



#13, 122

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

**RECEIVED**

October 3, 2003

OCT 08 2003

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

**OIL CONSERVATION  
DIVISION**

Attn: Mr. Robert Bullock

Re: Final Approval  
Kris State Exploratory Unit  
Lea County, New Mexico

Dear Mr. Bullock:

This office is in receipt of your letter of October 1, 2003, requesting final approval of the Kris State Exploratory Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Kris State Exploratory Unit Agreement. The effective date of your agreement is October 3, 2003.

It is our understanding that all tracts are fully committed to the unit agreement.

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,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY

Oil, Gas & Minerals Division

(505) 827-5744

PL/JB/pm

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

UNIT NAME: KRIS 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. 13122    | 3200.00 | 3200.00 | 0       | 0      | STRICT      | 5 YEARS    |
| 10/03/2003 | ORDER NO. R-12028 |         |         |         |        |             | SO LONG AS |

APPROVALS

SLO--10-03-2003  
OCD--09-24-2003

TOWNSHIP 11 SOUTH, RANGE 34 EAST

SECTION 27: ALL  
SECTION 28: ALL  
SECTION 29: ALL  
SECTION 33: ALL  
SECTION 34: ALL

## V. 5545



## EXHIBIT "B"

Kris State Exploratory Unit  
Lea County, New Mexico

| TRACT<br>NUMBER | DESCRIPTION<br>OF LANDS     | ACRES  | SERIAL NUMBER<br>AND<br>EXPIRATION DATE | LESSOR                     | LESSEE OF RECORD            | OVERRIDING |      | WORKING INTEREST                                                                                             |                                      |
|-----------------|-----------------------------|--------|-----------------------------------------|----------------------------|-----------------------------|------------|------|--------------------------------------------------------------------------------------------------------------|--------------------------------------|
|                 |                             |        |                                         |                            |                             | ROYALTY    |      |                                                                                                              |                                      |
| 1               | T11S-R34E<br>Section 27: N2 | 320.00 | VA-2003<br>7/1/04                       | State of New Mexico<br>1/8 | Yates Petroleum Corporation | None       | 22.5 | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |
| 2               | T11S-R34E<br>Section 27: S2 | 320.00 | VO-5565<br>7/1/04                       | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       |      | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |
| 3               | T11S-R34E<br>Section 28: E2 | 320.00 | VO-5615<br>10/1/04                      | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       |      | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |
| 4               | T11S-R34E<br>Section 28: W2 | 320.00 | VO-5629<br>10/1/04                      | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       |      | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |
| 5               | T11S-R34E<br>Section 33: W2 | 320.00 | VO-5630<br>10/1/04                      | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       |      | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |
| 6               | T11S-R34E<br>Section 33: E2 | 320.00 | VO-5616<br>10/1/04                      | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       |      | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |
| 7               | T11S-R34E<br>Section 34: W2 | 320.00 | VO-5631<br>10/1/04                      | State of New Mexico<br>1/6 | Yates Petroleum Corporation | None       |      | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycos Industries, Inc. | 70.00%<br>10.00%<br>10.00%<br>10.00% |

EXHIBIT "B"

Kris State Exploratory Unit  
Lea County, New Mexico

| TRACT<br>NUMBER  | DESCRIPTION<br>OF LANDS     | ACRES   | SERIAL NUMBER<br>AND<br>EXPIRATION DATE | LESSOR                     | LESSEE OF RECORD                       | OVERRIDING<br>ROYALTY | WORKING INTEREST                                                                                                                                     |
|------------------|-----------------------------|---------|-----------------------------------------|----------------------------|----------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8                | T11S-R34E<br>Section 34: E2 | 320.00  | VO-5617<br>10/1/04                      | State of New Mexico<br>1/6 | Yates Petroleum Corporation<br>4-22-03 | None                  | Yates Petroleum Corporation<br>Yates Drilling Company<br>Abo Petroleum Corporation<br>Mycro Industries, Inc.<br>70.00%<br>10.00%<br>10.00%<br>10.00% |
| 9                | T11S-R34E<br>Section 29: N2 | 320.00  | VO-5773<br>4/1/05                       | State of New Mexico<br>1/6 | Murchison Oil & Gas, Inc.<br>8-22-03   | None                  | Murchison Oil & Gas, Inc.<br>8-22-03                                                                                                                 |
| 10               | T11S-R34E<br>Section 29: S2 | 320.00  | VO-5760<br>4/1/05                       | State of New Mexico<br>1/6 | Murchison Oil & Gas, Inc.<br>8-22-03   | None                  | Murchison Oil & Gas, Inc.<br>8-22-03                                                                                                                 |
| Total Unit Acres |                             | 3200.00 |                                         |                            |                                        |                       |                                                                                                                                                      |
| State Lands      |                             | 100%    |                                         |                            |                                        |                       |                                                                                                                                                      |

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 4, 2003

**HAND DELIVERY**

**RECEIVED**

AUG . 4 2003

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Oil Conservation Division

***Re: Case No. 13122: Application of Yates Petroleum Corporation for  
approval of a Unit Agreement, Lea County, New Mexico.***

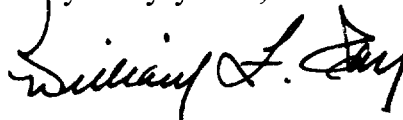
Dear Ms. Wrotenbery:

Yates Petroleum Corporation hereby requests that the Examiner Hearing in the above-referenced case that is currently scheduled for August 7, 2003, be continued to the September 4, 2003 Examiner Hearing Docket.

WFC  
8/4/03

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:keh

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

August 4, 2003

**HAND DELIVERY**

**RECEIVED**

AUG . 4 2003

Oil Conservation Division

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

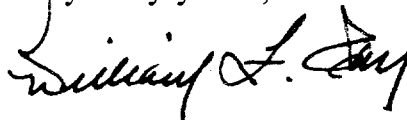
***Re: Case No. 13122: Application of Yates Petroleum Corporation for  
approval of a Unit Agreement, Lea County, New Mexico.***

Dear Ms. Wrotenbery:

Yates Petroleum Corporation hereby requests that the Examiner Hearing in the above-referenced case that is currently scheduled for August 7, 2003, be continued to the September 4, 2003 Examiner Hearing Docket.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:keh

WFT  
8/4/03