

DEC 18 1995



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

INDIAN BASIN ASSET TEAM
MID-CONTINENT REGION

December 8, 1995

Certified Mail
Return Receipt Requested

Mailing List Attached

Re: Amendment of Off Lease Storage and Measurement Agreement

Leases previously approved for Off Lease Storage and Measurement

Marathon Lease NM 1832 -State of New Mexico Leases K-1877, E- 10170-2, E - 7906-2
-Federal Leases NM-050607, NM-050608, NM-051107, NM-05551, NM-05551-A, NM-0926
NM-0926-A, NM-04827-B

Marathon Lease NM 5772 -Federal Lease NM-04827-B
Marathon Lease NM 1718 -State Of New Mexico Lease K-1877, E-10169
Marathon Lease NM 5758 -Federal Lease NM-05551-A, NM-050608, NM-81677

Proposed Additions to Agreement

Marathon Lease NM 5723 -Federal Lease NM-034623
Marathon Lease NM 05608 -Federal Lease NM-05608

Sections 1, 2, 3, 10, 11, 12; T-21-S, Range 23-East, and Section 36 T-21 1/2 S, R-23-E Eddy County New Mexico

Gentlemen:

Marathon Oil Company is proposing that the previously approved Off Lease Storage and Measurement agreement which included the North Indian Basin Unit, Stinking Draw, Bone Springs "12" Federal Com, and the MOC Federal leases be amended to include highlighted sections above. The leases to be added are the South 1/2 of Sec. 3 and all of Sec. 10 which are included in the North Indian Basin Unit and the north 1/2 of section 3 which has been designated the Comanche Federal Lease. Both Sections 3 and 10 are in T-21-S, R-23-E of Eddy County New Mexico. All production will be metered prior to commingling. Our records indicate you are an interest owner in one of the subject wells. Pursuant to NMOC Rule 309-A, Marathon is required to seek your consent to the proposed commingling of production from the separate leases. Marathon believes that amending the original agreement to include to include Sec 3 & 10 will enhance the economic life of project and all leases involved.

Please indicate your approval by signing in the space below and returning one copy of this letter to this office in the enclosed envelope. The second copy is for your files. Your very prompt consideration of this matter will be greatly appreciated.

Sincerely,

R. A. Biernbaum

Indian Basin Asset Team Supervisor

CC: T. L. Guillory
W. L. Ransbottom

Approved this 14th day of December, 1995

By: R L Bergman

~~Title:~~ _____

~~Company:~~ _____

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 12, 1995

Marathon Oil Company

DEC 15 1995

INDIAN BASIN ASSET TEAM
MID-CONTINENT REGION

Attention: R. A. Biernbaum
Marathon Oil Company
P. O. Box 552
Midland, TX 79702-0552

RE: Amendment of Off Lease Storage
and Measurement Agreement
Township 21 and 21 1/2 South, Range 23 East, NMPM
Eddy County, New Mexico

Gentlemen:

As per your request, enclosed are copies of your December 8, 1995, letter covering the captioned, which has been approved on behalf of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation, and Myco Industries, Inc.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H. Porter, GPL
Landman

KHP/sls
Enclosure(s)

DEC 15 1995



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Proposed Additions to Agreement

Marathon Lease NM 5723 -Federal Lease NM-034623
Marathon Lease NM 05608 -Federal Lease NM-05608

Sections 1, 2, 3, 10, 11, 12; T-21-S, Range 23-East, and Section 36 T-21 1/2 S, R-23-E Eddy County New Mexico

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Sincerely,

R. A. Biernbaum

Indian Basin Asset Team Supervisor

CC: T. L. Guillory
W. L. Ransbottom

Approved this 11 day of Dec '95

By:

Title: Attorney-in-Fact

Company: Yates Petroleum Corporation



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R. A. Biernbaum

Indian Basin Asset Team Supervisor

CC: T. L. Guillory
W. L. Ransbottom

Approved this 11 day of December '95

By:

Title: Attorney-in-Fact

Company: Yates Drilling Company

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Midland, Texas 79702
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Sincerely,

R. A. Biernbaum

Indian Basin Asset Team Supervisor

CC: T. L. Guillory
W. L. Ransbottom

Approved this 11 day of Dec 95

By:

Title: Attorney-in-Fact

Company: Abo Petroleum Corporation



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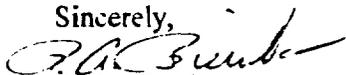
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R. A. Biernbaum

Indian Basin Asset Team Supervisor

CC: T. L. Guillory
W. L. Ransbottom

Approved this 11 day of Dec 95

By: 

Title: Attorney-in-Fact

Company: Myco Industries, Inc.