

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

September 30, 2003

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

Attn: Mr. Robert Bullock

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

Dear Mr. Bullock:

This office is in receipt of your letter of September 24, 2003, requesting final approval of the Mandrell 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 Mandrell State Exploratory Unit Agreement. The effective date of your agreement is September 30, 2003.

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

Enclosed are (5) Certificates of Approval.

Your \$90.00 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

13,145

OCT 3 2003

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

OCT 3 2003

DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE			FEE	CLAUSE	
EFFECTIVE	CASE NO. 13145	1921.80	1921.80	0	0	STRICT	5 YEARS
09/30/2003	ORDER NO. R-12033						SO LONG AS

APPROVALS

SLO--09-30-2003
OCD--09-26-2003

TOWNSHIP 14 SOUTH, RANGE 35 EAST

SECTION 18: Lots 1, 2, 3, 4, E/2W/2, E/2
SECTION 19: Lots 1, 2, 3, 4, E/2W/2, E/2
SECTION 30: Lots 1, 2, 3, 4, E/2W/2, E/2

[illegible]

EXHIBIT "B"

Mandrell State Exploratory Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1	T14S-R35E Sec 30: Lots 1, 2, 3, 4, E2W2	321.60	VA-1847 10/1/03	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8-22-03 70.00% 10.00% 10.00% 10.00%
2	T14S-R35E Sec 30: E2	320.00	VA-1848 10/1/03	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8-22-03 70.00% 10.00% 10.00% 10.00%
3	T14S-R35E Sec 19: Lots 1, 2, NE4, E2NW4	320.11	VA-1846 10/1/03	State of New Mexico 1/8 NMSU	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8-22-03 70.00% 10.00% 10.00% 10.00%
4	T14S-R35E Sec 19: Lots 3, 4, E2SW4, SE4	320.49	VA-1836 10/1/03	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8-22-03 70.00% 10.00% 10.00% 10.00%
5	T14S-R35E Sec 18: Lots 3, 4, E2SW4, SE4	319.86	VO-5883 7/1/05	State of New Mexico 1/8 CS	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8-22-03 70.00% 10.00% 10.00% 10.00%
6	T14S-R35E Sec 18: Lots 1, 2, NE4, E2NW4	319.74	VA-2203 8/1/05	State of New Mexico 1/8 CS	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8-22-03 70.00% 10.00% 10.00% 10.00%
Total Unit Acres		1921.80					
State Lands		100%					

RECEIVED

SEP 08 2003

PATRICK H. LYONS
COMMISSIONER

OIL CONSERVATION
DIVISION
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

September 3, 2003

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

Attention: Mr. Robert Bullock

Re: Preliminary Approval
Proposed Mandrell State Exploratory Unit
Lea County, New Mexico

Dear Mr. Bullock:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Mandrell State Exploratory Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date, granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.

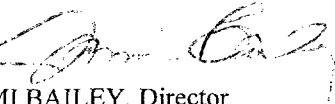
Yates Petroleum Corporation
September 3, 2003
Page 2

3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. Your filing fee in the amount of \$90.00 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, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Roy Johnson
William F. Carr

HOLLAND & HART^{LLP}
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

September 17, 2003

RECEIVED

SEP 17 2003

VIA HAND DELIVERY

Oil Conservation Division

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

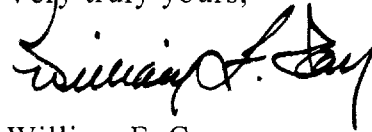
**Re: Case No. 13135: Application of Mack Energy Corporation for
approval of a Unit Agreement, Eddy County, New Mexico**

Dear Ms. Wrotenbery:

Mack Energy Corporation respectfully requests that the above-referenced case, scheduled for hearing on September 18, 2003, be dismissed. Your attention to this request is appreciated.

WFC
9/17/03

Very truly yours,



William F. Carr

WFC:keh

cc: Scott Atkinson, Mack Energy

HOLLAND & HART^{LLP}
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 18, 2003

VIA HAND DELIVERY

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

RECEIVED

SEP • 9 2003

Oil Conservation Division

**Re: Case No. 13135: Application of Mack Energy Corporation for
approval of a Unit Agreement, Eddy County, New Mexico**

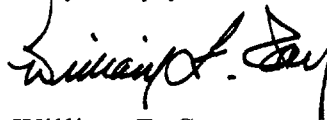
Dear Ms. Wrotenbery:

Mack Energy Corporation hereby requests that the above-referenced application, currently scheduled for hearing on September 18, 2003, be continued to the October 9, 2003, Examiner Hearing docket.

WVJ
9/10/03

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:keh

cc: Scott Atkinson, Mack Energy

RECEIVED

AUG 14 2003

OIL CONSERVATION
DIVISION

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF MACK ENERGY CORPORATION
FOR APPROVAL OF A UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

Case No. 13135

APPLICATION OF MACK ENERGY CORPORATION
FOR APPROVAL OF A PRESSURE MAINTENANCE
PROJECT AND QUALIFICATION OF THE PROJECT
AREA FOR THE RECOVERED OIL TAX RATE
PURSUANT TO THE ENHANCED OIL RECOVERY
ACT, EDDY COUNTY, NEW MEXICO.

Case No. 13136

ENTRY OF APPEARANCE

James Bruce enters his appearance in the above cases on behalf
of Harvey E. Yates Company.

Respectfully submitted,



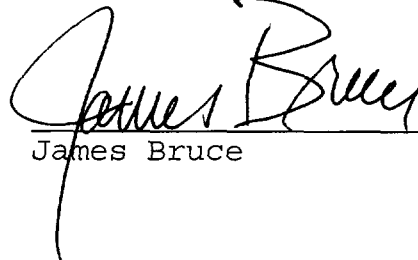
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Harvey E. Yates Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was
served upon the following counsel of record this 13th day of
August, 2003 by United States Mail:

William F. Carr
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504



James Bruce

HOLLAND & HART^{LLP}
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 18, 2003

DAC

RECEIVED

AUG 18 2003

Oil Conservation Division

VIA HAND DELIVERY

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

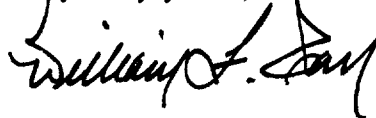
***Re: Case No. 13135: Application of Mack Energy Corporation for
approval of a Unit Agreement, Eddy County, New Mexico***

Dear Ms. Wrotenbery:

Mack Energy Corporation hereby requests that the above-referenced application, currently scheduled for hearing on August 21, 2003, be continued to the September 18, 2003, Examiner Hearing docket.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:keh