

August 19, 1987

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Mr. Pete Martinez

Re: SLO Reference No. OG-324
North Chaves Unit
Chaves County, New Mexico

Gentlemen:

On behalf of Yates Petroleum Corporation, application is hereby made for final approval of the North Chaves Unit, Chaves County, New Mexico. Enclosed for this purpose are two originals of the Unit Agreement and Unit Operating Agreement, with ratifications attached. Tracts 1, 2, 3 and 8 (88.684618%) are committed as of the date hereof.

Hearing before the New Mexico Oil Conservation Division was held in Case No. 9188 on August 12, 1987, and we anticipate approval prior to August 31, 1987. Bureau of Land Management approval of this unit is also being sought at this time, and copies of the Unit Agreement and Unit Operating Agreement are enclosed by copy of this letter to the Bureau of Land Management at its Roswell Office.

Please advise if you need anything further in this regard. Your early attention will be appreciated as there is a September 1 expiration date.

Commissioner of Public Lands
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August 19, 1987

Thank you for your cooperation in this matter.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pv
Enclosures

cc: Mr. Ken Beardemphl
Bureau of Land Management
New Mexico Oil Conservation Division

August 19, 1987

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Re: 3180 (065)
North Chaves Unit
Chaves County, New Mexico

Gentlemen:

On behalf of Yates Petroleum Corporation, application is hereby made for approval of the North Chaves Unit, Chaves County, New Mexico. This exploratory unit consists of state, fee and federal lands. Tracts 1, 2, 3 and 8 (88.684618%) are committed as of the date hereof. Submitted herewith are the following:

1. Original executed copy of the Unit Agreement, with Exhibits "A" and "B", together with executed ratifications of all parties.
2. Original executed copy of the Unit Operating Agreement.

Hearing before the New Mexico Oil Conservation Division was held in Case No. 9188 on August 12, 1987, and we anticipate approval prior to August 31, 1987.

Please contact me if you have any questions or requirements. Your early attention will be appreciated as there is a September 1 expiration date.

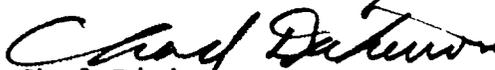
Bureau of Land Management
-2-

August 19, 1987

Thank you for your cooperation in this matter.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pv
Enclosures

cc: Mr. Ken Beardemphl
Commissioner of Public Lands
New Mexico Oil Conservation Division