

12443
Term

(EXPLORATORY)

UNIT AGREEMENT: TRES CANAL EXPLORATION UNIT
OPERATOR: YATES PETROLEUM CORPORATION
CHAVES COUNTY, NEW MEXICO

DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	FEE	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE				CLAUSE	
EFFECTIVE	CASE NO. 12443	3200.00	2960.00	0	240.00	STRICT	5 YEARS
7/24/2000	ORDER NO. R-11417						SO LONG AS

APPROVALS

SLO--7-24-2000
OCD--7-18-2000

Note: Tract 11 W/2NW/4, Section 35-08S-33E, (80 acres) not committed.

TOWNSHIP 08 SOUTH, RANGE 33 EAST

SECTION 23: S/2
SECTION 25: W/2
SECTION 26: ALL
SECTION 27: ALL
SECTION 34: ALL
SECTION 35: ALL

EXHIBIT "B"

Tres Canal Exploration Unit
Chaves County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	SERIAL NUMBER AND EXPIRATION DATE	ACRES	LESSOR	LESSEE OF RECORD	WORKING INTEREST
1	T8S-R33E Section 25: W/2	VO-4706 8/1/00	320.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
2	T8S-R33E Section 26: E/2	VO-4707 8/1/00	320.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
3	T8S-R33E Section 35: S/2NE, SENW, S/2	VO-4708 8/1/00	440.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
4	T8S-R33E Section 23: S/2	VO-4728 9/1/00	320.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
5	T8S-R33E Section 34: W/2NE, W/2, W/2SE, SESE	VO-4729 9/1/00	520.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
6	T8S-R33E Section 27: N/2NW, SENW, SW, NESE, S/2SE	VO-5043 3/1/02	400.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
7	T8S-R33E Section 27: W/2NE, SENE SWNW	VO-5863 7/1/05	160.00	State of New Mexico	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%

EXHIBIT "B"

Tres Canal Exploration Unit
Chaves County, New Mexico

8	T8S-R33E Section 27: NENE, NWSE	80.00	LG-1348 HBP	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	25% 25% 25% 25%
9	T8S-R33E Section 26: W/2	320.00	LG-2662 HBP	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	25% 25% 25% 25%
10	T8S-R33E Section 34: E/2NE, NESE Section 35: N/2NE, NENW	240.00	Fee 4/30/04	Virginia A. Marshall	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70% 10% 10% 10%
11	T8S-R33E Section 35: W/2NW/4	80.00	Unleased Fee	Lynn Medlin, et al	None		

TOTAL LANDS

3,200.00

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EFFECTIVE 7/24/2000	CASE NO. 12443 ORDER NO. R-11417	3200.00	2960.00	0	240.00	STRICT	5 YEARS SO LONG AS

APPROVALS

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OCD--7-18-2000

Note: Tract 11 W/2NW/4, Section 35-08S-33E, (80 acres) not committed.

TOWNSHIP 08 SOUTH, RANGE 33 EAST

SECTION 23: S/2
SECTION 25: W/2
SECTION 26: ALL
SECTION 27: ALL
SECTION 34: ALL
SECTION 35: ALL

TERMINATED
EFFECTIVE DATE <u>9-8-2001</u>
APPROVAL DATE <u>11-14-2001</u>

EXHIBIT "B"

Tres Canal Exploration Unit
Chaves County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	WORKING INTEREST
1	T8S-R33E Section 25: W/2	320.00	VO-4706 8/1/00	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 6-23-2000
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3	T8S-R33E Section 35: S/2NE, SENW, S/2	440.00	VO-4708 8/1/00	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 6-23-2000
4	T8S-R33E Section 23: S/2	320.00	VO-4728 9/1/00	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 6-23-2000
5	T8S-R33E Section 34: W/2NE, W/2, W/2SE, SESE	520.00	VO-4729 9/1/00	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 6-23-2000
6	T8S-R33E Section 27: N/2NW, SENW, SW, NESE, S/2SE	400.00	VO-5043 3/1/02	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 6-23-2000
7	T8S-R33E Section 27: W/2NE, SE NE SW NW	160.00	VO-5863 7/1/05	State of New Mexico	Yates Petroleum Corporation	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. 6-23-2000

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TOTAL LANDS 3,200.00