

#12372

UNIT NAME: INDIGO STATE UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

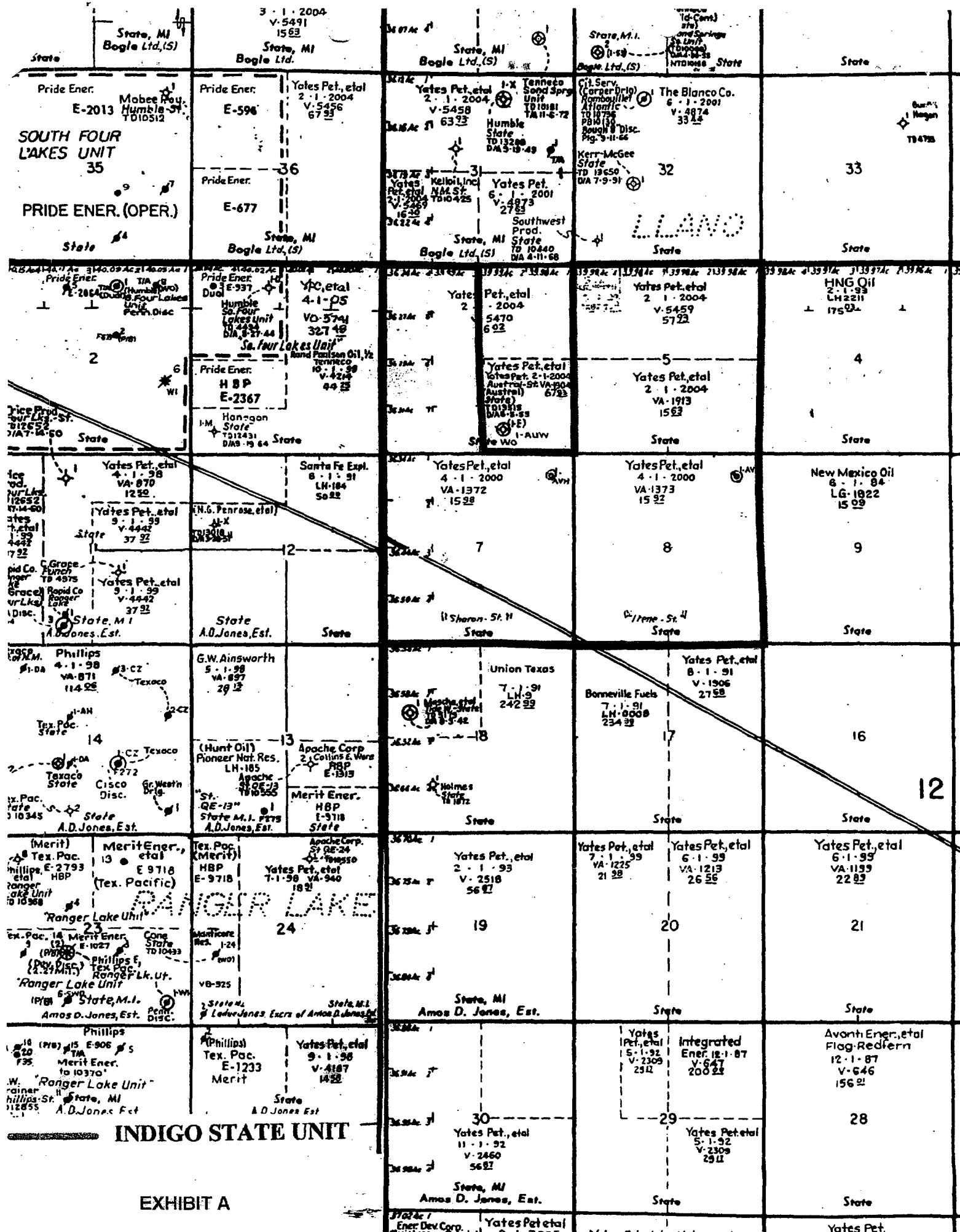
DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE			FEE	CLAUSE	
EFFECTIVE	CASE NO. 12372	2213.70	2213.70	0	0	STRICT	5 YEARS
05/03/2000	ORDER NO. R-11366						SO LONG AS

APPROVALS

SLO--05-03-2000
OCD--04-28-2000

TOWNSHIP 12 SOUTH, RANGE 35 EAST

SECTION 5: Lots 1, 2, 3, 4, S/2N/2, S/2
SECTION 6: Lots 3, 4, 5, 6, 7, SE/4NW/4, E/2SW/4
SECTION 7: Lots 1, 2, 3, 4, E/2, E/2W/2
SECTION 8: ALL



Indigo State Unit
Lea County, New Mexico

Yates Petroleum Corporation	70%
Yates Drilling Company	10%
Abo Petroleum Corporation	10%
Myco Industries, Inc.	10%
Yates Petroleum Corporation	70%
Yates Drilling Company	10%
Abo Petroleum Corporation	10%
Myco Industries, Inc.	10%
Yates Petroleum Corporation	70%
Yates Drilling Company	10%
Abo Petroleum Corporation	10%
Myco Industries, Inc.	10%
Yates Petroleum Corporation	70%
Yates Drilling Company	10%
Abo Petroleum Corporation	10%
Myco Industries, Inc.	10%

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



12336

OIL COMMISSION DN

01 AUG 23 PM 12:46

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

August 21, 2001

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

Attn: Mr. Robert Bullock

Re: Termination
Shinnery State Unit
Lea County, New Mexico

Dear Mr. Bullock:

A review of the Shinnery State Unit reveals the following:

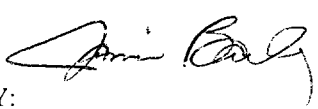
- The Shinnery State Unit was approved effective March 28, 2000.
- The Shinnery State Unit Well No. 1 was completed on February 20, 2001. A commercial well determination was never submitted for this well, therefore, the well is considered non-commercial.
- Pursuant to Article 8 of the unit agreement, the second unit well was due to be commenced on or before August 20, 2001.
- Per your telephone conversation with Pete Martinez of this office, you advised that Yates Petroleum Corporation would not be drilling a second well on this unit.

Please be advised that, pursuant to Article 8 of the unit agreement, the Shinnery State Unit has been terminated effective August 20, 2001. 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,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

cc: Reader File
OCD-Santa Fe Attention Mr. Roy Johnson
TRD-Santa Fe Attention Mr. Valdean Severson
Linda Vieira

UNIT NAME: SHINNERY STATE UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

01 AUG 23 PM 12:00

DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE	STATE	FEDERAL	FEE	CLAUSE	
EFFECTIVE	CASE NO. 12336	2,240.48	2,240.48	0	0	STRICT	5 YEARS
03/28/2000	ORDER NO. R-11332	(Committed)	(Committed)				SO LONG AS

APPROVALS

SLO--03-28-2000
OCD--03-22-2000

TOWNSHIP 09 SOUTH, RANGE 34 EAST

SECTION 32: ALL

TOWNSHIP 10 SOUTH, RANGE 34 EAST

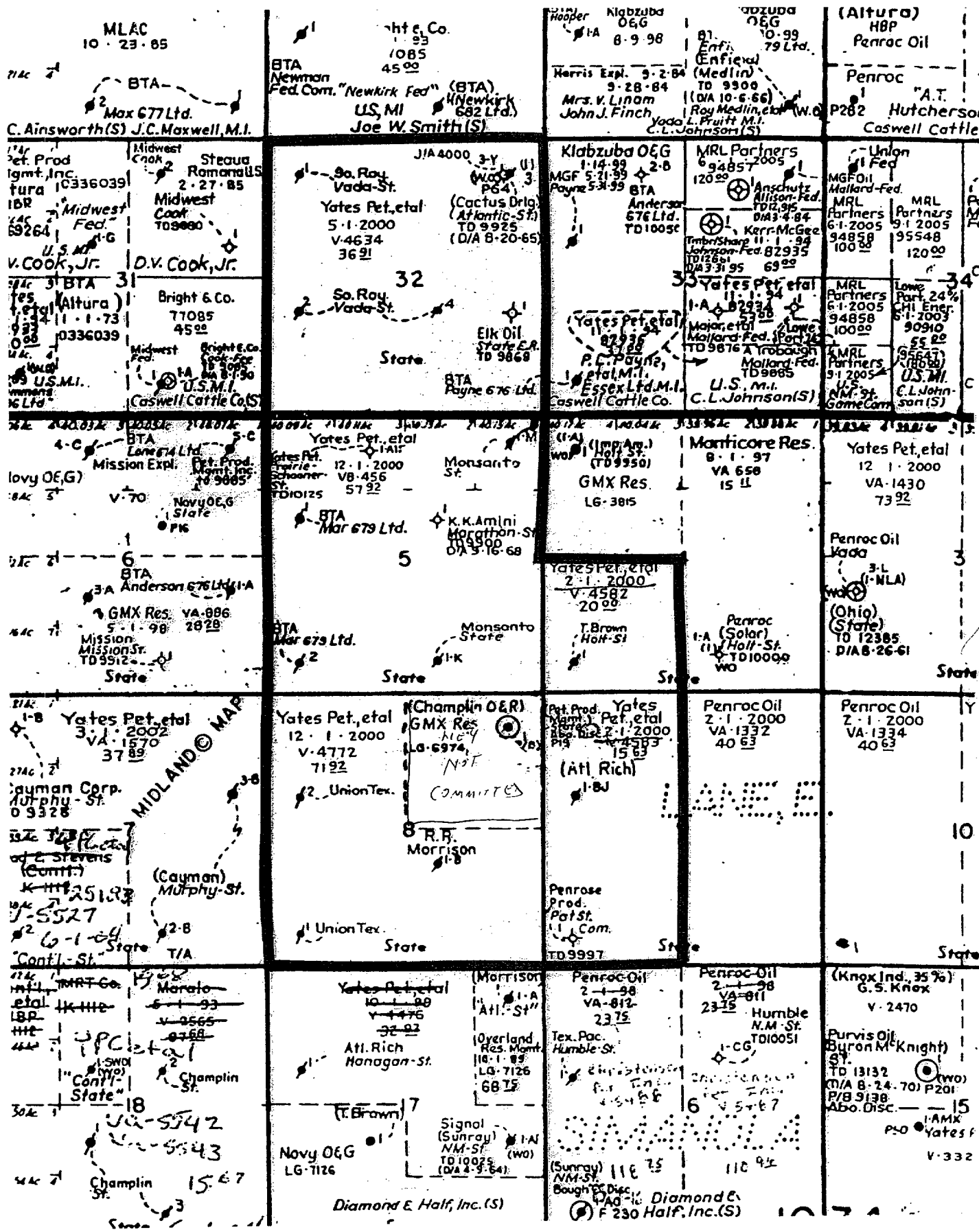
SECTION 4: SW/4

SECTION 5: Lots 1, 2, 3, 4, S/2N/2, S/2

SECTION 8: W/2, SE/4 (Note: NE/4 of Section 8-10S-34E is not committed.)

SECTION 9: W/2

TERMINATED
EFFECTIVE DATE 8-20-2001
APPROVAL DATE 8-21-2001



SHINERY STATE UNIT

EXHIBIT "B"
Shinnery State Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE		BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY		WORKING INTEREST
1	T10S-R34E Section 4: SW/4	160.00	V-4582 2/1/2000	16.67%	State of New Mexico	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
2	T10S-R34E Section 9: W/2	320.00	V-4583 2/1/2000	16.67%	State of New Mexico	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
3	T9S-R34E Section 32: All	640.00	V-4634 5/1/2000	16.67%	State of New Mexico	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
4	T10S-R34E Section 5: All	640.00	VB-456 12/1/2000	12.50%	State of New Mexico	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
5	T10S-R34E Section 8: W/2, SE/4	480.00	V-4772 12/1/2000	16.67%	State of New Mexico	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
6	T10S-R34E Section 8: NE/4	160.00	LG-6974 HBP	12.50%	State of New Mexico	GMX Resources, Inc.	None	GMX Resources, Inc.	100%
TOTAL STATE LANDS		2,400.00	22,400.48 COMMUNITIES ACRES						

COMMISSIONER'S OFFICE

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

12336
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ROYALTY MANAGEMENT

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Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

March 28, 2000

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

Attn: Mr. Robert Bullock

Re: Final Approval
Shinnery State Unit
Lea County, New Mexico

Dear Mr. Bullock:

This office is in receipt of your letter of March 24, 2000, requesting final approval of the Shinnery State Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Shinnery State Unit Agreement, Lea County, New Mexico. The effective date of your agreement is March 28, 2000.

It is our understanding that Tract numbers 1 through 5 are fully committed to the unit while Tract number 6 remains uncommitted at this time.

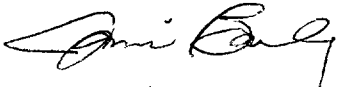
Enclosed are (5) Certificates of Approval.

Your \$150.00 filing fee has been received.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira

UNIT NAME: SHINNERY STATE UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

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EFFECTIVE	CASE NO. 12336	2,240.48	2,240.48	0	0	STRICT	5 YEARS
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TOWNSHIP 09 SOUTH, RANGE 34 EAST

SECTION 32: ALL

TOWNSHIP 10 SOUTH, RANGE 34 EAST

SECTION 4: SW/4

SECTION 5: Lots 1, 2, 3, 4, S/2N/2, S/2

SECTION 8: W/2, SE/4 (**Note:** NE/4 of Section 8-10S-34E is not committed.)

SECTION 9: W/2

SHINERY STATE UNIT

EXHIBIT "B"
Shinnery State Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	SERIAL NUMBER AND EXPIRATION DATE	ACRES	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1	T10S-R34E Section 4: SW/4 <i>Two</i>	V-4582 2/1/200 <i>HC</i>	160.00	State of New Mexico 16.67%	Yates Petroleum Corporation <i>3-23-2003</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 70% 10% 10% 10%
2	T10S-R34E Section 9: W/2 <i>Two</i>	V-4583 2/1/2000 <i>HC</i>	320.00	State of New Mexico 16.67%	Yates Petroleum Corporation <i>3-23-2003</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 70% 10% 10% 10%
3	T9S-R34E Section 32: All <i>CS</i>	V-4634 5/1/200 <i>HC</i>	640.00	State of New Mexico 16.67%	Yates Petroleum Corporation <i>3-23-2003</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 70% 10% 10% 10%
4	T10S-R34E Section 5: All <i>CS</i>	VB-456 12/1/2000 <i>HC</i>	640.00 ⁴⁸	State of New Mexico 12.50%	Yates Petroleum Corporation <i>3-23-2003</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 70% 10% 10% 10%
5	T10S-R34E Section 8: W/2, SE/4 <i>Two</i>	V-4772 12/1/2000 <i>HC</i>	480.00	State of New Mexico 16.67%	Yates Petroleum Corporation <i>3-23-2003</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 70% 10% 10% 10%
6	T10S-R34E Section 8: NE/4	LG-6974 HBP <i>HC</i>	160.00	State of New Mexico 12.50%	GMX Resources, Inc. <i>NOT COMMITTED</i>	None	GMX Resources, Inc. 100%
TOTAL STATE LANDS			48 ⁴⁸ <u>2,400.00</u>	2,240 ⁴⁸ COMMITTED ACRES			