



RECEIVED

PATRICK H. LYONS  
COMMISSIONER

SEP 17 PM 3 10

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 15, 2009

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

# 13333

Attn: Ms. Janet Richardson

Re: Voluntary Termination  
Orbison State Exploratory Unit  
Lea County, New Mexico

Dear Ms. Richardson:

Your letter of August 14, 2009 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Orbison State Exploratory Unit Agreement. Enclosed with your letter of August 14, 2009 are ratifications of over 75% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Orbison State Exploratory Unit Agreement, please be advised that this office has terminated the Orbison State Exploratory Unit Agreement effective September 15, 2009.

Please notify all interested parties of this action.

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 & Minerals Division  
PL/JB/pm

pc: Reader File  
NMOCD Attention: Mr. Ed Martin  
TRD-Attention: Mr. Valdean-Severson  
RMD-Attn: Mr. Kurt McFall  
Jeff Albers

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

**EXHIBIT "B"**  
Orbison State Exploratory Unit

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR & ROYALTY	LESSEE OF RECORD	ROYALTY	OVERRIDING ROYALTY	WORKING INTEREST
1.	T12S, R34E Sec. 11: W2 Lea County, NM	320.00	VO-5872 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation STATE LAND OF NEW MEXICO RECEIVED 12/18/04	None	None	Yates Petroleum Corporation 70.0000% Yates Drilling Company 10.0000% Abo Petroleum Corporation 10.0000% Mycos Industries, Inc. 10.0000%
	T12S, R34E Sec. 11: E2 Lea County, NM	320.00	VO-5871 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	None	Yates Petroleum Corporation 70.0000% Yates Drilling Company 10.0000% Abo Petroleum Corporation 10.0000% Mycos Industries, Inc. 10.0000%
3.	T12S, R34E Sec 14: N2 Lea County, NM	320.00	VO-5874 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	None	Yates Petroleum Corporation 70.0000% Yates Drilling Company 10.0000% Abo Petroleum Corporation 10.0000% Mycos Industries, Inc. 10.0000%
4.	T12S, R34E Sec 14: S2 Lea County, NM	320.00	VO-5875 7/1/05	State of New Mexico 1/6	Marbob Energy Corporation	None	None	Marbob Energy Corporation 80.0000% Manzano, LLC 12.0000% Hanagan Petroleum Corporation 5.0000% Hugh E. Hanagan 3.0000%

100% STATE LANDS      1280.00

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

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 09/16/2004		1280.00	1280.00	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--09-16-2004  
OCD--09-09-2004 CASE NO. 13333  
ORDER NO. R-12214

TOWNSHIP 12 SOUTH, RANGE 34 EAST  
SECTION 11: ALL  
SECTION 14: ALL