Tower

RE: Cerritos APT Fed Com #1
Township 18 South, Range 29 East
Section 1: W/2
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation proposes to drill the captioned well as set forth on the enclosed Authority for Expenditure.

Please indicate your election in the spaced provided on page two and return one (1) copy of this letter to my attention along with one (1) signed copy of the AFE if you elect to participate in this well.

We will forward our standard Joint Operating Agreement in the very near future for your execution.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

Page 2
Cerritos APT Fed Com #1
June 4, 1997

Please mark one of the following:

_____ Elect to participate in the proposed well.

_____ Elect to non-consent the proposed well.

Please mark one of the following:

_____ Elect to pick up proportionate share of non-consent.

_____ Elect not to pick up proportionate share of non-consent.

ENRON OIL & GAS COMPANY

BY: _____

TITLE _____

DATE _____



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

AUTHORITY FOR EXPENDITURE
NEW DRILLING & RECOMPLETION

AFE NO. 97-120-0
AFE DATE 5/23/97

AFE Type:

☒ New Drilling

☐ Recompletion

Well Objective:

☐ Oil

☒ Gas

☐ Injector

Well Type:

☒ Development

☐ Exploratory

AFE STATUS:

☒ Original

☐ Revised

☐ Final

LEASE NAME: Cerritos APT Fed. Com. #1

COUNTY: Eddy

LEGAL DESC.: 1980' FNL & 1980' FWL

FIELD:

PROJ'D DEPTH: 11,700'

STATE: New Mexico

LOCATION: Section 1-18S-29E

HORIZON: Morrow

DIVISION CODE: 100

DIVISION NAME: Oil & Gas Division

DISTRICT CODE:

DISTRICT NAME:

BRANCH CODE:

BRANCH NAME:

PROGNOSIS:

INTANGIBLE DRILLING COSTS:			DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees		500	500
920-110	Location, Right-of-Way		15,000	15,000
920-120	Drilling, Footage	11,700' @ \$19.00/ft.	235,600	235,600
920-130	Drilling, Daywork	4 days @ \$5800/day	24,600	24,600
920-140	Drilling Water, Fasline Rental		16,000	16,000
920-150	Drilling Mud & Additives		35,200	35,200
920-160	Mud Logging Unit, Sample Bags		13,000	13,000
920-170	Cementing - Surface Casing		28,000	28,000
920-180	Drill Stem Testing, OHT	1 DST	5,000	5,000
920-190	Electric Logs & Tape Copies		23,200	23,200
920-200	Tools & Equip. Rntl., Trkg. & Welding		11,300	11,300
920-210	Supervision & Overhead		13,500	13,500
920-220	Contingency			
920-230	Coring, Tools & Service			
920-240	Bits, Tool & Supplies Purchase			
920-350	Cementing - Production Casing			36,500
920-410	Completion Unit - Swabbing			11,700
920-420	Water for Completion			2,900
920-430	Mud & Additives for Completion			
920-440	Cementing - Completion			
920-450	Elec. Logs, Testing, Etc. - Completion			10,500
920-460	Tools & Equip. Rental, Etc. - Completion			12,000
920-470	Stimulation for Completion			50,000
920-480	Supervision & O/H - Completion			4,000
920-490	Additional LOC Charges - Completion			1,000
920-510	Bits, Tools & Supplies - Completion			1,500
920-500	Contingency for Completion			
TOTAL INTANGIBLE DRILLING COSTS			420,900	551,000

TANGIBLE EQUIPMENT COSTS:				
930-010	Christmas Tree & Wellhead		2,000	22,000
930-020	Casing	11-3/4" @ 450'	7,200	7,200
		8-5/8" @ 3200'	37,400	37,400
		5-1/2" @ 11,700'		88,800
930-030	Tubing	2-7/8" @ 11,300'		32,000
930-040	Packer & Special Equipment			
940-010	Pumping Equipment			
940-020	Storage Facilities			7,500
940-030	Separation Equip., Flowlines, Misc.			13,600
940-040	Trucking & Construction Costs			14,600
TOTAL TANGIBLE EQUIPMENT COSTS			46,600	223,100
TOTAL COSTS			467,500	774,100

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By

Operations Approval

OWNER

SHARE

BY

DATE

BY

DATE

BY

DATE

BY

DATE

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ENRON OIL & GAS COMPANY
PO BOX 2267
MIDLAND, TEXAS 79701

ATTENTION: MR. PATRICK J. TOWER

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *D. Bollinger*

4a. Article Number

P216557460

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

JUN 06 1997

8. Addressee's Address (Only if requested and fee is paid)

CERRITOS APT FED COM #1

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Patrick J. Tower

Enron Oil & Gas Co.

Street & Number

PO Box 2267

Post Office, State, & ZIP Code

Midland, TX 79701

Postage

\$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

\$

Postmark or Date 6-4-97

Cerritos APT Fed Com #1
RB/bn

PS Form 3800, April 1995

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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EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

June 24, 1997

TO: Working Interest Owners

RE: Cerritos APT Fed. Com. #1
T18S, R29E
Section 1: W1/2
Eddy County, New Mexico

Gentlemen:

Please find enclosed our Operating Agreement with extra signature page. The AFE was transmitted to you by certified mail on or about June 1, 1997.

If you wish to participate, please execute and return the AFE and extra signature page to the Operating Agreement along with your check to cover the dry hole costs.

Thank you,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

/nf
enclosure(s)

P 216 558 426

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Sharon S. Emmons, PR
Estate Charles R. Emmons
134 Nesmith
Abilene, TX 79602

4a. Article Number

P 216 558 426

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

6-26-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

Cerritos

6. Signature (Addressee or Agent)

X 

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sender Sharon S. Emmons, PR	
Street & Number Estate Charles R. Emmons 134 Nesmith	
Post Office, State, ZIP Code Abilene, TX 79602	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800 April 1995

P 216 558 428

SENDER:

- Complete items 1 and/or 2 for additional services.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Enron Oil & Gas Company
PO Box 2267
Midland, TX 79701
Attn: Mr. Patrick J. Tower

4a. Article Number

P 216 558 428

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

JUN 25 1997

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

Cerritos

6. Signature: (Addressee or Agent)

X-5-30111111

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sender: Enron Oil & Gas Company	
PO Box 2267	
Street Number: Midland, TX 79701	
Post Office: State: Mr. Patrick J. Tower	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Robert Emmons
PO Box 1836
Carlsbad, NM 88221

4a. Article Number

P 216 557 699

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

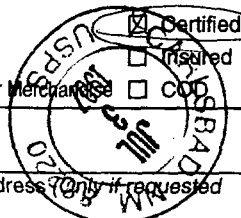
5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Cerritos
Rita G. Johnson



Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

P 216 557 699

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Robert Emmons	
Street Number	
PO Box 1836	
Post Office, State, & ZIP Code	
Carlsbad, NM 88221	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 216 558 427

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Heirs of Laura & Roland Najar

George E. Najar, Exec.

3904 Attendale

Colleyville, TX 76034

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800 April 1995

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



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

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

June 25, 1997

George E. Najar
3904 Allendale
Colleyville, TX 76034

RE: Transfer of Operating Rights (Sublease) in a
Leases for Oil and Gas or Geothermal Resources
Serial No. LC-060906

Gentlemen:

Enclosed are executable copies of the captioned on behalf of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation, and Myco Industries, Inc. If satisfactory, please execute before a Notary Public and return signed copies to our office as soon as possible. Please retain a copy for your files.

Thank you,

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB/nf
enclosure(s)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

LC-060906

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)*
Street Yates Petroleum Corporation 40.0%
City, State, ZIP Code 105 South Fourth Street
Artesia, New Mexico 88210

*If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Township 18 South, Range 29 East, N.M.P.M. Section 1: W/2NW/4 Eddy County, New Mexico	1.25%	1.25%	-0-	7.50%	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
(Authorized Officer)

(Title)

(Date)

20.0%	Yates Drilling Company	105 South Fourth Street	Artesia, New Mexico	88210
20.0%	Abo Petroleum Corporation	105 South Fourth Street	Artesia, New Mexico	88210
20.0%	Myco Industries, Inc.	105 South Fourth Street	Artesia, New Mexico	88210

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of N.P.R.-A leases, transferee is a citizen, national, or resident alien of the United States or of the United States or of any State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
- Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfer, an overriding royalty may not be less than one-fourth (¼) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United State when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this _____ day of _____, 19____	Executed this _____ day of _____, 19____
Name of Transferor	See Attached
Transferor	or
_____ (Signature)	_____ (Signature)
Attorney-in-fact	Attorney-in-fact
_____ (Signature)	_____ (Signature)
or	or
_____ (Signature)	_____ (Signature)
Transferor's Address	
_____ (Zip Code)	_____ (State)
_____ (City)	

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ATTACHED TO AND MADE A PART OF TRANSFER OF OPERATING RIGHTS DATED

BETWEEN YATES PETROLEUM CORPORATION, ET AL AND
GEORGE E. NAJAR, ET AL FEDERAL LEASE LC-060906.

"Transferor"

By: _____
George E. Najjar

By: _____
Elizabeth St. Clair Najjar

By: _____
Susan Nishio

By: _____
Jeffrey Najjar

For David Najjar

By: _____

His: _____

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF NEW MEXICO)
)
) :ss
COUNTY OF EDDY)

KNOW ALL MEN BY THESE PRESENTS:

THAT, George E. Najar, Elizabeth St. Clair Najar, Susan Nishio, Jeffrey Najar, and David Najar, hereinafter all referred to as "Assignor" in care of George E. Najar whose mailing address is 3904 Allendale, Colleyville, TX 76034, for and in the consideration of the sum of Ten and No/100 Dollars, (\$10.00) and other good and valuable consideration the receipt of which is hereby acknowledged does hereby GRANT, BARGAIN, ASSIGN and CONVEY unto Yates Petroleum Corporation (40%), MYCO Industries, Inc. (20%), Yates Drilling Company (20%) and Abo Petroleum Corporation (20%), whose mailing addresses are 105 South Fourth Street, Artesia, New Mexico 88210, hereinafter referred to as "Assignees" all of assignor's right, title and interest in and to that certain Oil and Gas Lease dated May 1, 1959 by and between the United States of America, as lessor, Clint C. Ballard, as lessee, lease number LC-060906 and covering the W/2NW/4 of Section 1, T18S-R29E, Eddy County, New Mexico.

Assignor does hereby reserve unto himself an overriding royalty interest equal to a 7.5% with the retained overriding royalty interest being proportionately reduced to the extent of the interest herein conveyed.

Assignor does also agree for the consideration mentioned above to execute any Federal Assignment forms that may be required to complete this transfer of interest.

This Assignment of Oil and Gas Lease shall be executed herein with warranty of title and be free of any and all liens or encumbrances this day of , 1997.

By: George E. Najar

By: Elizabeth St. Clair Najar

By: Susan Nishio

By: Jeffrey Najar

David Najar

By: _____

His: _____

STATE OF NEW MEXICO)
COUNTY OF EDDY) :ss

The foregoing instrument was acknowledged before this _____ day of _____, 1997, by _____ on behalf of David Najar, a single incompetent man.

My Commission Expires:

Notary Public

ATTACHED TO AND MADE A PART OF ASSIGNMENT OF OIL AND GAS LEASE
DATED _____ BETWEEN YATES PETROLEUM CORPORATION, ET
AL AND GEORGE E. NAJAR, ET AL FEDERAL LEASE LC-060906.

STATE OF NEW MEXICO)

:ss

COUNTY OF EDDY)

The foregoing instrument was acknowledged before this _____ day of _____,
1997, by George E. Najjar on behalf of said proprietorship.

My Commission Expires: _____

Notary Public

STATE OF NEW MEXICO)

:ss

COUNTY OF EDDY)

The foregoing instrument was acknowledged before this _____ day of _____,
1997, by Elizabeth St. Clair Najjar on behalf of said proprietorship.

My Commission Expires: _____

Notary Public

STATE OF NEW MEXICO)

:ss

COUNTY OF EDDY)

The foregoing instrument was acknowledged before this _____ day of _____,
1997, by Susan Nishio on behalf of said proprietorship.

My Commission Expires: _____

Notary Public

STATE OF NEW MEXICO)

:ss

COUNTY OF EDDY)

The foregoing instrument was acknowledged before this _____ day of _____,
1997, by Jeffrey Najjar on behalf of sole proprietorship.

My Commission Expires: _____

Notary Public

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



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

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

February 4, 1997

George Shannon Emmons
17 N. Lancaster Lane
Newtown, PA 18940

RE: Assignment of Oil & Gas Lease
LC-060906
Township 18 South, Range 29 East
Section 1: W/2NW/4
Eddy County, New Mexico

Dear Mr. Emmons:

Please execute and return the enclosed assignments to our office. Please note one of these assignments must be notarized. We have provided in each assignment that you retain an override of 7.5%. I will mail you a copy after it has been recorded in the Eddy County records.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

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



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

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

June 5, 1997

George Shannon Emmons
17 N. Lancaster Lane
Newtown, PA 18940

CERTIFIED MAIL
Return Receipt Requested

RE: Assignment of Oil & Gas Lease
LC-060906
Township 18 South, Range 29 East
Section 1: W/2NW/4
Eddy County, New Mexico

Dear Mr. Emmons:

Please execute and return the enclosed assignments to our office. Please note one of these assignments must be notarized. We have provided in each assignment that you retain an override of 7.5%. I will mail you a copy after it has been recorded in the Eddy County records.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

LC-060906

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* Yates Petroleum Corporation 40.0%
Street 105 South Fourth Street
City, State, ZIP Code Artesia, New Mexico 88210

*If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Township 18 South, Range 29 East, N.M.P.M. Section 1: W/2NW/4 Eddy County, New Mexico	1.25%	1.25%	-0-	7.50%	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
(Authorized Officer)

(Title)

(Date)

Yates Drilling Company
105 South Fourth Street
Artesia, New Mexico 88210
20.0%

Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
20.0%

Myco Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
20.0%

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.

2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States; or of any State or territory thereof. For the transfer of N-P-R-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (or which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska, which up to 200,000 acres may be in oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.

3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to conduct all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this _____ day of _____, 19____	George Shannon Emmons	Name of Transferor
_____	Please type or print	Transferor
_____ or _____	(Signature)	or
_____	(Signature)	Attorney-in-fact
_____	(Signature)	Transferor's Address
_____	(State)	(City)
_____	(Zip Code)	

Executed this _____ day of _____, 19____

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.

Transferee

or

Attorney-in-fact

(Signature)

(Signature)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 101 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF NEW MEXICO)
) ss
COUNTY OF EDDY)

KNOW ALL MEN BY THESE PRESENTS:

THAT, George Shannon Emmons, whose mailing address is 17 N. Lancaster Lane, Newtown, PA 18940, hereinafter referred to as "Assignor" for and in the consideration of the sum of Ten and No/100 Dollars, (\$10.00) and other good and valuable consideration the receipt of which is hereby acknowledged does hereby GRANT, BARGAIN, ASSIGN and CONVEY unto Yates Petroleum Corporation (40%), MYCO Industries, Inc. (20%), Yates Drilling Company (20%) and Abo Petroleum Corporation (20%), whose mailing addresses are 105 South Fourth Street, Artesia, New Mexico 88210, hereinafter referred to as "Assignees" all of assignor's right, title and interest in and to that certain Oil and Gas Lease dated May 1, 1959, by and between the United States of America, as lessor, Clint C. Ballard, as lessee, lease number LC-060906 and covering the W/2NW/4 of Section 1, T18S-R29E, Eddy County, New Mexico.

Assignor does hereby reserve unto himself an overriding royalty interest equal to a 7.5% with the retained overriding royalty interest being proportionately reduced to the extent of the interest herein conveyed.

Assignor does also agree for the consideration mentioned above to execute any Federal Assignment forms that may be required to complete this transfer of interest.

This Assignment of Oil and Gas Lease shall be executed herein with warranty of title and be free of any and all liens or encumbrances this _____ day of _____, 1997.

George Shannon Emmons

STATE OF NEW MEXICO)
) ss
COUNTY OF EDDY)

The foregoing instrument was acknowledged before this _____ day of _____, 1997, by George Shannon Emmons.

My Commission Expires:

Notary Public

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

George Shannon Emmons
17 N. LANCASTER LANE
NEWTOWN, PA 18940

4a. Article Number

P 216 557 469

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

JFA 6.10.97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

Assignment Lease

6. Signature: (Addressee or Agent)

X

Thank you for using Return Receipt Service.

PS Form 3800, April 1995

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	George S. Emmons
Street & Number	17 N. Lancaster Lane
Post Office, State, & ZIP Code	Newtown, PA 18940
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$

Postmark or Date 6-5-97

Assignment LC-060906
RB/bn

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

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



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

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

February 4, 1997

Sharon S. Emmons
Personal Representative of
the Estate of Charles R. Emmons
134 Nesmith Road
Abilene, Texas 79602

RE: Assignment of Oil & Gas Lease
LC-060906
Township 18 South, Range 29 East
Section 1: W/2NW/4
Eddy County, New Mexico

Dear Ms. Emmons:

Please execute and return the enclosed assignments to our office. Please note one of these assignments must be notarized. We have provided in each assignment that you retain an override of 7.5%. I will mail you a copy after it has been recorded in the Eddy County records.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

LC-060906

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* Yates Petroleum Corporation 40.0%
Street 105 South Fourth Street
City, State, ZIP Code Artesia, New Mexico 88210

*If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein. a	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 18 South, Range 29 East, N.M.P.M. Section 1: W/2NW/4 Eddy County, New Mexico	1.25%	1.25%	-0-	7.50%	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____

(Authorized Officer)

(Title)

(Date)

Public reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

BURDEN HOURS STATEMENT

Executed this _____ day of _____, 19____	Executed this _____ day of _____, 19____
Name of Transferor Sharon S. Emmons, Personal Representative of the Estate of Charles R. Emmons	Name of Transferor Yates Drilling Company
Transferor or (Signature)	Transferor or (Signature)
Attorney-in-fact (Signature)	Attorney-in-fact (Signature)
(City)	(City)
(State)	(State)
(Zip Code)	(Zip Code)

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferor certifies as follows: (a) Transferor is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of N.P.R.-A leases, transferor is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferor is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferor's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferor is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferor is not in violation of sec. 41 of the Mineral Leasing Act.
- Transferor's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

20.0%	Yates Drilling Company 105 South Fourth Street Artesia, New Mexico 88210
20.0%	Abo Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210
20.0%	Myco Industries, Inc. 105 South Fourth Street Artesia, New Mexico 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

LC-060906

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* Yates Petroleum Corporation 40.0%
Street 105 South Fourth Street
City, State, ZIP Code Artesia, New Mexico 88210

*If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein. a	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 18 South, Range 29 East, N.M.P.M. Section 1: W/2NW/4 Eddy County, New Mexico	1.25%	1.25%	-0-	7.50%	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☐ Transfer approved effective _____

By _____
(Authorized Officer)

(Title)

(Date)

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State (this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

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I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this _____ day of _____, 19____	Executed this _____ day of _____, 19____
Name of Transferor _____ Please type or print	Transferor _____ (Signature)
Attorney-in-fact _____ or	Attorney-in-fact _____ (Signature)
(Transferor's Address) _____	(Signature) _____ or Transferor Myco Industries, Inc. Abo Petroleum Corporation Yates Drilling Company Yates Petroleum Corporation
(City) _____	(State) _____
(Zip Code) _____	(Signature) _____

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.