February 10, 2004

## HAND-DELIVERED

RECEIVED

FEB 1 0 2004

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Case 13228

Re: App

Application of Yates Petroleum Corporation for statutory unitization, Eddy County, New Mexico.

Application of Yates Petroleum Corporation for approval of a waterflood project, Eddy County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the application of Yates Petroleum Corporation for statutory unitization of the North Dagger Draw-Upper Pennsylvanian Unit and two copies of Oil Conservation Division Form C-108 which is Yates Petroleum Corporation's application for a waterflood project in this Unit Area. Drafts of legal advertisements for each application are also enclosed. Yates requests that these applications be placed on the Division Examiner Hearing docket set for March 4, 2004.

Very truly yours

William F. Carr

Enclosures

cc: Mr. Randy Patterson

## CASE 13178:

Application of Yates Petroleum Corporation for statutory unitization of the North Dagger Draw-Upper Pennsylvanian Unit Area, Eddy County, New Mexico. Applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Upper Pennsylvanian formation, North Dagger Draw-Upper Pennsylvanian Pool, underlying 5612.95 acres, more or less, of Federal, State and Fee lands in the following acreage:

## **TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM**

Sections 16 and 17:

All

Section 18:

S/2, S/2 NE/4, SE/4 NW/4,

**NE/4 NE/4** 

Section 19 through 21:

All

Section 28 through 30:

All

Said unit to be designated the North Dagger Draw-Upper Pennsylvanian Unit.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 12 miles south southwest of Artesia, New Mexico.

**CASE** \_\_\_\_:

Application of Yates Petroleum Corporation for approval of a waterflood project and qualification of the Project Area Of the North Dagger Draw-Upper Pennsylvanian Unit for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant in the above-styled cause, seeks approval of its North Dagger Draw-Upper Pennsylvanian Unit Waterflood Project by injection of water into the Upper Pennsylvanian formations through 5 injection wells located in the following described area:

## **TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM**

Sections 16 and 17:

All

Section 18:

S/2, S/2 NE/4,

SE/4 NW/4, NE/4 NE/4

Sections 19 through 21:

All

Section 28 through 30:

All

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 12 miles south southwest of Artesia, New Mexico.

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

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR STATUTORY UNITIZATION OF THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN UNIT AREA, EDDY COUNTY, NEW MEXICO.

RECEIVED

FEB 10 2004

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

CASE NO. \_/3228

## **APPLICATION**

YATES PETROLEUM CORPORATION ("Yates"), pursuant to the provisions of the New Mexico Statutory Unitization Act (Sections 70-7-1 through 70-7-21, NMSA, 1978 Comp.) hereby applies to the Oil Conservation Division for an order unitizing the North Dagger Draw-Upper Pennsylvanian Unit Area, Eddy County, New Mexico, and in support of its application states:

- 1. Yates Petroleum Corporation is a New Mexico corporation authorized to transact business in the State of New Mexico and is engaged in the business of, among other things, producing and selling oil and natural gas.
- 2. Yates seeks an order pursuant to the Statutory Unitization Act providing for unitized management, operation and further development of a portion of the North Dagger Draw-Upper Pennsylvanian Pool which consists of 5612.95 acres, more or less, of State, Federal and Fee lands located in Eddy County, New Mexico, and is more particularly described as follows:

APPLICATION FOR STATUTORY UNITIZATION PAGE 1

**TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM** 

Sections 16 and 17:

All

Section 18:

S/2, S/2 NE/4, SE/4 NW/4,

NE/4 NE/4

Sections 19 through 21:

All

Sections 28 through 30:

All

A map of the proposed Unit Area is attached to this application as Exhibit A.

3. The vertical limits of the unitized formation to be included within the proposed

Unit Area extends from an upper limit describe as the top of the Canyon Carbonate formation at

a depth of 7,680 feet, to a lower limit of the base of the Upper Canyon pay at a depth of 8,076

feet as shown on the GR/CNL/LDT/ PEF and GR/ DUAL LATEROLOG in the Yates Petroleum

Corporation Vann "APD" # 1 well located 660 feet from the North line and 660 feet from the

West line of Section 21, Township 19 South, Range 25 East, NMPM, Eddy County, New

Mexico.

4. The portions of the Upper Pennsylvanian reservoir involved in this application

have been reasonably defined by development.

5. The type of operations to be conducted in this Unit initially include secondary

recovery by means of waterflooding. At a later date, carbon dioxide flooding or other methods

of secondary recovery may be conducted in the proposed unit area.

6. Attached to this application as Exhibit "B" and incorporated herein is a copy of

the proposed plan of unitization that Yates considers fair, reasonable and equitable.

Attached to this application as Exhibit "C" and incorporated herein is a copy of

the proposed operating plan covering the manner in which the unit will be supervised and

managed and costs allocated and paid.

APPLICATION FOR STATUTORY UNITIZATION

PAGE 2

7.

## 8. Yates further states:

- A. Unitized management, operating and further development of the portion of the Upper Pennsylvanian formation, North Dagger Draw-Upper Pennsylvanian Pool, which is the subject of this application, is reasonably necessary in order to effectively carry on secondary recovery operations and, at a later date, tertiary recovery operations, and to substantially increase the ultimate recovery of oil from the unitized portion of the pool.
- B. The proposed unitized methods of operations to be applied to this portion of the North Dagger Draw-Upper Pennsylvanian Pool are feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil and/or gas from the pool, or unitized portions thereof, than would otherwise be recovered.
- C. The estimated additional costs, if any, of conducting such operations will not exceed the estimated value of additional oil recovered plus reasonable profit.
- D. Unitization and adoption of unitized methods of operation will benefit the working interest owners and the royalty owners of the oil and gas rights within this portion of the pool.
- E. Yates Petroleum Corporation, as operator, has made a good faith effort to secure voluntary unitization within the portion of the North Dagger Draw-Upper Pennsylvanian Pool affected by this application.

F. The participation formula contained in the unitization agreement allocates

the produced and saved unitized hydrocarbons to the separately owned

tracts in the Unit Area on a fair, reasonable and equitable basis.

9. Yates requests that any order issued in this case include each matter set forth in

NMSA 1978, § 70-7-7 and that it specifically provide for carrying any working interest owner on

a limited, carried net profits basis, payable out of production, and include a non-consent penalty

for risk to be charged against carried working interests within the unit area upon such terms and

conditions to be determined by the Division as just and reasonable.

10. Statutory unitization of the North Dagger Draw-Upper Pennsylvanian Unit Area,

North Dagger Draw-Upper Pennsylvanian Pool, is in the best interest of conservation, the

prevention of waste and the protection of correlative rights.

WHEREFORE, Yates Petroleum Corporation respectfully requests that this application

be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March

4, 2004, and, that after notice and hearing as required by law and the rules of the Division, the

Division enter its order granting this application statutorily unitizing the subject portions of the

North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico.

Respectfully submitted,

HOLLAND & HART LLP

William F. Carr

Post Office Box 2208

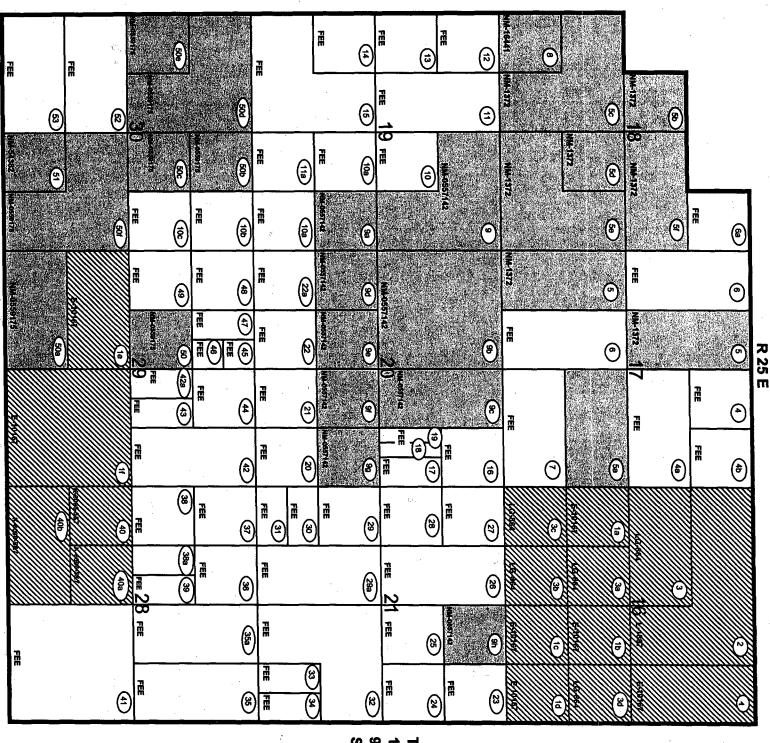
Santa Fe, New Mexico 87504-2208

ATTORNEYS FOR YATES PETROLEUM

**CORPORATION** 

APPLICATION FOR STATUTORY UNITIZATION

PAGE 4



Federal Land State Land Fee Land

Scale: 2.5 inches = 1 mile

All Leases are Held by Production

YATES PETROLEUM CORPORATION **EDDY COUNTY, NEW MEXICO NORTH DAGGER DRAW UPPER PENN UNIT EXHIBIT "A"** 

## STATE/FEDERAL/FEE WATERFLOOD UNIT

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE

NORTH DAGGER DRAW UPPER PENN UNIT EDDY COUNTY, NEW MEXICO

NO.	

## EXHIBIT B

Page

# UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE NORTH DAGGER DRAW UPPER PENN UNIT EDDY COUNTY, NEW MEXICO

#### TABLE OF CONTENTS

SECTION 1. UNIT AREA AND DEFINITIONS....... SECTION 2. SECTION 3. SECTION 4. EXPANSION 3 SECTION 5. UNITIZED LAND 3 SECTION 6. LINIT OPERATOR 4 RESIGNATION OR REMOVAL OF UNIT OPERATOR 4 SECTION 7. SECTION 8. SECTION 9. SECTION 10. PLAN OF OPERATIONS 5 SECTION 11. SECTION 12. SECTION 13. SECTION 14. SECTION 15. .... A. В C. D. SECTION 16. OUTSIDE SUBSTANCES 7 SECTION 17. RENTAL SETTLEMENT 7 SECTION 18. SECTION 19. CONSERVATION 8 SECTION 20. DRAINAGE 8

SECTION 21.	LOSS OF TITLE	8
SECTION 22.	LEASES AND CONTRACTS CONFORMED AND EXTENDED	8
SECTION 23.	COVENANTS RUN WITH LAND	. 9
SECTION 24.	EFFECTIVE DATE AND TERM	. 9
SECTION 25.	RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION	10
SECTION 26.	NONDISCRIMINATION	10
SECTION 27.	APPEARANCES	10
SECTION 28.	NOTICES	10
SECTION 29.	NO WAIVER OF CERTAIN RIGHT	10
SECTION 30.	EQLIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY	10
SECTION 31.	LINAVOIDABLE DELAY	10
SECTION 32.	NONIOINDER AND SUBSEQUENT JOINDER	10
SECTION 33.	COUNTERPARTS	11
SECTION 34.	IOINDER IN DUAL CAPACITY	11
SECTION 35.	TAXES	11
SECTION 36.	NO PARTNERSHIP	. 11
SECTION 37.	PRODUCTION AS OF THE EFFECTIVE DATE.	. 11
SECTION 38.	NO SHARING OF MARKET	. 11
SECTION 39.	STATUTORY UNITIZATION	. 11
EXHIBIT "A".	MAP OF UNIT AREA	. 14
EXHIBIT "B".	SCHEDULE OF OWNERSHIP	. 15
EVUIDIT "C"	SCHEDLIE OF TRACT DARTICIDATION	16

# UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE NORTH DAGGER DRAW UPPER PENN UNIT EDDY COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of October, 2003, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

### WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty or other oil and gas interests in the Unit Area subject to this Agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Section 1, Chapter 88, Laws 1943, as amended by Section 1 of Chapter 176, Laws of 1961) (Chapter 19, Article 10, Section 45, New Mexico Statutes 1978 Annotated), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Section 1, Chapter 88, Laws 1943, as amended by Section 1, Chapter 162, Laws of 1951) (Chapter 19, Article 10, Section 47, New Mexico Statutes 1978 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Division of the State of New Mexico (hereinafter referred to as the "Division") is authorized by an Act of the Legislature (Chapter 72, Laws of 1935 as amended) (Chapter 70, Article 2, Section 2 et seq., New Mexico Statutes 1978 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico is authorized by law (Chapter 65, Article 3 and Article 14, N.M.S. 1953 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interest in the Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

NOW THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their respective interest in the below-defined Unit Area, and agree severally among themselves as follows:

- SECTION 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this Agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this Agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the Effective Date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the state in which the non-Federal land is located, are hereby accepted and made a part of this Agreement.
- SECTION 2. LINIT AREA AND DEFINITIONS. For the purpose of this Agreement, the following terms and expressions as used herein shall mean:
  - (a) "Unit Area" is defined as those lands described in Exhibit "B" and depicted on Exhibit "A" hereof, and such land is hereby designated and recognized as constituting the Unit Area, containing 5,612.95 acres, more or less, in \_Eddy\_ County, New Mexico.
  - (b) "Land Commissioner" is defined as the Commissioner of Public Lands of the State of New Mexico.
  - (c) "Division" is defined as the Oil Conservation Division of the Department of Energy and Minerals of the State of New Mexico.

- (d) "Authorized Officer" or "A.O." is any employee of the Bureau of Land Management who has been delegated the required authority to act on behalf of the BLM.
- (e) "Secretary" is defined as the Secretary of the Interior of the United States of America, or his duly authorized delegate.
- (f) "Department" is defined as the Department of the Interior of the United States of America.
- (g) "Proper BLM Office" is defined as the Bureau of Land Management office having jurisdiction over the federal lands included in the Unit Area.
- (h) "Unitized Formation" shall mean that interval underlying the Unit Area, the vertical limits of which extend from an upper limit described as the top of the Canyon Carbonate formation found at a depth of 7,680 feet, to a lower limit of the base of the Upper Canyon pay at a depth of 8,076 feet as shown on the GR/CNL/LDT/PEF and GR/DUAL LATEROLOG in the Yates Petroleum Corporation Vann "APD" #1 well (located at 660 feet FNL and 660 feet FWL of Section 21, T-19-S, R-25-E, Eddy County, New Mexico).
- (i) "Unitized Substances" are all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons, other than outside substances, within and produced from the Unitized Formation.
- (i) "Tract" is each parcel of land described as such and given a Tract number in Exhibit "B".
- (k) "Tract Participation" is defined as the percentage of participation shown on Exhibit "B" for allocating Unitized Substances to a Tract under this agreement.
- (l) "Unit Participation" is the sum of the percentages obtained by multiplying the Working Interest of a Working Interest Owner in each Tract by the Tract Participation of such Tract.
- (m) "Working Interest" is the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, operating agreement, or otherwise held, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and operations thereof hereunder. Provided that any royalty interest created out of a working interest subsequent to the execution of this Agreement by the owner of the working interest shall continue to be subject to such working interest burdens and obligations.
- (n) "Working Interest Owner" is any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise. The owner of oil and gas rights that are free of lease or other instrument creating a Working Interest in another shall be regarded as a Working Interest Owner to the extent of seven-eighths (7/8) of his interest in Unitized Substances, and as a Royalty Owner with respect to his remaining one-eighth (1/8) interest therein.
- (o) "Royalty Interest" or "Royalty" is an interest other than a Working Interest in or right to receive a portion of the Unitized Substances or the proceeds thereof and includes the royalty interest reserved by the lessor or by an oil and gas lease and any overriding royalty interest, oil payment interest, net profit contracts, or any other payment or burden which does not carry with it the right to search for and produce unitized substances.
- (p) "Royalty Owner" is the owner of a Royalty Interest.
- (q) "Unit Operating Agreement" is the agreement entered into by and between the Unit Operator and the Working Interest Owners as provided in Section 9, infra, and shall be styled "Unit Operating Agreement, North Dagger Draw Upper Penn Unit, Eddy County, New Mexico".
- (r) "Oil and Gas Rights" is the right to explore, develop and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.
- (s) "Outside Substances" is any substance obtained from any source other than the Unitized Formation and injected into the Unitized Formation.
- (t) "Unit Manager" is any person or corporation appointed by Working Interest Owners to perform the duties of Unit Operator until the selection and qualification of a successor Unit Operator as provided for in Section 7 hereof.
- (u) "Unit Operator" is the party designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations.
- (v) "Unit Operations" is any operation conducted pursuant to this Agreement and the Unit Operating Agreement.
- (w) "Unit Equipment" is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise

acquired for the joint account for use in Unit Operations.

- (x) "Unit Expense" is all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.
- (y) "Effective Date" is the date determined in accordance with Section 24, or as re-determined in accordance with Section 39.
- EXHIBITS. The following exhibits are incorporated herein by reference: Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract, percentages and kind of ownership of oil and gas interests in all land in the Unit Area, and Tract Participation of each Tract. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. The shapes and descriptions of the respective Tracts have been established by using the best information available. Each Working Interest Owner is responsible for supplying Unit Operator with accurate information relating to each Working Interest Owner's interest. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date hereof, should be divided into more than one Tract, or when any revision is requested by the A.O., or any correction of any error other than mechanical miscalculations or clerical is needed, then the Unit Operator, with the approval of the Working Interest Owners, may correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any reevaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each other such revision of an exhibit shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit. Copies of such revision shall be filed with the Land Commissioner, and not less than four copies shall be filed with the A.O. In any such revision, there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof.
- SECTION 4. EXPANSION. The above described Unit Area may, with the approval of the A.O., Land Commissioner, and the Working Interest Owner of the tract of land to be included, when practicable be expanded to include therein any additional Tract or Tracts regarded as reasonably necessary or advisable for the purposes of this Agreement provided, however, in such expansion there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof. Pursuant to Subsection (b), the Working Interest Owners may agree upon an adjustment of investment by reason of the expansion. Such expansion shall be effected in the following manner:
  - (a) The Working Interest Owner or Owners of a Tract or Tracts desiring to bring such Tract or Tracts into this unit, shall file an application therefor with Unit Operator requesting such admission. No expansion of the Unit shall be permitted unless the owner of the tract to be included makes application and is in support of an amendment to the Unit Agreement providing for the inclusion of such additional tract, and,
  - (b) Unit Operator shall circulate such application requesting the proposed expansion to each Working Interest Owner in the Unit Area and in the Tract proposed to be included in the unit, setting out the basis for admission, the Tract Participation to be assigned to each Tract in the enlarged Unit Area and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if at least three Working Interest Owners having in the aggregate seventy-five percent (75%) of the Unit Participation then in effect have agreed to inclusion of such Tract or Tracts in the Unit Area, then Unit Operator shall:
  - 1. After obtaining preliminary concurrence by the A.O., Land Commissioner and the Working Interest Owner of the tract of land to be included into the Unit, prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be assigned thereto and the proposed effective date thereof; and
  - 2. Deliver copies of said notice to Land Commissioner, the A.O. at the proper BLM Office, each Working Interest Owner and to the last known address of each lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and
  - 3. File, upon the expiration of said thirty (30) day period as set out in (2) immediately above with the Land Commissioner and A.O. and the Working Interest Owner of the tract of land to be included into the Unit, the following: (a) evidence of mailing or delivering copies of said notice of expansion; (b) an application for approval of such expansion; (c) an instrument containing the appropriate joinders in compliance with the participation requirements of Section 14, and Section 34, infra; and (d) a copy of all objections received along with the Unit Operator's response thereto.

The expansion shall, after due consideration of all pertinent information and approval by the Land Commissioner and the A.O., become effective as of the date prescribed in the notice thereof, preferably the first day of the month subsequent to the date of notice. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain the same ratio one to another.

SECTION 5. LINITIZED LAND. All land committed to this Agreement as to the Unitized Formation shall constitute land referred to herein as "Unitized Land" or "Land subject to this Agreement". Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as defined in Section 2 (h) of this Agreement.

SECTION 6. LINIT OPERATOR. Yates Petroleum Corporation is hereby designated the Unit Operator, and by signing this instrument as Unit Operator, agrees and consents to accept the duties and obligations of Unit Operator for the operation, development, and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, when such interest are owned by it and the term "Working Interest Owner" when used herein shall include or refer to the Unit Operator as the owner of a Working Interest when such an interest is owned by it.

Unit Operator shall have a lien upon interests of Working Owners in the Unit Area to the extent provided in the Unit Operating Agreement.

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, the Land Commissioner and the A.O. unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties and obligations hereunder, be subject to removal by Working Interest Owners having in the aggregate eighty percent (80%) or more of the Unit Participation then in effect exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the Land Commissioner and the A.O.

In all such instances of effective resignation or removal, until a successor to Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books and records, materials, appurtenances and any other assets used in connection with the Unit Operations to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected. Nothing herein shall be construed as authorizing the removal of any material, equipment or appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator or Unit Manager who resigns or is removed hereunder from any liability or duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 8. SLICCESSOR LINIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Land Commissioner and the A.O. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the Land Commissioner and/or the A.O., at their election, may declare this Agreement terminated.

In selecting a successor Unit Operator, the affirmative vote of three or more Working Interest Owners having a total of sixty-five percent (65%) or more of the total Unit Participation shall prevail; provided that if any one Working Interest Owner has a Unit Participation of more than thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of one or more other Working Interest Owners having a total Unit Participation of at least five percent (5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of the owners of at least seventy-five percent (75%) of the Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

#### SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

Costs and expenses incurred by Unit Operator in conducting Unit Operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement. Such Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Land Commissioner and with the A.O. at the Proper BLM Office as required prior to approval of this Agreement.

SECTION 10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request, acceptable evidence of title to said rights shall be deposited with said Unit Operator, and together with this Agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this Agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 11. PLAN OF OPERATIONS. It is recognized and agreed by the parties hereto that all of the land subject to this Agreement is reasonably proved to be productive of Unitized Substances and that the object and purpose of this Agreement is to formulate and to put into effect an improved recovery project in order to effect additional recovery of Unitized Substances, prevent waste and conserve natural resources. Unit Operator shall have the right to inject into the Unitized Formation any substances for secondary recovery or enhanced recovery purposes in accordance with a plan of operation approved by the Working Interest Owners, the A.O., the Land Commissioner and the Division, including the right to drill and maintain injection wells on the Unitized Land and completed in the Unitized Formation, and to use abandoned well or wells producing from the Unitized Formation for said purpose. Subject to like approval, the Plan of Operation may be revised as conditions may warrant.

The initial Plan of Operation shall be filed with the A.O., the Land Commissioner and the Division concurrently with the filing of the Unit Agreement for final approval. Said initial plan of operations and all revisions thereof shall be as complete and adequate as the A.O., the Land Commissioner and the Division may determine to be necessary for timely operation consistent herewith. Upon approval of this Agreement and the initial plan by the A.O. and Commissioner, said plan, and all subsequently approved plans, shall constitute the operating obligations of the Unit Operator under this Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for like approval a plan for an additional specified period of operations. After such operations are commenced, reasonable diligence shall be exercised by the Unit Operator in complying with the obligations of the approved Plan of Operation.

Notwithstanding anything to the contrary herein contained, should the Unit Operator fail to commence Unit Operations for the secondary recovery of Unitized Substances from the Unit Area within eighteen (18) months after the effective date of this Agreement, or any extension thereof approved by the A.O., this Agreement shall terminate automatically as of the date of default.

SECTION 12. <u>USE OF SURFACE AND USE OF WATER</u>. The parties to the extent of their rights and interests, hereby grant to Unit Operator the right to use as much of the surface, including the water thereunder, of the Unitized Land as may reasonably be necessary for Unit Operations.

Unit Operator's free use of water or brine or both for Unit Operations, shall not include any water from any well, lake, pond or irrigation ditch of a surface owner, unless approval for such use is granted by the surface owner.

Unit Operator shall pay the surface owner for damages to growing crops, fences, improvements and structures on the Unitized Land that result from Unit Operations, and such payments shall be considered as items of unit expense to be borne by all the Working Interest Owners of lands subject hereto.

SECTION 13. TRACT PARTICIPATION. In Exhibit "B" attached hereto there are listed and numbered the various Tracts within the Unit Area, and set forth opposite each Tract are figures which represent the Tract Participation, during Unit Operations if all Tracts in the Unit Area qualify as provided herein. The Tract Participation of each Tract as shown in Exhibit "B" was determined in accordance with the following formula:

#### Tract Participation = 70% A + 30% B

- A = the Area Ratio based on the ratio of an Owners net acreage divided by the total acreage within the Unit Area.
- B = the Reserves Ratio based on the ratio of the total Remaining Primary Barrels of Oil Equivalent as of January 1, 2003 for wells within the Tract as shown in Exhibit "D", divided by the total Remaining Primary Barrels of Oil Equivalent as of January 1, 2003 for wells within the Unit Area. Here Barrels of Oil Equivalent (BOE) is calculated as gas volume in Mcf divided by 6 plus oil volume in STBO. (BOE = STBO + MCF/6)

In the event less than all Tracts are qualified on the Effective Date hereof, the Tract Participation shall be calculated on the basis of all such qualified Tracts rather than all Tracts in the Unit Area.

- SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, the Tracts within the Unit Area which shall be entitled to participation in the production of Unitized Substances shall be those Tracts more particularly described in Exhibit "B" that corner or have a common boundary (Tracts separated only by a public road or a railroad right-of-way shall be considered to have a common boundary), and that otherwise qualify as follows:
  - (a) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest have become parties to this Agreement.
  - (b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement, and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this Agreement, and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owners owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract have joined in a request for the inclusion of such Tract, and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the combined Unit Participation in all Tracts that meet the requirements of Section 14 (a) above have voted in favor of the inclusion of such tract.
  - (c) Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have become parties to this Agreement, regardless of the percentage of Royalty Interest therein that is committed hereto; and as to which (1) the

Working Interest Owner who operates the Tract and Working Interest Owner owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract who have become parties to this Agreement have joined in a request for inclusion of such Tract, and have executed and delivered, or obligated themselves to execute and deliver an indemnity agreement indemnifying and agreeing to hold harmless the other owners of committed Working Interests, their successors and assigns, against all claims and demands that may by made by the owners of Working Interest in such Tract who are not parties to this Agreement, and which arise out of the inclusion of the Tract; and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the Unit Participation in all Tracts that meet the requirements of Section 14 (a) and 14 (b) have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. Upon the inclusion of such a Tract, the Tract Participation which would have been attributed to the non-subscribing owners of Working Interest in such Tract, had they become parties to this Agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, and joined in the indemnity agreement, in proportion to their respective Working Interests in the Tract.

If on the Effective Date of this Agreement there is any Tract or Tracts which have not been effectively committed to or made subject to this Agreement by qualifying as above provided, then such Tract or Tracts shall not be entitled to participate hereunder. Unit Operator shall, when submitting this Agreement for final approval by the Land Commissioner and the A.O., file therewith a schedule of those tracts which have been committed and made subject to this Agreement and are entitled to participate in Unitized Substances. Said schedule shall set forth opposite each such committed Tract the lease number or assignment number, the owner of record of the lease, and the percentage participation of such tract which shall be computed according to the participation formula set forth in Section 13 (Tract Participation) above. This schedule of participation shall be revised Exhibit "B" and upon approval thereof by the Land Commissioner and the A.O., shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until a new schedule is approved by the Land Commissioner and A.O.

SECTION 15.A. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp and other production or development purposes and for injection or unavoidable loss in accordance with a Plan of Operation approved by the A.O. and Land Commissioner) shall be apportioned among and allocated to the qualified Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances were produced, as set forth in the schedule of participation in Exhibit "B". The amount of Unitized Substances so allocated to each Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract) shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, to the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tracts, or in the proceeds thereof, had this Agreement not been entered into; and with the same legal force and effect.

No Tract committed to this Agreement and qualified for participation as above provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances.

If the Working Interest and/or the Royalty Interest in any Tract are divided with respect to separate parcels or portions of such Tract and owned now or hereafter in severalty by different persons, the Tract Participation shall in the absence of a recordable instrument executed by all owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

SECTION 15.B. EXCESS IMPLITED. NEWLY. DISCOVERED CRUDE OIL. Each Tract shall be allocated any excess imputed newly discovered crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts not previously allocated the total number of barrels of crude oil allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed newly discovered crude oil allocated to each such Tract, when added to the total number of barrels of imputed newly discovered crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.C. EXCESS IMPLITED STRIPPER CRUDE OIL. Each Tract shall be allocated any excess imputed stripper crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts not previously allocated the total number of crude oil barrels allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed stripper crude oil allocated to each such Tract, when added to the total number of barrels of imputed stripper crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.D. TAKING LINITIZED SUBSTANCES IN KIND. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective parties entitled thereto by virtue of the ownership of oil and gas rights therein. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unitized Area, provided the same are so constructed, maintained and operated as not to interfere with Unit Operations. Subject to Section 17 hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event any Working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation then so long as such condition continues, Unit Operator, for the account and at the expense of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may, but shall not be required to, sell or otherwise dispose of such production to itself or to others, provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are

consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year, and at not less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any Working Interest Owner's share of gas production without first giving such Working Interest Owner sixty (60) days' notice of such intended sale.

Any Working Interest Owner receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all royalty, overriding royalty and production payments due thereon, and each such party shall hold each other Working Interest Owner harmless against all claims, demands and causes of action by owners of such royalty, overriding royalty and production payments.

If, after the Effective Date of this Agreement, there is any Tract or Tracts that are subsequently committed hereto, as provided in Section 4 (Expansion) hereof, or any Tract or Tracts within the Unit Area not committed hereto as of the Effective Date hereof but which are subsequently committed hereto under the provisions of Section 14 (Tracts Qualified for Participation) and Section 32 (Non-joinder and Subsequent Joinder); or if

any Tract is excluded from this Agreement as provided for in Section 21 (Loss of Title), the schedule of participation as shown in Exhibit "B" shall be revised by the Unit Operator; and the revised Exhibit "B", upon approval by the Land Commissioner and the A.O., shall govern the allocation of production on and after the effective date thereof until a revised schedule is approved as hereinabove provided.

SECTION 16. OLITSIDE SUBSTANCES. If gas obtained from formations not subject to this Agreement is introduced into the Unitized Formation for use in repressuring, stimulating of production or increasing ultimate recovery which shall be in conformity with a Plan of Operation first approved by the Land Commissioner and the A.O., a like amount of gas with appropriate deduction for loss or depletion from any cause may be withdrawn from unit wells completed in the Unitized Formation royalty free as to dry gas, but not royalty free as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved Plan of Operation or as otherwise may be consented to or prescribed by the Land Commissioner and the A.O. as conforming to good petroleum engineering practices and provided further that such right of withdrawal shall terminate on the termination date of this Agreement.

SECTION 17. ROYALTY SETTLEMENT. The State of New Mexico and United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the substances produced from any Tract unitized hereunder, shall continue to be entitled to such right to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under the leases, except that such Royalty shall be computed on Unitized Substances as allocated to each Tract in accordance with the terms of this Agreement. With respect to Federal leases committed hereto on which the royalty rate depends upon the daily average production per well, such average production shall be determined in accordance with the operating regulations pertaining to Federal leases as though the committed Tracts were included in a single consolidated lease.

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline runs per well from such Tract during any period of time, then such production shall be determined from and after the effective date hereof by dividing the quantity of Unitized Substances allocated hereunder to such Tract during such period of time by the number of wells located thereon capable of producing Unitized Substances as of the Effective Date hereof, provided that any Tract not having any well so capable of producing Unitized Substances on the Effective Date hereof shall be considered as having one such well for the purpose of this provision.

All Royalty due the State of New Mexico and the United States of America and the other Royalty Owners hereunder shall be computed and paid on the basis of all Unitized Substances allocated to the respective Tract or Tracts committed hereto, in lieu of actual production from such Tract or Tracts.

With the exception of Federal and State requirements to the contrary, Working Interest Owners may use or consume Unitized Substances for Unit Operations and no Royalty, overriding royalty, production or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

Each Royalty Owner (other than the State of New Mexico and the United States of America) that executes this Agreement represents and warrants that it is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as its interest appears in Exhibit "B" attached hereto. If any Royalty Interest in a Tract or Tracts should be lost by title failure or otherwise in whole or in part, during the term of this Agreement, then the Royalty Interest of the party representing himself to be the owner thereof shall be reduced proportionately and the interest of all parties shall be adjusted accordingly.

SECTION 18. RENTAL SETTLEMENT. Rentals or minimum Royalties due on the leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum Royalty in lieu thereof, due under their leases. Rental for lands of the State of New Mexico subject to this Agreement shall be paid at the rate specified in the respective leases from the State

of New Mexico. Rental or minimum Royalty for lands of the United States of America subject to this Agreement shall be paid at the rate specified in the respective leases from the United States of America, unless such rental or minimum Royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 19. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State laws and regulations.

SECTION 20. DRAINAGE. The Unit Operator shall take all reasonable and prudent measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this Agreement.

The Unit Operator, upon approval by the Working Interest Owners, the A.O. and the Land Commissioner, is hereby empowered to enter into a borderline agreement or agreements with working interest owners of adjoining lands not subject to this Agreement with respect to operation in the border area for the maximum economic recovery, conservation purposes and proper protection of the parties and interest affected.

SECTION 21. LOSS OF TITLE. In the event title to any Tract of unitized land shall fail and the true owner cannot be induced to join in this Agreement, such Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any Royalty, Working Interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to State or Federal lands or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the A.O. or Land Commissioner (as the case may be) to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

If the title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

- (a) require that the party to whom such Unitized Substance are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or
- (b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgement of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

Each Working Interest Owner shall indemnify, hold harmless, and defend all other Working Interest Owners against any and all claims by any party against the interest attributed to such Working Interest Owner on Exhibit "B".

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

SECTION 22. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Secretary and the Land Commissioner, respectively, shall and by their approval hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, alter, change or revoke the drilling, producing, rental, minimum Royalty and Royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement.

Without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

- (a) The development and operation of lands subject to this Agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each Tract subject to this Agreement, regardless of whether there is any development of any Tract of the Unit Area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.
- (b) Drilling, producing or improved recovery operations performed hereunder shall be deemed to be performed upon and for the benefit of each Tract, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.
- (c) Suspension of drilling or producing operations within the Unit Area pursuant to direction or consent of the Land Commissioner and the A.O., or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each Tract within the Unitized Area.
- (d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil and gas which by its terms might expire prior to the termination of this Agreement, is hereby extended beyond any such term so provided therein, so that it shall be continued in full force and effect for and during the term of this Agreement.

- (e) Any lease embracing lands of the State of New Mexico which is made subject to this Agreement shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof.
- (f) Any lease embracing lands of the State of New Mexico having only a portion of its land committed hereto shall be segregated as to that portion committed and that not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the Effective Date hereof. Provided, however, that notwithstanding any of the provisions of this Agreement to the contrary, such lease (including both segregated portions) shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease if oil or gas is, or has heretofore been discovered in paying quantities on some part of the lands embraced in such lease committed to this Agreement or, so long as a portion of the Unitized Substances produced from the Unit Area is, under the terms of this Agreement, allocated to the portion of the lands covered by such lease committed to this Agreement, or, at any time during the term hereof, as to any lease that is then valid and subsisting and upon which the lessee or the Unit Operator is then engaged in bona fide drilling, reworking, or improved recovery operations on any part of the lands embraced in such lease, then the same as to all lands embraced therein shall remain in full force and effect so long as such operations are diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.
- (g) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragraph of Section 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization; provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

SECTION 23. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument or transfer; and no assignment or transfer of any Royalty Interest subject hereto shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument or transfer.

SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective on the first day of the calendar month next following the approval of this Agreement by the A.O., the Land Commissioner and the Commission.

If this Agreement does not become effective on or before \_\_\_\_\_\_\_, it shall ipso facto expire on said date (hereinafter call "Expiration Date") and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Participation of at least seventy-five percent (75%); and at least seventy-five percent (75%) of such Working Interest Owners committed to this Agreement have decided to extend Expiration Date for a period not to exceed one (1) year (hereinafter called "Extended Expiration Date"). If Expiration Date is so extended and this Agreement does not become effective on or before the Extended Expiration Date, it shall ipso facto expire on Extended Expiration Date and thereafter be of no further force and effect.

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the office of the County Clerk of Fiddy County, New Mexico, where a counterpart of this Agreement has become effective according to its terms and stating further the effective date.

The terms of this Agreement shall be for and during the time that Unitized Substances are produced from the unitized land and so long thereafter as drilling, reworking or other operations (including improved recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be terminated with the approval of the Land Commissioner and the A.O. by Working Interest Owners owning eighty percent (80%) of the Unit Participation then in effect whenever such Working Interest Owners determine that Unit Operations are no longer profitable, or in the interest of conservation. Upon approval, such termination shall be effective as of the first day of the month after said Working Interest Owners' determination. Notice of any such termination shall be filed by Unit Operator in the office of the County Clerk of \_\_Fddy\_\_ County,,New Mexico, within thirty (30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts just as if this Agreement had never been entered into.

Notwithstanding any other provisions in the leases unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State Statute. The A.O. is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Division to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Land Commissioner and as to any lands in the State of New Mexico or privately-owned lands subject to this Agreement or to the quantity and rate of production from such lands in the absence of specific written approval thereof by the Division.

Powers in this Section vested in the A.O. shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from notice, and thereafter subject to administrative appeal before becoming final.

- SECTION 26. NONDISCRIMINATION. Unit Operator in connection with the performance of work under this Agreement relating to leases of the United States, agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246, (30 F.R. 12319), which are hereby incorporated by reference in this Agreement.
- SECTION 27. APPEARANCES. Unit Operator shall have the right to appear for or on behalf of any interests affected hereby before the Land Commissioner, the Department, and the Division, and to appeal from any order issued under the rules and regulations of the Land Commissioner, the Department or the Division, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Land Commissioner, the Department or the Division or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.
- SECTION 28. NOTICES. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified or registered mail, addressed to such party or parties at their last known address set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement.
- SECTION 29. NO WAIVER OF CERTAIN RIGHT. Nothing in this Agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said Unitized Lands are located, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive; provided, however, each party hereto covenants that it will not resort to any action to partition the unitized land or the Unit Equipment.
- SECTION 30. EQLIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY. Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this Agreement various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unitized Land as now or hereafter constituted. Therefore, for all purposes of this Agreement, any such equipment shall be considered to be personal property and not fixtures attached to realty. Accordingly, said well and lease equipment and personal property is hereby severed from the mineral estates affected by this Agreement, and it is agreed that any such equipment and personal property shall be and remain personal property of the Working Interest Owners for all purposes.
- SECTION 31. LINAYOIDABLE DELAY. All obligations under this Agreement requiring the Unit Operator to commence or continue improved recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this Agreement shall be suspended while, but only so long as, the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.
- SECTION 32. NONIOINDER\_AND\_SUBSEQUENT\_IOINDER. Joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Agreement.

Any oil or gas interest in the Unitized Formations not committed hereto prior to submission of this Agreement to the Land Commissioner and the A.O. for final approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 14 (Tracts Qualified for Participation) hereof, at any time up to the Effective Date hereof on the same basis of Tract Participation as provided in Section 13, by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof the right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning not less than eighty percent (80%) of the Unit Participation then in effect, and approved by the Land Commissioner and A.O. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement and, where State or Federal land is involved, such joinder must be approved by the Land Commissioner or A.O. Such joinder by a proposed Royalty Owner must

be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective as of the first day of the month following the filing with the Land Commissioner and A.O. of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the Land Commissioner or the A.O., is duly made sixty (60) days after such filing.

SECTION 33. COLINTERPARTS. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the described Unit Area. Furthermore, this Agreement shall extend to and be binding on the parties hereto, their successors, heirs and assigns.

SECTION 34. <u>IOINDER IN DLIAL CAPACITY</u>. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party; provided, that if the party is the owner of a Working Interest, he must also execute the Unit Operating Agreement.

SECTION 35. TAXES. Each party hereto shall, for its own account, render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required or if it be determined that the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Royalty Owners, who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No taxes shall be charged to the United States or to the State of New Mexico, nor to any lessor who has a contract with a lessee which requires his lessee to pay such taxes.

SECTION 36. NO.PARTNERSHIP. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligation as herein provided.

SECTION 37. PRODUCTION AS OF THE EFFECTIVE DATE. Unit Operator shall make a proper and timely gauge of all leases and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in such tanks as of 7:00 a.m. on the Effective Date hereof. All such oil which has been produced in accordance with established allowables shall be and remain the property of the Working Interest Owner entitled thereto, the same as if the unit had not been formed; and the responsible Working Interest Owner shall promptly remove said oil from the unitized land. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owners, subject to the payment of all Royalty to Royalty Owners under the terms hereof. The oil that is in excess of the prior allowable of the wells from which it was produced shall be regarded as Unitized Substances produced after Effective Date hereof.

If, as of the Effective Date hereof, any Tract is overproduced with respect to the allowable of the wells on that Tract and the amount of over-production has been sold or otherwise disposed of, such over-production shall be regarded as a part of the Unitized Substances produced after the Effective Date hereof and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

SECTION 38. NO.SHARING OF MARKET. This Agreement is not intended to provide and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale or marketing of Unitized Substances.

SECTION 39. STATUTORY LINITIZATION. If and when Working Interest Owners owning at least seventy-five percent (75%) Unit Participation and Royalty Owners owning at least seventy-five percent (75%) Royalty Interest have become parties to this Agreement or have approved this Agreement in writing and such Working Interest Owners have also become parties to the Unit Operating Agreement, Unit Operator may make application to the Division for statutory unitization of the uncommitted interests pursuant to the Statutory Unitization Act (Chapter 65, Article 14, N.M.S. 1953 Annotated). If such application is made and statutory unitization is approved by the Division, then effective as of the date of the Division's order approving statutory unitization, this Agreement and/or the Unit Operating Agreement shall automatically be revised and/or amended in accordance with the following:

(1) Section 14 of this Agreement shall be revised by substituting for the entire said section the following:

"SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, all Tracts within the Unit Area shall be entitled to participation in the production of Unitized Substances."

(2) Section 24 of this Agreement shall be revised by substituting for the first three paragraphs of said section the following:

"SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become effective on the first day of the calendar month next following the effective date of the Division's order approving statutory unitization upon the terms and conditions of this Agreement, as amended (if any amendment is necessary) to conform to the Division's order, approval of this Agreement, as so amended, by the Land Commissioner; and the A.O. and the filing by Unit Operator of this Agreement or notice thereof for record in the office of the County Clerk of \_\_Eddy\_\_ County, New Mexico. Unit Operator shall not file this Agreement or notice thereof for record, and hence this Agreement shall not become effective, unless within ninety (90) days after the date all other prerequisites for effectiveness of this Agreement have been satisfied, such filing is approved by Working

Interest Owners owning a combined Unit Participation of at least sixty-five percent (65%) as to all Tracts within the Unit Area.

"Unit Operator shall, within thirty (30) days after the Effective Date of this Agreement, file for record in the office of the County Clerk of <u>Eddy</u>... County, New Mexico, a certificate to the effect that this Agreement has become effective in accordance with its terms, therein identifying the Division's order approving statutory unitization and stating the Effective Date."

(3) This Agreement and/or the Unit Operating Agreement shall be amended in any and all respects necessary to conform to the Division's order approving statutory unitization.

Any and all amendments of this Agreement and/or the Unit Operating Agreement that are necessary to conform said agreements to the Division's order approving statutory unitization shall be deemed to be hereby approved in writing by the parties hereto without any necessity for further approval by said parties, except as follows:

- (a) If any amendment of this Agreement has the effect of reducing any Royalty Owner's participation in the production of Unitized Substances, such Royalty Owner shall not be deemed to have hereby approved the amended agreement without the necessity of further approval in writing by said Royalty Owner; and
- (b) If any amendment of this Agreement and/or the Unit Operating Agreement has the effect of reducing any Working Interest Owner's participation in the production of Unitized Substances or increasing such Working Interest Owner's share of Unit Expense, such Working Interest Owner shall not be deemed to have hereby approved the amended agreements without he necessity of further approval in writing by said Working Interest Owner.

Executed as of the day and year first above written.

YATES PETROLEUM CORPORATION
By: Attorney-in-Fact
Date of Execution:
10/24/2003

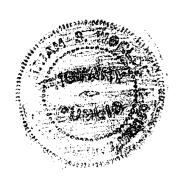
STATE OF NEW MEXICO)
)ss.
COUNTY OF EDDY
)

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of October, 2003, byRandy G. Patterson, Attorney-in-Fact for Yates Petroleum Corporation, a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

3-1-06

Miciam & Mordow Notary Public



	Susan V	EXHIBIT "A"	YATES PETROLEUM CORPORATION	NORTH DAGGER DRAW	UPPER PENN UNIT	EDDY COUNTY, NEW MEXICO	<b>⊢</b> ← 6 Ø		Federal Land	State Land	Fee Land	All Leases are Held by Production	Scale: 2.5 inches = 1 mile	
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NORTH DAGGER DRAW UPPER PENN UNIT

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Percent 32.16% 18.53% 49.31%

Acres 1805.17 1040.00 2767.78

Lease Federal State Fee 100.00%

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Total

SUSAN VIERRA 2/9/04

EXHIBIT "B" SCHEDULE OF OWNERSHIP SCHEDULE OF OWNERSHIP SCHEDULE SHOWING ALL LANDS AND LEASES WITHIN THE NORTH DAGGER DRAW UPPER PENN UNIT EDDY COUNTY, NEW MEXICO

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RANGE 25 EAST, MINMA SECTION 17: NW/4NE/4	10,000000 ROY E, GLY MAR408-58 FEE - HBP FEE -	M. KINCAID, ETAL  CATTLE CO. / CONOCO  LORESS, ETUX / CONOCO  E. HINKLE, ETUX / CONOCO  E. ESTATE / CONOCO  F. & ASSOCIATES / CONOCO  S. WINSTON, INC. / CONOCO  & WINSTON, INC. / CONOCO  & WINSTON, INC. / CONOCO  ***  **  **  **  **  **  **  **  **	VATES PETROLEUM CORPORATION  VATES PETROLEUM CORPORATION  SHARBROOL LUMITED COMPANY  ESTATE OF LILLIE M. YATES  VATES, JOHN A.  SHARBROOL LUMITED COMPANY  STATES, JOHN A.  STATES, JOHN A.  SHARBROOL LUMITED COMPANY  ESTATE OF LILLIE M. YATES  VATES, DELLIC OCMPANY  STATES, JOHN A.  VATES, PETROLEUM CORPORATION  VATES PETROLEUM CORPOR	75 GONORO BECK, RAY HALL 76 GONORO 76 HILDRESS, JAMES W 76 GONORO 76 HILDRESS 76	LIVING C C ARTHERSHIP TTY R. AILY R. AILRIE AILRIE R.C. CONALD OPE UST AIRE C.	10 1953 (O MAMBERS, LOUE DEE KING, ESTATE 10 41940 (O MAMBERS, ROBERT E., RING 10 4170 (D LIRRY); FLORENCE M. ESSMAN 10 4170 (D LIRRY); FLORENCE M. ESSMAN 10 4170 (D LIRRY); FLORENCE M. ESSMAN 10 41940 (O MARCH) 10 520830 (LPSCAMBE, CELESTE CHAMBERS 10 607500 (D LIPRO, LOUE RESOLUCES, INC. 11 007700 (O LIDRY); MICH 11 4640 (O MARCH) 11 007324 (O MARCH); MICH 11 007324 (O MARCH) 12 007324 (O MARCH) 12 007324 (O MARCH) 13 007324 (O MARCH) 14 007324 (O MARCH) 15 007324 (O MARCH) 15 007324 (O MARCH) 16 007324 (O MARCH) 17 007324 (O MARCH) 17 007324 (O MARCH) 18 00	0.000.0 0.000.	20 CALLULE M. YATES  20 SHARBERO OIL LIMITED COMPANY  31 TRUST O LUWIN DEGGY A. YATES  32 VATES DRILLING COMPANY  33 VATES DRILLING COMPANY  34 VATES, JOHN A.  36 SERVICE OF COMPANY  37 VATES, JOHN A.	72.08330 M	AGREANING AGREMENT SECTION 17: NE/4 403-5-W 9-30-1992 403-5-AA 7-1-1992

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REFERENCE		AGREEMENT SECTION 17: NEA 4035-AA 7:1-1992	OPERATING AGREEMENT SACREEMENT AGREEMENT 403-5-W 9-30-1992 403-5-AA 7-1-1992
		OCPORATION 2.083333 PANY 4. YATES 75.00000 PANY 4. 166681 PANY 7. 2. 083333 CRPORATION 12.50000 2.083333	ATES 2.083330 (COMPANY 2.083330 (COMPANY 2.083330 (COMPANY 2.083330 (COMPANY 2.08330 (COMPANY 2.08330 (COMPANY 2.08334 (COMPA
WORKING INTEREST AND PERCENTAGE		0. (16907) SIARBRO OIL LIMITED COMPANY 0.003730 SOUTHWEST ROYATTES CONTROLL OF COMPANY 0.003730 VATES PETROLLEUM CORPORATION 0.03730 VATES PETROLLEUM CORPORATION 0.03730 VATES PETROLLEUM CORPORATION 0.03730 VATES JOHN A. 0.19073 0.093730 VATES JOHN A. 0.003730 VATES JOHN A.	0.22420 ESTATE OF LILLIE M. YATES 0.22420 STATE OF LILLIE M. CAMPANY 0.08370 SOUTHWEST ROYALITES 0.08370 TRUST O LUMYO PEGGY A. YATES 0.08370 VATES DETRICHEU COMPANY 0.02730 VATES PETROLEUM CORPORATION 0.03250 VATES, JOHN A. 0.083750 0.083750
OVERRIDING ROYALTY AND PERCENTAGE		CHAMBERS, ROBERT E. JR.  CHAMBERS, ROBERT E. JR.  DAWSON, INCY CHAMBERS  SESMAN, JAMES H.  FREEMAN, ALICE AWN HANS  HUMTINGTON ELECTR CHAMBERS  SCUEA RESOURCES, INC  PROBLEM T. A. JEANETTE J.  ROBERTS, MICE H.  ROBERTS, MICE H.	G-WABERS, LOLLIE DEE KING, ESTATE G-WABERS, ROBERT E, JR. GURRY, F.CORENCE M. ESSANN DAWSON, INEVA CHAMBERS ESSANN, JAMES H. FREEMAN, JAMES H. FREEMS, MIKE H. FREEM
BASIC ROYALTY AND PERCENTAGE	SCOTT, KENIN, CARTER SWOPE, JAMES R. TURNER, GAYLE ELIZABETH L. VAN WINKLE, JOANNE D. YATES BROTHERS	TER ER F. FERS	0
LESSEE OF RECORD AND PERCENTAGE		VATES DRILLING COMPANY SHARBRO OIL LIMITED COMPANY SHARBRO OIL LIMITED COMPANY STATES, JOHNA VATES PETROLELIM CORPORATION VATES PETROLELIM CORPORATION VATES PETROLELIM CORPORATION  VATES	YATES PETROLEUM CORPORATION  YATES DRILLING COMPANY STARED OLLILE M. YATES TATE OF LILLE M. YATES  YATES, JOHN A.  SHARBO OLL LIMITED COMPANY SHARBO OLL LIMITED COMPONATION  YATES PETROLEUM CORPORATION  10
SERIAL NUMBER AND EXPRIATION DATE		NIM-403-58 FEE - HBP CALAND & CATTLE CO. / CONOCO NIM-403-5C FEE - HBP FEE -	ROY E. GLASS, ETUX NM-403-58 FEE - HBP CORDELLA M. KINCAID, ETAL CORDELLA M. KINCAID, ETAL NM-403-50 FEE - HBP CALLAND & CATTLE CO. / CONOCO NM-403-50 I. J. MARSHALL, ETUX / CONOCO NM-403-50 FEE - HBP CLARENCE E. HINKLE, ETUX / CONOCO NM-403-50 FEE - HBP F
ACRES		20,000000 2,500000 5,000000 7,500000 10,000000	10.000000 11.250000 1.250000 2.500000 2.500000 3.750000
DESCRIPTION OF LANDS		RANGE 28 EAST, NMPM SECTION 17: S/ZNE/4	TOWNSHIP 18 SOUTH. RANGE 25 EAST, NMPM SECTION 17: NEANEA
TR TRACT # ACRES			40.00

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REFERÈNCE		OPERATING CONCO, INC. JENNY COM 1, 2 SECTION 17: NW4 403-5-Y2 4-1-1983	1.041700 OPERATING 1.041700 AGREEMENT 1.041800 CONOCO, INC. 2.083300 SECTION 17: SE/4 89.750000 403-5-AB 4.1-1993 1.041700	JOPERATING SAREEMENT SECTION I BINNA JOHNSTON / HANKS (SEE D O OPINION) 401-209-G 1-18-1971			
		1.041700 1.041700 1.041600 2.083300 1.041700 1.041700	1.041700 1.041700 1.041600 2.083300 93.750000 1.041700	100.00000	100.000000	8.333333 8.33333 16.666866 50.00000 8.33333	100.000000
WORKING INTEREST AND PERCENTAGE		90 ESTATE OF LILLIE M. YATES 90 BANBRO OLI LIMITED COMPANY 90 TRUST O UNWO PEGSY A. YATES 90 YATES DRILLING COMPANY 90 YATES PRILLING COMPANY 90 YATES TRUST OLIVIN CORPORATION 90 YATES, JOHN A.	60 ESTATE OF LILLIE M. YATES SOS BARARNO DUL LIMITED COMPANY SOS TRUST O LIMITED COMPANY SOS TRUST O LIMITED COMPANY SOS TRUST O LIMITED COMPANY OF YATES PRILLING COMPANY OF YATES PRILLING COMPANY OF YATES PRILLING COMPANY OF YATES TROLELIM CORPORATION OF YATES A JOHN A.  SOS COMPANY OF TRUST OF TRU	SO VATES PETROLEUM CORPORATION SO S	SO VATES PETROLEUM CORPORATION SO CO	SO ESTATE OF LILLIE M. YATES SO ESHARBRO OLI LIMITED COMPANY SO TRUST O LIMITED COMPANY SO TRUST O LIMITED COMPANY SO TALES DRILLING COMPANY SO YATES DRILLING COMPANY SO YATES DRILLING COMPANY SO YATES LICENA SO YATES LICENA SO S	SO YATES PETROLEUM CORPORATION SO S
OVERRIDING ROYALTY AND PERCENTAGE		DATES, SELMAL   DEFENCE   CT01700	BATES, SELMAL	BATES, SELMAL:  2.343750 CHAMBERS, LOLIE DE KING, ESTATE 0.468750 CHAMBERS, ROBERTE, J.H. 0.408750 CHAMBERS, ROBERTE, J.H. 0.166250 TREEMAIN, ALICA ANN HANKS 0.166250 TREEMAIN, ALICA ANN HANKS 0.174500 THE COARDONATION 119820ANE, CELESTE CHAMBERS 0.166250 THE COARDONATION MANAGEMENT, INC. #1 112500 FORTH A M. T. 1.116280 FORTH A M. T. 1.11628	CHARLES, SELMALL   CHARLES, SELMALL   CHARLES, SELMALL   CHARLES, SELMALL   CHARLES, SELMALL   CHARLES, SELMALL   CHARLES, SELMAN, CHARLES, SELMAN, ALCA AMPRIANS   CHARLES, CHARLAN, ALCA AMPRIANS   CHARLES, C	CHARLES, SELMA L.   DEFKING, STATE   233750     CHAMBERS, ROBERTE_IR,   CHAMBERS, ROBERTE_IR,   CHAMBERS, ROBERTE_IR,   CHAMBERS   CHAMBERS	MARIES, SELMA   1.   2.   34370   ORANGES, SELMA   1.   2.   34370   OPAMBERS, LOLIE DEE KING, ESTATE   0.   468750   OFAMBERS, ROBERT E. R.   0.   466250   ORANGON, NEVA, CHAMBERS   0.   166250   ORANGON, NEVA, CHAMBERS   0.   166250   ORANGON, ORANGO
	0.878910 0.260410 0.073240 1.640630 0.678290 0.077329 0.073240 0.03620	12.50000	12.500000	12.50000	12.500000	12.50000	12.500000
BASIC ROYALTY AND PERCENTAGE	MICAUIDDY COMM. & ENERGY, INC. MEDFORD, CYDDAY MCDONALD PATTERSON, RANDY G. MICHLIPS, DON & ASSOCIATES QUETICO SUPERSOR FOUNDATION R. R. HINALE COMPANY, INC. RAND, HELEN CHASTET SWOPE RAND, HELEN CHASTET SWOPE RAND, HELEN CHASTET SWOPE RAND, HELEN CHASTET SRONGE, GAYLE GELASS SOOTT, KENNA MIKILE. SANTORI, JENNA HINKLE. SANTORI, JENNA HINKLE. SANTORE, SALTE BLASETH L. YAN WINKLE, LOANNE D. YAN WINKLE, LOANNE D. YATES BROTTHERS  TURNER, GAYLE ELLZABETH L. YAN WINKLE, LOANNE D. YATES BROTTHERS	MINERALS MANAGEMENT SERVICE	MINEPALS MANAGEMENT SERVICE	MINERALS MANAGEMENT SERVICE	MINERALS MANAGEMENT SERVICE	MINERALS MANAGEMENT SERVICE	MINERALS MANAGEMENT SERVICE
	100.000000	8.330000 8.335000 16.870000 8.35000 6.000000	8.330000 R 8.335000 8.335000 16.670000 8.335000 50.000000	8.330000 8.335000 8.335000 16.670000 8.335000 50.000000	8.335000 8.335000 16.670000 8.330000 16.670000 50.000000	8.330000 8.335000 8.330000 16.670000 8.335000 50.000000	8.330000 R 8.335000 16.870000 50.0000000
LESSEE OF RECORD AND PERCENTAGE	YATES PETROLEUM CORPORATION SOUTHWEST ROYALTIES, INC.	SHARBRO OIL LIMITED COMPANY TRUST QUIMO PEGGY 4, VATES ESTATE OF LILLIE M. YATES YATES, DRILLING COMPANY YATES, JOHN A. YATES PETROLEUM CORPORATION	SHARBRO OIL LIMITED COMPANY TRUST QUINO PEGGY AT YATES ESTATE OF LILLIE M. YATES YATES DRILLING COMPANY YATES, JOHN A YATES PETROLEUM CORPORATION	SHARBRO OIL LIMITED COMPANY TRUST QUINO PEGGY A. YATES ESTATE OF LILLIE M. YATES YATES DRILLING COMPANY YATES, JOHN A. YATES, JOHN A.	SHARBRO OIL LIMITED COMPANY TRUST QUINO PEGGY A' VATES ESTATE OF LILLIE M. YATES YATES DRILLING COMPANY YATES, JOHN A. YATES PETROLEUM CORPORATION	SHARBRO OIL LIMITED COMPANY TRUST QUANO PEGGY A' VATES ESTATE OF LILLIE M. VATES VATES DRILLING COMPANY VATES, JOHN A  YATES, JOHN A  YATES PETROLEUM CORPORATION	SHARBRO OIL LIMITED COMPANY TRUST O, UND PEGGY A: VATES ESTATE OF LILLE M: VATES YATES, DEILLING COMPANY YATES, OCHN A. YATES PETROLEUM CORPORATION
SERIAL NUMBER AND EXPRIATION DATE	QUETICO SUPERIOR FOUNDATION / CONOC MARSHALL & WINSTON, INC.: / CONOCO	NM-1972 L. C. JOHNSON NM-401-208 FEDERAL - HBP	NM-1372 L. C. JOHNSON NM-401-208 FEDERAL - HBP	IMA-1372 L. C. JOHNSON IMA-401-208 FEDERAL - HBP	NM-1372 L. C. JOHNSON NM-401-208 FEDERAL - HBP	NM-1372 L. C. JOHNSON NM-401-208 FEDERAL - HBP	NM-1372 L. C. JOHNSON NM-401-209 FEDERAL - HBP
ACRES	5.000000		80.000000		121.270000	40.000000	120.000000
TRACT DESCRIPTION ACRES OF LANDS	1		TOWNSHIP 19 SOUTH, RANGE 25 EAST, NAPA, SECTION 17: NZSE14	,		TOWNSHIP 18 SOUTH RANGE 25 EAST, NMPM SECTION 18: NW/4SE/4	TOWNSHP 19 SOUTH, RANGE 25 EAST, MAPM SECTION 18: NEMSEM, SZSEM
TR TRACT # ACRES		160.00		40.00	121.27	40.00	120.00
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REFERENCE	OPERATING AGREEMENT COMOGON SECTION 18 INC. 100-5L 2.7-1990	OPERATING AGREEMENT CONOCO, INC. BARBARA FEDERAL 10 SECTION 17: SW/4 403-5-X 4-1-1983	JOPERATING JOANERMENT JOHNY CONTO, INC. JUENNY CONT AGREEMY JOS-Y 4-1-1983 OPERATING AGREEMY CONCO, INC. BARBARA FEDERAL 10 SECTION 17: SW/4 403-5-X 4-1-1983	S OPERATING A GAREMENT CONOCO, INC. SECTION 18: NE4 1403-5V 2-7-1980
	0.520835 0.520835 0.520830 1.041670 98.875000 0.520830	1.041700 1.041700 1.041700 2.083300 1.041700 1.041700	1.041700 1.041800 1.041800 1.041800 1.041700 1.041700 1.041700	0.520835 (0.520835 (0.520835 (0.520835 (0.520835 (0.520830 (0.520800 (0.5208
WORKING INTEREST AND PERCENTAGE	2.343750 2.343750 ESTATE OF LILLIE M. YATES 2.343750 ESTATE OF LILLIE M. YATES 0.148750 SHARBRO OIL LIMITED COMPANY 0.168520 YATES PRILLING COMPANY 0.168520 YATES PRILLING COMPANY 0.158520 YATES, JOHN A. 0.158520 YATES, JOHN A. 0.158520 YATES, JOHN A. 0.158520 YATES, JOHN A. 1.128500 3.125000 2.343750	0.781200 ESTATE OF LILLIE M. YATES 0.425709 ESTATE OF LILLIE M. YATES 0.445709 ESTARRARD OLI LIMITED COMPANY 0.141500 TRUST Q UNIVO PEGGY A. YATES 0.0745409 YATES DRILLING COMPANY 0.0745409 YATES PETROLEUM CORPORATION 1.562500 YATES PETROLEUM CORPORATION 1.622500 YATES VOHN A. 1.152000 1.152000 1.152000 1.152000	0.425780 0.614102 0.614102 0.614102 0.614103 0.414103 0.414103 0.414103 0.414103 0.414103 0.414103 0.414103 0.414103 0.414103 0.414103 0.404103 0.4	0.382810 ESTATE OF LILLIE M. YATES 0.127603 ENARRO OLI LIMITED COMPANY 0.0832720 TRUST O LIWIO PEGGY A. YATES 0.127602 YATES DRILLING COMPANY 0.0512902 YATES PETROLEUM CORPORATION 0.0512902 YATES, JOHN A. 0.127602 0.062409 0.063220
OVERRIDING ROYALTN AND PERCENTAGE	12 50000 BATES, SELMAL.  CHAMBERS, LOLLE DEFKING, ESTATE  CHAMBERS, LOLLE DEFKING, ESTATE  CHAMBERS, ROBERTE, JR.  DAWSON, NEVA CHAMBERS  FREEMAN ALICE ANN HARKS  LEACOPPORATION  LIPSCOME CELESTE CHAMBERS  PAYNELOHISTON HANGEMENT INC. 87  PROBADIT W. A.  ROLTH A. M.	AATES SELMAL.  SAMBERS, LOLLE DEE KING, ESTATE  SHAMBERS, ROBERT E., IR.  SHAMSON, NEVA CHAMBERS  EA CORPORATION  EA CORPORATION  EA CORPORATION  ANNE-JOHNSTON MANAGEMENT, INC. #I  ANNE-JOHNSTON MANAGEMENT, INC. #I  ANNE-JOHNSTON MANAGEMENT, INC. #I  SANNE-JOHNSTON MANAGEMENT, INC. #I  SANTE-JOHNSTON MANAGEMENT, INC.	票公司而的问题将我是可见过是实现是没有是更可见规度的 <b>是</b> 解决了清洁。可能是我眼睛拍着黑宝了高品额路	CHAMBERS : LOLLIE DEE KING: ESTATE CHAMBERS : ROBERTE : N. CHART, EL OFENNE M. ESSMAN DAWSON; NEVA CHAMBERS ESSMAN; JAMES H. ESCAMBE, CELESTE CHAMBERS SOCURA RESOURCES, INC. ROBERTS, MINC H.
BASIC ROYALTY AND PERCENTAGE		GEMENT SERVICE	75 000000   BECK, RAY HALL     8 13030000   BECK, RAY HALL     8 1303031   BOWER BETTANNEH H., LUNING     4 166667   CARTER, MICHAEL T.     4 166667   CARTER, MICHAEL T.     4 166667   CARTER, MICHAEL T.     5 16000000   CHULDRESS, JAMES W.     16 0000000   CHULDRESS, SHIRER W.     16 0000000   CHULDRESS, SHIRER W.     16 0000000   CHULDRESS, SHIRER R.     16 0000000   CHULDRESS, SHIRER R.     16 0000000   CHULDRESS, SHIRER R.     16 00000000   CHULDRESS, SHIRER R.     17 00000000   CHULDRESS, SHIRER R.     18   CHULDRESS, SHIRER R.     18   CHULDRESS, SHIRER R.     10 0000000   CHULDRESS, CHULDR	IERSHIP
LESSEE OF RECORD AND PERCENTAGE	SHARBRO OIL LIMITED COMPANY TRUST O LIMIC M. YATES SESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A. YATES PETROLEUM CORPORATION	SHARBRO OIL LIMITED COMPANY TRISTS OLUMO PEGGY A YATES ESTATE OF LILLIE M. YATES YATES DRILLING COMPANY YATES DRILLING COMPANY YATES PETROLEUM CORPORATION	WATES PETROLEUM CORPORATION  VATES DELLING COMPANY  SHARBRO OIL LUMITED COMPANY  SHARBRO OIL LUMITED COMPANY  VATES PETROLEUM CORPORATION  VATES PETROLEUM CORPOR	YATES PETROLEUM CORPORATION YATES ROLLING COMPANY SHARBRO OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES TATES, JOHN PEGSYA, YATES YATES, PETROLLIMIC COMPANY SHARBRO OIL LIMITED COMPANY SHARBRO OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES THE OIL LIMITED COMPANY ESTATE OIL LIMIT
S SERIAL NUMBER AND EXPRIATION DATE	80.000000 NM-1372 L. C. JOHNSON NM-401-208 FEDERAL - HBP	80,000000 NM-1372 L. C. JOHNSON NM-401-209 FEDERAL - HBP	20,000000 ROY E. GLASS, ETUX NM-403-69 FEE - HBP  2,500000 CALAND & CATTLE CO. / CONOCO NM-403-60 FEE - HBP  2,500000 CALAND & CATTLE CO. / CONOCO NM-403-60 FEE - HBP  5,000000 CALAND & CATTLE CO. / CONOCO NM-403-60 FEE - HBP  5,000000 CALAND & CATTLE CO. / CONOCO NM-403-60 FEE - HBP  5,000000 CALAND & CATTLE CO. / CONOCO NM-403-60 FEE - HBP  7,500000 DON PHILLIPS & ASSOCIATES / CONOCO NM-403-60 FEE - HBP  7,500000 DON PHILLIPS & ASSOCIATES / CONOCO NM-403-60 FEE - HBP  7,500000 DON PHILLIPS & ASSOCIATES / CONOCO NM-403-61 FEE - HBP  7,500000 DON PHILLIPS & ASSOCIATES / CONOCO NM-403-61 FEE - HBP  7,500000 DON PHILLIPS & ASSOCIATES / CONOCO NM-403-61 FEE - HBP  7,500000 MA-63-61 FEE - HBP	10.000000 ROY E. GLASS, ETUX NAM-403-5-B FEE - HBP 10.000000 GORDELLA M. KINCAID, ETAL NAM-403-5C FEE - HBP
DESCRIPTION ACRES OF LANDS	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 18: SZNE4		TOWNSHIP 19 SOUTH.  RANGE 25 EAST, NMPM SECTION 17: W/ZNW44  - 25  - 26	TOWNSHIP 19 SOUTH, RANGE 25 EAST, MAPM SECTION 18: NEANEA
TR TRACT D	5f 80.00 R S S S S S S S S S S S S S S S S S S	96.00 00.08	00 00 00 00 00 00 00 00 00 00 00 00 00	69 00 00 10 10 10 10 10 10 10 10 10 10 10

REFERENCE		7700 OPERATING 7700 AGREEMENT 7700 A
WORKING INTEREST AND PERCENTAGE	是是特殊的人工。	0 STATE OF LILLE M. YATES 1.041700   0.05 SHRBERO CLIMITED COMPANY 1.041700   0.041700
OVERRIDING ROYALTY AND PERCENTAGE		0.104190   0.1044WEERS, IOULIE DEE KNIG-ESTATE   0.442790   0.1041
BASIC ROYALTY AND PERCENTAGE		
LESSEE OF RECORD AND PERCENTAGE	YATES PETROLEUM CORPORATION 100.00	WATES PETROLEUM CORPORATION  WATES DRILLING COMPANY  STATES DRILLING COMPANY  CHES. JOHN A  TRUST OLIWING COMPANY  WATES JOHN A  TRUST OLIWING COMPANY  WATES DRILLING COMPANY  STATE OLIWING COMPANY  STATE OLIWING COMPANY  STATE OLIWING COMPANY  STATE OLIWING COMPANY  WATES DETROLEUM CORPORATION  WATES PETROLEUM CORPORATION  TODO  WATES P
SERIAL NUMBER AND EXPRIATION DATE	1.250000 CA LAND & CATTLE CO. / CONOCO MA GAS SING CO. / CONOCO MA GAS SING CO. / CONOCO CO. / MARSHALL. ETUX / CONOCO CARROR E. HBP C. S00000 FLOYO CHILDRESS. ETUX / CONOCO CARROR E. HBM C. E. HBP C. S00000 CARROR E. HINKLE. ETUX / CONOCO CARROR E. HBM CAS SING CO. CARROR E. HBM CAS SING CO. CARROR E. HBP C. S00000 CON PHILLIPS & ASSOCIATES / CONOCO MA GAS SING CON CONOCO CON CARROR E. HBP C. HBP	RE - HBP  FEE - HBP  FEE - HBP  CATAND & CATTLE CO. / CONOCO  FEE - HBP  FOON PHILLIPS & ASSOCIATES / CONOCO  MA-403-67  FEE - HBP  FEE - HBP  FOON PHILLIPS & ASSOCIATES / CONOCO  MA-403-67  FEE - HBP  FOON PHILLIPS & ASSOCIATES / CONOCO  MA-403-67  FEE - HBP  OUETICO SUPERIOR FOUNDATION / CONOCO  FEE - HBP  OUETICO SUPERIOR FOUNDATION / CONOCO  MA-403-67  FEE - HBP  OUETICO SUPERIOR FOUNDATION / CONOCO  MA-403-61  FEE - HBP
TRACT DESCRIPTION 3 ACRES ACRES OF LANDS		80.00 TOWNSHIP IS SOUTH, 20,0000000 SECTION 17: EZSWA, 25,000000

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REFERENCE		1.041700   OPERATING 1.041800   CONOCC, INC. 2.083300   SECTION 17: SE/4 89.750000   403-5-4B	100.000000	100.000000 OPERATING AGREEMENT ROSS EG FED COM #2 SECTION 18: NEX	0.840000   OFERATING 0.580000   AGRESTING 0.840000   AGRESTEMENT 0.840000   PARISH IV COM #1 0.280000   401-202-S 6-13-1986 0.468750 1.050000 1.250000 0.88750 1.250000 1.525000 1.38250 1.38250
WORKING INTEREST AND PERCENTAGE	The state of the s	800 ESTATE OF LILLIE M. YATES 800 SHARBRO OLI LLIMITED COMPANY 800 SHARBRO OLI LLIMITED COMPANY 800 SHARBRO OLI LLIMIS COMPANY 800 YATES DETILLING COMPANY 800 YATES, JOHN A. 800 YATES, JOHN A. 800 SHARBRO OLI LLIMIS SHARBRO SHARBR	YATES PETROLEUM CORPORATION M2 M2 M3 M4	770 YATES PETROLEUM CORPORATION 000 000 000	ALVENSHINE CHILDRENS 770 CONE, KATHLEEN TRUST, DECD (800) 800 CONE, KATHLEEN TRUST, DECD (KGC) 770 CONE, KENNETH GUST, 770 CONE, 770 CONETH GUST, 770 CONE
OVERRIDING ROYALTY AND PERCENTAGE		CHAMBERS, TOLLE DEE KING, ESTATE.  CUINTY, FICARINGE M. ESSAMA  CUINTY, FICARINGE M. ESSAMA  CUINTY, FICARINGE M. ESSAMA  CUINTY, FICARINGE M. ESSAMA  ESSAMA, LAMES H.  FREEMAN, ALCE ANN HANNS  HENCONNE. CELESTE CHAMBERS  ESCONER. CELESTE CHAMBERS  PROBANDT, W. T.  ROBERTS, MIKE H.  ROBERTS, MIKE H.	CHAMBERS, TOLLE DE KING, ESTATE CHAMBERS, ROBERT E., JR DAWSON, IN'A CHAMBERS IN'ATTINITY OF HERION, TILL IN'SCOMBE, CELESTE CHAMBERS OSCURA, RESOURCES, INC. ROBERTS, MINE H.	ALDSON PROPERTIES, LTD. KOCHERGEN ENTERPRISES FAMILY. LAL CORPORATION LALCA STEPHEN E. LALCAS TERPHEN E. LALCAS TERPHEN E.	OCONE, TOW R.  JUDON PROPERTES, LTD  0,119670  KOCHERGEN ENTERPRISES FAMILY  2,500000  LAUCK, STEPHEN E  2,500000  MARTIN LIVING, TRUST  0,116670  0,116670
BASIC ROYALTY AND PERCENTAGE	VAN WINKLE, JOANNE D. 0.073240 YATES BROTHERS 0.781240	BECK_RAY HAIL   BECK_RAY HAIL   CARTER, STEALMINE H., LUNING	FRVICE	100,0000000) MINEFALS MANAGEMENT SERVICE 12,5000000	100.0000000 MINEPALS MANAGEMENT SERVICE 12.5000000
LESSEE OF RECORD AND PERCENTAGE		WATES PETROLEUM CORPORATION  WATES DRILLING COMPANY  STARGE OF LLUE M. YATES  WATES, JOHN A.  TRUST OLWMO PEGGY A. YATES  WATES PETROLEUM CORPORATION  WATES PETR	YATES PETROLEUM CORPORATION 100 0000000	YATES PETROLEUM CORPORATION 100.00000	VATES PETROLEUM CORPORATION 100.00000
S SERIAL NUMBER AND EXPRIATION DATE		RE - HBP  FEE - HBP  FEE - HBP  CALAND & CATTLE CO. / CONOCO  NAM-403-50  FEE - HBP  FEE - HBP  CALAND & CATTLE CO. / CONOCO  NAM-403-50  FEE - HBP  CALAND & CATTLE CO. / CONOCO  NAM-403-50  FEE - HBP  CALAND & CATTLE CO. / CONOCO  NAM-403-50  FEE - HBP  CALAND & CATTLE CO. / CONOCO  NAM-403-50  FEE - HBP  CALAND & CATTLE CO. / CONOCO  NAM-403-50  FEE - HBP  CONOCO PHILLIPS & ASSOCIATES / CONOCO  NAM-403-50  FEE - HBP  CONOCO PHILLIPS & ASSOCIATES / CONOCO  NAM-403-50  FEE - HBP  CONOCO PHILL & NINSTON. NC. / CONOCO  NAM-403-187  FEE - HBP  CALAND & CATTLE CONOCO  NAM-403-187  FEE - HBP  NAM-403-187  FEE - HBP	41,220000 INM, 14641, CONOCO, INC. NM, 401:3464 FEDERAL - HBP	120.000000 NHA-057142, OCOTILLO PETROLEUM NHA-01-202 FEDERAL - HBP	40,000000 INM-0657142, OCOTILLO PETROLEUM INM-401-202 FEDERAL - HBP
TR TRACT DESCRIPTION ACRES # ACRES OF LANDS		TOWNSHIP 19 SOUTH RANGE 22 EAST, NAPM SECTION 17: 92/38/E4	2 TOWNEHP 19 SOUTH, RANGE 25 EAST. NAIPM SECTION 18: LOT 4 (SW/4SW/4)	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 18: NZNE/4, SEANE/4	9a 40.00 TOWNSHIP 19 SOUTH, FANGE 25 EAST, NAPM SECTION 19. NEASE4

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SE .		NT NT NT NT NED COM #10 8-1-1982	NN NT NT SO SAZ 4-18-1975	AS SZ 4-16-1975	40 NMT 20: S/2 4-16-1975
REFERENCE	67.642500	0.625000 OPEFATING 2.083340 AGREEMENT 2.083340 SECTION 18: NE/4 3.125000 401-202-P 6-1-1982 7.500000 6.250000 6.250000 6.250000 6.250000 6.250000 6.250000 6.250000 6.250000 6.250000 6.250000 6.250000	3.821470 OPERATING 0.004130 SECTION S.S.T 0.004130 SECTION S.S.T 0.004130 SECTION S.S.T 0.004130 SECTION S.S.T 0.527820 0.527820 0.527820 0.0527820 0.0527820 0.063770 0.063770 0.0163720 0.0163720 0.0163720 0.0163720	3819445 OPERATING 1.171875 GREEMENT 0.527343 SECTION 2. S.Z. 0.527343 401-202-A 4-1 1.171875 61-202-A 4-1 1.17187	3.298611 OPERATING 0.004130 AGREEMENT 0.004130 AGREEMENT 0.004128 SECTION S.ST 0.004128 GT 1202-A 1.171875 0.00557343 1.171875 0.005871 0.016759 0.016759 0.016759 0.006184 0.000688 0.000688 0.000688 0.000688 0.000688 0.000688 0.000688 0.000688 0.000688 0.0004729 0.004729 0.004729 0.004729 0.004729
WORKING INTEREST AND PERCENTAGE	AATES PETROLEUM CORPORATION  (ATES PETROLEUM CORPORATION	HOUSE DEFICIOLEUM CORPORATION HOLLYHOCK, LTD ODEWICK, JOHN W. ODEWICK, JOHN W. ODEWICK, JOHN PARICIA WYCO INDUSTRIES, INC. WYCO INDUSTRIES, INC. SACRAMENTO PARTINERS LIMITED SPIRAL, INC. ATES DRILLIANG COMPANY ATES PRILLIANG COMPANY ATES PELINOLEUM CORPORATION	ABOD PETROLEUM CORPORATION BELLO, ENNE BUNN, FRANCES B. BUNN, ROBERT B. COLL, CHARLES H. COLL, CHARLES H. COLL, CHARLES H. COLL, LON F. II COLL, JON F. II COLL, JON F. II COLL, MAX W. III COLL, SMLY RODGERS GOODNOW, DAVID GOODNOW, DAVID GOODNOW, DAVID GOODNOW, DAVID GOODNOW, DAVID WYCO INDUSTRIES, INC. MYCO INDUSTRIES, INC. CHURE, WILLIAM B. TRUST TRUST OLIWIN DEGST A YATES WATES PERIOLEUM CORPORATION WATES DEFILING COMPANY WATES STATES CHARLES CHARLES COMPANY WATES STATES CHARLES CHA	ABO PETROLEUM CORPORATION COLL, CHARLES H. COLL, CHARRES H. COLL, CHARRES F. COLL, JON F. II COLL, JON F. II COLL, MAX W. III	HEADER OF PETROLEUM CORPORATION BROWN BROTHERS HARRIMAN TRUST BROWN RROTHERS HARRIMAN TRUST BROWN, FRANCES B. DOLL, CHARRES H. DOLL, LON F. DOLL, JON F. DOLL, JON F. DOLL, JON F. DOLL, JON F. DOLL, SALLY RODGERS DETEMPLE, MELANIE COLL SALLY RODGERS DETEMPLE, MELANIE COLL STEAM G. G. HOLLEN, TSSTAMENTARY ESSTATE OF LILLIE M. YATES SENDRON J. JUN M. SODOSE, SANCHORD J., III CAWASAKI, DR. ISAAC A. GELLER, BETSY H. GELLER, BETSY H. GELLER, BETSY H. GONGE, CANDERD J., III CAWASAKI, DR. ISAAC A. GELLER, BETSY H. GULLER, BETSY H. AND INDUSTRIES, INC. DIVINER, WILLIAM B. TRUST SCHUMAN, ADOLPH P.
OVERRIDING ROYALTY AND PERCENTAGE	JUDSON PROPERTIES, LTD KOCHERGEN ENTERPRISES FAMILY LAJ CORPOBATION LAJ CORPOBATION LAJ CANTON TRUST MARTIN LIVING TRUST	STAMILY	JUDSON PROPERTIES, LTD  KONFROEN EINERPRISES FAMILY  LAU CORPORATION  MAUN. STEPHEN EIN  MARTIN LINIG TRUST  MARTIN LINIG TRUST	12.500000 JUDGON PROPERFIES. LTD  KNOCHAGEN ENTERPRISES FAMILY  Z. JOODON ON 11 100 10 10 10 10 10 10 10 10 10 10 10	12.500000 JUDSON PROPERTIES, LTD.  KOCHEGENE BUTTEPPRISES FAMILY 2.500000 LAUCK'S STEPHEN E AARTIN LIVING TRUST 6.4166800
BASIC ROYALTY AND PERCENTAGE	RVICE	AVICE	WICE	100.0000000 MINERALS MANAGEMENT SERVICE 12.5G	100.000000 MINERALS MANUGEMENT SERVICE
LESSEE OF RECORD AND PERCENTAGE				YATES PETROLEUM CORPORATION 100,0000	YATES PETROLEUM CORPORATION 100 0000
ACRES SERIAL NUMBER AND EXPRIATION DATE		80,000000 NIM-MOSSTAL2, OCOTILLO PETROLEUM NIM-MO1-202 FEDERAL - HBP		40.000000 NUM-665742. OCOTILLO PETROLEUM NM-401-202 FEDERAL - HBP	40.000000 IM4-0557142, OCOTILLO PETROLEUM NM-401-202 FEDERAL - HBP
TR TRACT DESCRIPTION  # ACRES OF LANDS	160.00	80.00 80	40.00	i	9f 40.00 TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM SECTION 20: NW/4SE/4

REFERENCE		OPERATING AGREEMENT SECTION 20: SY 401-202-A 4-16-1975	OPERATING AGREEMENT AGREEMENT ACTO AOL COM #1 SECTION 21: NE/4 401-202-X 8-23-1994	OPERATING AGREEMENT AGREEMENT SECTION 19: NE/4 401-202-U 5-20-1986	0.840000   OPERATING 0.840000   ACREEMENT 0.840000   PARISH IV COM #1 0.840000   OPERATION 19: SE/4 0.280000   OPERATION 19: SE/4 0.280000   OPERATION 19: SE/4 0.280000   OPERATION 19: SE/4 0.280000   OPERATION 19: SE/4 0.848750   OPERATION 19: SE/4 0.848750   OPERATION 19: SE/4 1.380000   OPERATION 19: SE/4 1.3800000   OPERATION 19: SE/4 1.380000   OPERATION 19: SE/4 1.3800000   OPERATION 19: SE/4 1.380000   OPERATION 19: SE/4 1.3800000   OPERATION 19: SE/4 1.380000   OPERATION 19		
	1.319445 0.010323 1.649306 0.004129 6.597222 66.015331 1.649306	3300042 0.004131 0.004131 0.004131 0.005150 0.55157 0.527572 0.527572 0.527572 0.016766 0.016766 0.016766 1.320017 0.000688 3.960068 3.960068 3.960061 1.320017 0.004131 0.004131 0.004131 0.004131 0.004131 0.004131	2.187500 0.130210 2.187500 48.083750 0.280419 0.130210 2.187500 48.822911	100.00000	0.840000 0.840000 0.840000 0.837500 0.280000 0.280000 0.280000 0.887500 0.887500 0.887500 0.887500 1.250000 1.250000 1.350000 1.35000	1,117310 0,74873 1,117310 1,117310 0,37243 1,117310 1,396840 1,407890 1,407890 90,200830	1.104964 0.736643
WORKING INTEREST AND PERCENTAGE	SHARBRO OIL LIMITED COMPANY SPACE BULLIDING CORPORATION TRUST Q LIWIO PEGGY A. YATES VAN YRANKEN, FREDERICK, JR. YATES DRILLING COMPANY YATES DRILLING COMPANY YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION YATES	MARCO ILLIAM DE CONPANTON MORE BELLO, ERNIE MORE BILLO, ERNIE MORE BILL MORE	ABO PE ESTATE MYCO I NEARBI SACRAI SHARBI YATES	920 YATES PETROLEUM CORPORATION 1840 1840 1850 1850 1850 1850 1850	1109 AUVENSHINE CHILDRENS 200 CONE, KATHLEEN TRUST DECT (800) 200 CONE, KATHLEEN TRUST DECT (800) 200 CONE, KATHLEEN TRUST DECT (KGC) 200 CONE, KANNYLEE 200 EXPLORERS PETROLEUM CORP. 200 HANSON-MCBRIDE PETROLEUM CO. 200 HANSON-MCBRIDE PETROLEUM CORPORATION	915 AUVENSHINE CHILDREN'S 727 CONE, KATHLEEN TRUST, DECTO (800) 727 CONE, KATHLEEN TRUST, DECTO (KGC) 777 CONE, KENNETH G. 777 CONE, RANNETH G. 777 CONE, RANNETH G. 777 CONE, TANNETH G. 777 CONE, TON R. 777 CON R. 777 CON R. 77	0.507815 AUVENSHINE CHILDREN'S 0.188272 CONE, KATHLEEN TRUST, DEC'D (8CO) 0.188272 CONE, KATHLEEN TRUST, DEC'D (KGC)
		0.41000 0.41000 0.41000	0.41880 2.50000 0.41880 2.50000 2.50000 1.100000		0.05938 0.02938 0.02938 0.025398 0.02538 0.02538 0.02538 0.02538 0.050875		
OVERRIDING ROYALTY AND PERCENTAGE		- X-1-2 Z-1-7 REMEMBERS - REME	UDGON PROPERTIES, LTD KOCHERORE ENTERPRISES FAMILY LAUCK STEPEN E MAKTIN LYNNO FRUST TOM BROWN, INC.	CHAMBERS, LOLLE DE KING, ESTATE:  CHAMBERS, SOBERT EL.  CHAMBERS,	OCHAMBERS, LOLLE DEE VING, ESTATE  OVAMBERS, LOLLE DEE VING, ESTATE  OONE, TOM R.  OON	CHAMBERS, LOLLE DEE KING, ESTATE CHAMBERS, ROBERTE, IR. DAWNSON, NEW CHAMBERS FREEMAN, ALICE ANN HANKS JOHN W. GATES, LLC LPSCANBE CELESTE CHAMBERS MCCAW, JACK W.  YNTES PETROLEUM CORPORATION  ON THE PETROLEUM CORPOR	4 689820 CHAMBERS, LOLLIE DEE KING, ESTATE 4 689820 CHAMBERS, ROBERT E. JR 0 390840 DAWSON, NEVA CHAMBERS
		12.500000	12.5000	0.78120 0.19532 0.19532 0.19532 0.78120 0.78124 1.56244 1.56244 0.39066 0.39066 0.39066	0.78120 0.18531 0.18533 0.18533 0.78120 1.56256 0.39085 4.88756 0.39085		
BASIC ROYALTY AND PERCENTAGE		DIMINERALS MANAGEMENT SERVICE	O MINERALS MANAGEMENT SERVICE	BEGGS, JOHN C. & VIRGINIA M. BERICHALUCH, MARY ANN ELLIS, ALAN F.  MCCOMB, VIRGINIA FELL, LIVING TRUST MCGONNEY, JAMES H.  MCGONNEY, JOHN C.  MCGONICHO, JOHN C.  PARSONS, MARCY JOY R. R. HINKLE COMPANY, INC.	DEGGS, JOHN C. & VIRGINIA M. BRIDENBAUGH, MARY ANN ELLIS, ALAN F. TON ELLIS, GEONGE R. HINES, ELIZABETH E. MCCOMB, VIRGINIA FELL, LIVING TRUST AWO MCGINNEY, JAMES H. ZO MCGINNEY, JOHN C. ZO MCGINNEY, JOHN C. ZO MCGINDOY COMM, & ENFRGY, INC. ZO PAGE, HETTIE JEWEL DARSONS, NANCY, JOY R. R. HINKLE COMPANY, INC.	100.000000 BEGGS, JOHN C. & VIRGINIA M. BEGGS, JOHN C. & VIRGINIA M. BRIDENBAUCH, MARY ANN 100.000000 BRIDENBAUGH, MARY ANN 100.000000 BRIDENBAUGH, MARY ANN 100.000000 BRIDENBAUGH, MARY ANN 100.000000 BRIDENBAUGH, MARY ANN 100.0000000 BRIDENBAUGH, MARY ANN 100.0000000 BRIDENBAUGH, MARY ANN 100.000000000000000000000000000000000	O PAGE, HETTIE JEWEL PARSONS, NANCY JOY R. R. HINKIE COMPANY INC.
		100,0000	100.00000	100,000000 100,000000 93,33340 2,22222 2,222220 2,222220 2,222220	100 000000 100 000000 2 222222 2 222220 2 222220	100.00000 100.00000 93.33334 2.22222 2.22222 2.22222 2.22222	100.0000
LESSEE OF RECORD AND PERCENTAGE		YATES PETROLEUM CORPORATION	VATES PETROLEUM CORPORATION	YATES PETROLEUM CORPORATION  YATES PETROLEUM CORPORATION  YATES PETROLEUM CORPORATION  YATES DELLING COMPANY  ABO PETROLEUM CORPORATION  MYCO INDUSTRIES, INC.	VATES PETROLEUM CORPORATION  VATES PETROLEUM CORPORATION  VATES PETROLEUM CORPORATION  VATES DRILLING COMPANY  ABO PETROLEUM CORPORATION  MYCO INDUSTRIES, INC.	YATES PETROLEUM CORPORATION  YATES PETROLEUM CORPORATION  YATES PETROLEUM CORPORATION  YATES OBTILING COMPANY  ABO PETROLEUM CORPORATION  MYCO INDUSTRIES, INC.	YATES PETROLEUM CORPORATION
SERIAL NUMBER AND EXPRIATION DATE		NM-0537142, OCOTILLO PETROLEUM NM-401-202 FEDERAL - HBP	NIM-0657142, OCOTILLO PETROLEUM NIM-401-202 FEDERAL - HBP	JOHN MCGNNEY, ETUX MAGGAHB FEE, HBP FRANGES FELL MCELRATH, ETAL MAGGAHB ED PARISH ETUX / ROGER HANKS NM-03-48-M	LOHN MCGIVNEY, ETUX NM-408-448 FEE - HBP	O JOHN MGGIVNEY, ETUX NALQUS448 FEE - HBP NALQUS48 NALQUS448 FEE - HBP O ED PARISH, ETUX / ROGER HANKS NALQUS448M FEE - HBP	D JOHN MCGIVNEY, ETUX NM-403-448 FFF - HRP
ACRES		46,00000	40.000000	10.000000	20.000000	10.000000	10.000000
DESCRIPTION OF LANDS		TOWNSHIP 18 SOUTH RANGE 25 EAST, NAPA SECTION 20: NEJ4SE/4	TOWNISHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 21: NW/ANE/4	TOWNISHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 19: SW/ANE/4	TOWNSHIP 19 SOUTH RANGE 25 EAST NARPM SECTION 18 NWI-SE4, SE4-SE4	TOWNSHIP 19 SOUTH, RANGE 25 EAST, MAPA SECTION 30. NE/ANE/A	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 30: SEANEA
TR TRACT # ACRES	j	0004	00 00 00 00 00		8. 8.	L_	40.00

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REFERENCE	1.104960 0.388321 1.104970 1.10490 1.10490 1.10490 1.10490 1.138240 1.38240 89.204148	0.023690 OPERATING 6.405720 AGREEMENT 6.405720 AGREEMENT 1.310690 AMOCO PROD. CO 2.605094 403-1770 10-12-1891 12.311480 2.743890 2.743890 2.743890 2.743890	0.840000 (OPERATING) 0.840000 (OPERATING) 0.840000 (AARSH IV COM#1 0.820000 (AARSH IV COM#1 0.820000 (AARSH IV COM#1 1.1500000 1.2500000 1.2500000 1.2500000 1.2500000 1.2500000 1.2500000	0.823980   OPERATING 6.466720   AGREEMENT 1.310800   AMOCO PROD. CO 28.66694   EZNW14 12.31480   EZNW14 12.31480   EZNW14 27.48390   EZNW14 49.328100   EZNW14	0.823560 OPERATING 6.405720 AGREEMENT 13.10660 AMOCO PROD. CO 26.05094 403-1170 10-12-1961 2.746390 49.328100	0.294068 OPERATING 0.19879 AGREEMENT 0.294070 SECTION 18: SW/4 0.004689 403-1170-A 11-1-1982 0.294070 1.425890 9.891760 9.891760 9.203930 6.224070 9.326750
WORKING INTEREST	CONE, KENNETH G.  CONE, RANDY LEE  CONE, TOANDY.  HANSON-MCBRIDE PETROLEUM CO.  HANSON-MCBRIDE PETROLEUM  SACRAMENTO PRETROLEUM  SACRAMENTO PARTNERS LIMITED  SPIRAL, INC.  YATES PETROLEUM CORPORATION	EXPLORERS PETROLEUM CORP. HARNEY E. YATES COMPANY JALAPENO CORPORATION, INC. (GAS) OZARK (GAS) ALTURA (OL) SACRAMENTO PARTNERS LIMITED SACRAMENTO PARTNERS LIMITED YATES ERIERGY CORPORATION YATES ERIERGY CORPORATION	COONE, KATHLEEN TRUST, DECD (ROO) CONE, KATHLEEN TRUST, DECD (KGC) CONE, KATHLEEN TRUST, DECD (KGC) CONE, KENNENT HG. CONE, RAWDY LEE CONE, KATHEOLEUM CORP. ANANSON-MACBRIDE PETFOLEUM CO. ARNEY E. VATES COMPANY MACRENO CROPORATION MCCOMM, CATHLE COME MCCOMM, CATHLE COME CONE, CATHLE CONE CONE, CATHLEE	SZELORERS PETROLEUN CORP.  WARVEY E. YATES COMPANY  MAAPENO CORPORATION  SZARK ESPLORATION, INC. (GAS)  OZARK (GAS) ATTURA (OL)  LITURA ENERGY LTD (OL)  PRIZAMENTO PARTNERS LIMITED  SPIRAL, INC.  ATES ENERGY CORPORATION  ATES PETROLEUM CORPORATION	SPECORERS PETROLEUM CORP.  ALAMENO CORPORATION  ALAMER CAPLORATION  OZARK (GAS.) ATTURA (OLL)  ATTURA ENERGY LTD (OLL)  ATTES ENERGY CORPORATION  ATTES ENERGY CORPORATION  ATTES PETROLEUM CORPORATION	ALVENSHINE CHILDREN'S COME, KATHLEEN TRUST, DECD (BOO) COME, KATHLEEN TRUST, DECD (KGC) COME, RANDY LEE COME, TOM R. COME, TOM R. HANCOLAMGRICE PETROLELIM CORP. HANGON-MCBRICE PETROLELIM CO. HANGON-MCBRICE PETROLELIM CO. HANGON-MCBRICE PETROLELIM CO. MARCEY E, YATES COMPANY MACOWN, CATHLE COME MCCOWN, CATHLE COME COME CATHLE COME COMPANY CATHLE COME CA
OVERRIDING ROYALTY AND PERCENTAGE	0.189400 FREEMAN, ALICE ANN HANKS 0.686760 0.189400 JOHN W. GATES ILLC 0.750000 0.781640 JESCONIBE CELESTE CHAMBERS 0.169279 1.563270 MCCAW, JACK W. 0.750000 0.300000 1.66320 VATES PETROLEUM CORPORATION 1.625000 0.300000 1.6635000 0.300000		CHAMBERS, LOLL BE KING, ESTATE  DAWSON, NEV. CHAMBERS FREEMAN, ALICE AND HANKS FREEMAN, ALICE AN	YAMBERS, ROBENT E., IN. JAMBERS, ROBENT E., IN. JAMSON, INEVA CHAMBERS PROGNADT, W. T. & JENNETTE J.	8.411190 CHAMBERS: TOLLE DE KING: ESTATE 0.0725390 0.037510 CHAMBERS; FORBETTER. 2.1084110 LINXON, LINXIV CHAMBERS 0.000460) UPSCONIGE. CELESTIF CHAMBERS PROBAUDT, W. T. & JEANETTE J. 0.000460 0.0009400	0.410890 CHAMBERS, LOLLIE DEE KING, ESTATE 0.206950 0.33330 DAWNSON, INC.Y, CHAMBERS, 0.0065070 0.33330 DAWNSON, INC.Y, CHAMBERS, 0.0065070 0.106070 FREEMAN, ALICE, ANN HANKS 0.302090 0.3125
BASIC ROYALTY AND PERCENTAGE	100.000000 ELLIS, GEORGE R. HINES, ELLIZABETHE		<b>±</b> :		100.000000 OZARK EXPLORATION, INC. VAN WINKIE, JOANNE D. YATES PETROLEUM CORPORATION 100.000000 1142224	1,435000 100 ARCHER, NANCY L. 100 SOBIN PAYE CHISUM FANCHES, LTD 100 CHISUM FANCHES, LTD 100 CHISUM MATTHEW E 100 CHISUM SARBARA JEAN HALLER, SHIRLEY MARIENE WAITS 100 CHISUM FANN JONES, DAI JONES, DON JONES, DON JONES, PEGGY LOU BORT MANNING, JOHNNIE RAY
LESSEE OF RECORD AND PERCENTAGE	YATES PETROLEUM CORPORATION 100 YATES PETROLEUM CORPORATION YATES DRILLING COMPANY ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC.	DOEWICK ENFERPRISES, LTD   100   1			P P P	<del>                                     </del>
SERIAL NUMBER AND EXPRIATION DATE	H, ETAL R HANKS		10 000000   UNEASED MINERALS 10 00000   UNEASED MINERALS 11 000000   UNEASED MINERALS 11 000000   UNEASED MINERALS 10 000000   UNEASED MINERALS 10 000000   UNEASED MINERALS 10 000000   UNEASED MINERALS 10 000000   UNEASED MINERALS	000 S. P. JOHNSON, III / HANK 403-22 FEE - HBP	000 RUTH K. COVERT (MINERALS) 404-48 MINERALS. HBP 000 RUTH K. COVERT (MINERALS) 404-48 MINERALS. HBP 000 RUTH K. COVERT (MINERALS) 404-48 MINERALS. HBP 000 RUTH K. COVERT (MINERALS) 604-8 MINERALS. HBP 000 S. J.	NOOD IN. H. SHAWI, ETAL / CONOCO NAMAOS 1982 NAMAOS 1982 NAMAOS 1982-A FEE - HBP
DESCRIPTION ACRES OF LANDS	10.00000	TOWNSHIP 16 SOUTH, 20,0000  RANGE 25 EAST, NMPM 3,3333 SECTION 16: EZANVIA, 3,0000 13,3333 20,0000 20,0000		TOWNSHIP 19 SOUTH, 41.210000 RANGE 25 EAST, MAPA SECTION 19: LOT 1 (NW/4NW/4)	TOWNSHIP 19 SOUTH, 20 620000  RANGE 25 E.AST, MIPM SECTION 19: LOT 2	TOWNSHIP 19 SOUTH, 33.016000 RANGE 25 EAST, NAPM SECTION 19: LOT 3 (NW/4SW/4)  6.254000
TR TRACT DES		11 80.00 TOW RAN SEC	11a 40.00 TOW RAIN SEC	12 41.21 TOW	13 41.24 TOW	14 41.27 TOV SEC

		11. TT	0.625000 OPERATING 2.083300 AGREEMEND 2.083300 ROSS EG FED COM#10 2.083330 SECTION 18: NE/4 3.1250000 401-202-P 6-1-1982 7.500000 6.250000 6.250000 6.250000	OPERATING AGREEMENT ROSS EG FED COM #10 SECTION 19: NE/4 401-202-P 6-1-1992	0.625000 OPERATING 2.08330 AGREEMENT 2.08330 AGREEMENT 2.08330 SECTION 19: NE/4 3.125000 doi:-202-P 6-1-1982 7.50000 doi:-202-P 6-1-1982 6.250000 doi:-202-D 6-1-	OPERATING AGREEMENT ROSS EG FED COM#10 SECTION 18: NE/4 401-202-P 6-1-1992	5.0.5% 4-16-1975
REFERENCE		OPERATING AGREEMEN CONOCCO. SECTION 19 403-1170-A	OPERATING AGREEMEN ROSS EG FE SECTION 19 401-202-P	OPERATING AGREEMENT AGREEM	OPERATING AGREEMEN ROSS EG F SECTION 1 401-202-P	PERATING GREEMEN KOSS EG F ECTION 19 01-202-P	OPERATING AGREEMENT SECTION 20: S/2 401-202-A 4-401-202-A 4-401-20
<u>R</u>	19.011470 1.425860 4.244060 50.590816	0.284096 OPERATING 0.189379 AOREEMENT 0.284070 SECTION 11: SW4 0.084689 403-1170-A 11-11 0.284070 SECTION 11: SW4 0.084689 403-1170-A 11-11 0.284070 0.284070 0.284070 0.284070 0.284070 1.425890 1.425890 1.425890 1.425890	0.625000 2.083340 A 2.083330 B 2.083330 B 3.125000 A 7.50000 6.250000 6.250000 6.250000	0.625000   0.625000	0.625000 2.083340 A 2.083330 B 2.083330 B 3.125000 6.25000 0.625000 0.625000 0.6375000	0.025000 OPERATING 2.083340 AGREEMENT 2.083340 AGREEMENT 2.083340 AGREEMENT 3.125000 401-202-P 6.250000 6.250000 6.250000 6.250000 6.250000 6.375000	3.298611 C 0.004130 A 0.004129 S 0.004129 4 0.005122 1.171875 0.527343 1.171875 0.083671
WORKING INTEREST AND PERCENTAGE	SACRAMENTO PARTNERS LIMITED SPIRAL, INC. YATES EHERGY CORPORATION YATES PETROLEUM CORPORATION	AUVENSIME CHILDRENTS  AUVENSIME CHILDRENT RUST, DECD (800)  CONE, KATHLEEN TRUST, DECD (800)  CONE, KATHLEEN TRUST, DECD (800)  CONE, TRANDY LEE  CONE, TOM R.  ALAADENIO CORPORATION  MICCOWN, CATHLE CONE  SACPAMENTO PARTHERS LIMITED  SACPAMENTO PARTHERS LIMITED  SHRAL, INC.  SACPAMENTO PARTHERS LIMITED  SHRAL, INC.  VATES BETERO'L GIM, CONEDRATION  VAT	ABO PETROLEUM CORPORATION HOLLYHOCK, LTD LODEWICK, LOHN W. LODEWICK, LAURA PATRICIA MYCO INDUSTRIES, INC. NEARBLING EXPLORATION COMPANY SACRAMENTO PARTNERS LIMITED SACRAMENTO PARTNERS LIMITED SACRAMENTO PARTNERS LIMITED SACRAMENTO PARTNERS LIMITED YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION	MAD PETROLEIM CORPORATION HOLLYHOCK, LTD LODEWICK, LTD, LTD LODEWICK, LTD, LAIRA PATRICIA MYCO RIULS, LAIRA PATRICIA MYCO RIULS, LNC. MYCO RIULS, LNC. SACRAMENTO PARTNERS LIMITED SPIRAL, INC. SYTES DRILLING COMPANY YATES PETROLEUM CORPORATION	00 ABO PETROLEUM CORPORATION I LOLLYMOCK, LTD LODEWICK, LOHN W. LODEWICK, LAURA PATRICIA MYCO INDUSTRIES, IM. NEARBURG EXPLORATION COMPANY SACRAMENTO PARTNERS LIMITED SPIRAL, INC. YATES DEFLICITING COMPANY VATES DEFLICIT	MAD OF PETROLEM CORPORATION HOLLYHOCK, LTD LODEWICK, LOHNA W. LODEWICK, LAURA PATRICIA MATCH INULYTRIES, INC. MATCH INULYTRIES, INC. SACCAMBENTO PARTICISE LIMITED SPIRAL, INC. SPIRAL, INC. WATES BETROLEMANY WATES PETROLEMA CORPORATION WATES PETROLEMA CORPORATION WATES PETROLEMA CORPORATION	0.00500 ABO PETROLEUM CORPORATION 0.00500 BELLO, ENDR 0.00500 BRILO, ENDR 0.00500 BUNN, ROBERT B. 0.00500 BUNN, ROBERT B. 0.00500 COLL, CHARLES H. 0.00500 COLL, CHARLES H. 0.00500 COLL, CHARLES H. 0.00500 COLL, CHARLES H. 0.00500 COLL, LON F. 0.00500 COLL, JON F. 0.00500 COLL, JON F.
				0000830	1,186000		
OVERRIDING ROYALTY AND PERCENTAGE	0.312500 0.412500 0.410850 0.410850 0.410850 0.410850 0.410850 0.410850 0.410850 0.410850	1.652500 NONE 2.343760 1.562500 2.343754 4.687500		2.500000 MARATHON OIL: COMPANY 1.686640 2.500000 5.000000 3.750000	18.750000 MAQATHON OBL COMPANY		3 125000 CHAMBERS : COLIE DEF KING-ESTATE 1/17880 CHAMBERS : ROBER E. J. R. 0.300230 CLRPY, FLORENCE M. ESSMAN 0.300220 DAWSON, NEVA CHAMBERS 0.300220 DESSMAN, JAMES H. 1.502500 FREEMAN, ALICE AMIN HAMKS 0.300230 HJATINGTON ENERGY, LLC 0.7300230 HJATINGTON ENERGY, LLC 0.730120 UPSCOMBE; CELESTE CHAMBERS 0.30020 COSCURA, ELIZABETH J., TRUSTEE 0.30020 COSCURA, ELIZABETH J., TRUSTEE
	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2 C C C C C C C C C C C C C C C C C C C	33 20 2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	2.8 1.0 2.5 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	<b>6.7</b>	· · · · · · · · · · · · · · · · · · ·	
BASIC ROYALTY AND PERCENTAGE	MCNATT, MARTHA, JANE OWNBEY, JAMES L. TRUST OWNBEY, JAMMES STEPHEN OWNBEY, WILLIAM OWNBEY, WILLIAM SPOCKES, JOHN C. SHAW, ALBERT EDWARD SHAW, ALBERT EDWARD SHAW, THEESA INTER VIVOS TRUST SHAW, THORAL, IR. THORNTON, JO E. THORNTON, JO E. WILLIAMSON, DONNA OWNBEY	BALWICK LIMITED PARTNERSHIP JOHNSON, S.P. JII, & BARBARA J. LODEWICK, JOHN W. LODEWICK, LAURA PATRICIA P.JC. LIMITED PARTNERSHIP SPIRAL, INC.	100.000000   ESTATE OF LILLIE M. YATES HOOPER, ROBERTO, JOHNSON, S. P. III & BARBARA J. TOG.0000000   P.JC. LIMITED PARTINERSHIP SHARBRO OIL LIMITED COMPANY SPIRAL, INC. 100.0000000 100.000000000000000000000	OGARRETT, CAROL SET GILMORE, JONELL R. ESTATE JONES, STANLEY L. ESTATE JONES, STANLEY L. ESTATE MACCAW, WILLIAM JACK NICAW, WILLIAM JACK NIC BILLY G. PITCH ENERGY CORPORATION		KOCH, DOUGLAS C. PANHANDLE ROYALTY COMPANY	16.66666 BP AMERICA PRODUCTION COMPANY 16.66667 BEVON ENREYSY PRODUCTION OO. LP 8.333339 GOOD EARTH MINERALS, LLC 16.66667 HEARD, MYRTLE 8.333339 MARSHALL & WINSTON, INC. 16.66667 MATLOCK MINERALS, LIMITED COMPANY 16.666667 MATLOCK MINERALS, LIMITED COMPANY 16.666667 MATLOCK MINERALS, LIMITED COMPANY 16.333339 PANHAMDLE, ROYALTY COMPANY 16.666668 POWELL, BONNIEL
		100.000000	100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000	100.000000 100.000000 100.000000 100.000000 100.000000	70.000000 10.000000 10.000000 10.000000	100.00000	16.66667 16.66667 16.66667 33.3333 16.66667 16.66667 16.66667 16.66667 16.66667 16.66667
LESSEE OF RECORD AND PERCENTAGE		YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION SPIRAL, INC. SACRAMENTO PARTNERS LIMITED	YATES PETROLEUM CORPORATION  VATES PETROLEUM CORPORATION  SACRAMENTO PARTIVERS LIMITED  HOLLYHOCK, LIMITED	YATES PETROLEUM CORPORATION  VATES PETROLEUM CORPORATION  MYCO INDUSTRIES, INC.  MEARBURG EXPLORATION COMPANY	YATES PETROLEUM CORPORATION YATES PRILLING COMPANY YARD PETROLEUM CORPORATION MYCO INDUSTRIES, INC	VATES PETROLEUM CORPORATION	ABO PETROLEUM CORPORATION SHARBRO OLI LIMITED COMPANY TRUST Q UNNO PEGGY A. YATES ESTATE OF LILLE M. YATES STATE OF LILLE M. YATES STATE OF LILLE M. YATES ABO PETROLEUM CORPORATION ABO PETROLEUM CORPORATION SHARBRO OLI LIMITED COMPANY TRUST Q UNNO PEGGY A. YATES ESTATE OF LILLE M. YATES
SERIAL NUMBER AND EXPRIATION DATE		O JOHNSON PROPERTIES / CONOCO NAMACS-1803 (IAUIRA B. LODEWICK, ETAL / CONOCO NAMACS-1803-A FEE HP O LINIEASED MINERALS UNIEASED MINERALS	AATRICIA JOHNSON COOPER HAGO 1781 FEE HRP S. P. JOHNSON, II, ETALTRUST HAGO 1781-A FEE HRP MEASED MINERALS MILES MINERALS MINE	MANUEY L. JONES ESTATE / MARATHON MAGG-1780 EE - HBP MAGG-1780.4 EE - HBP MAGG-1780.4 EE - HBP MAGG-1780.4 EE - HBP MAGG-1780.5 MAGG-1780.7 EE - HBP MAGG-180.7 EE - H	ELLA M. JONES NM-403-1731 FEE - HBP		G CARL E. ROSS / ROGER HANKS NM-403-497 FEE - HBP DEDVINE H. MORRISON / READING & NM-403-497-A FEE - HBP
ACRES		30,330000 30,330000 30,320000 30,320000	5.000000 5.000000 10.0000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.000000 10.00000 10.000000 10.000000 10.000000 10.000000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.0000000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.0000000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.00000 10.000000 10.000000 10.00	2.000000 4.000000 4.000000 4.0000000 4.0000000 4.00000000	10.000000	10.000000	5.833333
DESCRIPTION OF LANDS		TOWNSHIP 19 SOUTH, RANGE 25 EAST, MAPM SECTION 18: LOT 4 (SWASWA), EZSW/4	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NAPA SECTION 20: NEANE/4	TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM SECTION 20: E72SE/4HE/4	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NIMPM SECTION 20: E/2W/ZSE/ANE/4	TOWNSHIP 18 SOUTH. RANGE 25 EAST, NAMPA. SECTION 20: W/2W/2SEI4NE/4	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 20: SEASE/4
TR TRACT # ACRES		121.30	6.00	20:00	10.00	10.00	00:00
<b>⊭</b> #	L	<del>4</del>	14	<u> </u>	12	l <del>⊭</del>	<u> </u>

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REFERENCE						OPERATING AGREENENT SECTION 20: S/2 401-202-A 4-16-1975	
REF	0.703125 0.016759 0.468750 0.016759 0.00265 1.319445 0.004129 0.000688 0.000688	0.010323 0.004129 0.004129 0.004129 0.010323 0.010323 1.645306 6.507129 6.507129 6.607129 6.607129 6.607129				3.298611 OPE 0.004130 AGR 0.004129 SEC 0.004129 401- 0.065140 1.171875 0.627343 1.171875 0.083671 0.083671	0.0101539 0.0101550 0.010756 0.002085 1.319445 0.004129 0.004129 0.004129 0.004123 3.868333
WORKING INTEREST   AND PERCENTAGE	0.0324600 COLL, MAX W. II 0.008540 COLL, MAX W. III 0.008540 COLL SAN TESTAMENTARY 0.00010 COLLULE M. YATES 0.00010 COLLULE M. YATES 0.00010 J. J. M. MAY M. III 0.00555 SAN TOORE, SAN TOORE	MOORE, CHARLES CLINE MYCO INDUSTRIES, INC. CLIVER, WILLIAM B. TRUST MANUNDLE FOVALTY COMPANY SCHUMAN, ADOLPH P. SHARBRO OIL LIMITED COMPANY STAR CE BULLIAMICE COMPANY TRUST O. LIMITED COMPANY TRUST O. LIMITED COMPANY TRUST O. LIMITED COMPANY TATES PILLING COMPANY TATES PETROLEUM CORPORATION YATES, JOHN A.				0.135830 ABO PETROLEUM CORPORATION 0.135830 ABO PETROLEUM CORPORATION 0.065400 BUNN, FANNES B. 0.065400 BUNN, FANNES B. 0.065500 BUNN, ROBERT B. 0.029330 COLL, CHARLES H. 0.02930 COLL, CHARLES H. 0.02930 COLL, LARRE C. 0.045400 COLL, LARRE C. 0.06570 COLL, LON F. 0.06920 COLL, LON F. II	
OVERRIDING ROYAL TY AND PERCENTAGE	0.001540 PROBANDT, W. T. & JEANETTE J. 0.300620 ROBERTS, MIKE H. 0.305470 YATES PETROLCUM CORPORATION: 0.305470 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620 0.300620					1.171880 CHAMBERS, LOLLIE DEE KING, ESTATE 0.30020 CHRRNERS, ROBERTIE, IN 0.30020 CHRRY, FLORENCE M. ESSMAN 0.30020 CHRRN, FLORENCE M. ESSMAN 0.30020 CHRRN, FLORENCE M. ESSMAN 0.30020 CHRRNAM, ALICE ANN HANGS 0.30020 HANTINGTON ENERGY, LLC 0.30020 MORAWA ELIZABETH J. FRUSTEE 0.601540 COCUPAR RESOURCES, INC. 0.30020 PROMADIT, W. T. A. TANNETTE J.	
BASIC ROYALTY AND PERCENTAGE	TOSS FAMILY LIVING TRUST TOSS, BERT A & OLETA F. TOSS, GARY TOSS, JOE TOSS, JOE TOSS, JOE TOSS, JOE TOSS, MALPH TOSS, ROBERT TOSS, ROMALD TOSS, WILLIAM THEODERBURN PROPERTIES, LLC					DEVON ENERGY PRODUCTION CO. LP SOOD ERTH MINERALS, LLC HEARD, MYRTLE HICKAM, LEWEL T. AMRSHALL, & WINSTON, INC. AARSHALL, & WINSTON, INC. AATLOCK MINERALS LIMITED COMPANY AANLANDLE ROYALTY COMPANY OWELL, BONNIE ROSS FAMILY LIVING TRUST POSS, BERTA, & OLETA F.	VOSS, J. T.
8 4	33.33333 H	33.33333 16.666667 16.666667 33.3333 16.666667 33.33333 16.666667 16.666667 16.666667 16.666667 33.33333 16.666667 33.33333 16.666667 33.33333 16.666667 33.33333 16.666667 33.33333 16.666667 33.33333 33.33333 33.33333 33.33333	16.66666 16.66667 8.33333 16.66667 33.33333 16.66666 16.666666 16.66667 16.66667 33.33333 16.66687 16.66667 17.666687 18.33333 18.333333 18.333333 18.333333 18.333333 18.333333 18.333333	16.666667 16.666667 18.333333 16.666667 16.666666 16.666667 16.666667 16.666667 16.666667 16.666667	100.000000	16.66667 (16.666	16.866667 F 8.33333 F 16.66667 F 33.33333 F 16.66667 F 16.66667 F 16.66667 F 16.66667 S 33.33333 F 16.66668 F 16.6668 F 16.668
LESSEE OF RECORD AND PERCENTAGE	YATES DRILLING COMPANY YATES JOHN A AGD PETROLEM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST OIL LIMITED COMPANY AATES DRILLIO M. VATES YATES JOHN A. ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY STATE OF LILLIE M. YATES	YATES DEILING COMPANY YATES JOHN A BGO FETRÖLEÜM CORPORATION BARBRO OLI LIMITED COMPANY TRUST Q LIMITED COMPANY TRUST Q LIMITED COMPANY YATES DEILING COMPANY YATES DEILING COMPANY YATES JOHN A BGO FETRÖLEÜM CORPORATION ABO FETRÖLEÜM CORPORATION TRUST Q LIMITED COMPANY YATES DEILING COMPANY YATES DEILING COMPANY YATES JOHN A.	ABO PETROLEM GORDONATION  BARBORO OL LIMITED COMPANY  TRUST Q LUWIO PEGGY A YATES  ESTATE OF LILLIAM YATES  WATES PRILLING COMPANY  MATES PRILLING COMPANY  SHARBRO OIL LIMITED COMPANY  SHARBRO OIL LIMITED COMPANY  TRUST Q LUWIO PEGGS A YATES  ESTATE OF LILLIAM YATES  STATES PRILLING COMPANY  WATES LOHN A  WATES LOHN A	ABO PETROLEUM CORPORATION SHARBOO OUL LIMITED COMPANY TRUST O UNIO PEGGY A VATES STATE OF LILLE M. YATES YATES DRILLING COMPANY YATES DRILLING COMPANY YATES JOHN A AGO PETROLEUM COMPANY TRUST OUND PEGGY A VATES ESTATE OF LILLE M. YATES VATES DRILLING COMPANY YATES DRILLING COMPANY VATES DRILLING COMPANY	YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION	ABO PETROLEUM CORPORATION SHARBRO UL LIMITED COMPANY TRUST Q UNIVO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DELLING COMPANY YATES JOHNA ABO PETROLEUM CORPORATION SHARBRO OLI LIMITED COMPANY TRUST Q UNIVO PEGGY A. YATES ESTATE OF LILLE M. YATES ESTATE OF LILLE M. YATES YATES DELLING COMPANY	ABO PETROLEUM CORPORATION SHARBRO UL IMITED COMPANY TRUST O LIWN PEGGYA, YATES ESTATE OF LILLE M. YATES ESTATE OF LILLE M. YATES ATES DELLING COMPANY YATES, JOHN A. AROPETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O LIWN O PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A.
SERIAL NUMBER AND LEXPRIATION DATE	NEW MEXICO OSAGE COOP FEE - HBP LENA W HILDT, ETAL NIM-403-497-C FEE - HBP			MYRTLE HEARD / ROGER HANKS NH-403-497-J FEE - HBP C. R. NIXON, ETUX / ROGER HANKS C. R. HBP FEE - HBP	MUNRO	KS DING &	NEW MEXICO OSAGE COOP  NM-403-497-8  FEE - HBP  LEM, W. HILDT, ETAL  NM-403-497-C  FEE - HBP
ACRES SI	1.6668667		0 833333 833333 83333 8334 8334 8334	0 833334 M	2.500000 A 5.000000 A 2.500000 A	5.833333 2.500000 2.500000	15,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,0000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,0000000 1,000000 1,000000 1,0
TR TRACT DESCRIPTION  # ACRES OF LANDS						21 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST, NAPM, SECTION 20: SW/4SE/4	

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REFERENCE	0.004129 9.375000 0.004129 1.319445 0.010322 1.649306	0.004129 6.59722 66.015313 1.648306							· · · · · · · · · · · · · · · · · · ·	3819445 (DPERATING 0.004129 AGREEMENT 0.004129 SECTION 20: S72 0.004129 401-202-A 4-16-1875 1.171875	0.527343 0.527343 1.171875 0.003871 0.703125 0.016759	0.488750 0.018759 0.002065 1.527778 0.005194 0.00419	0.00088 0.00088 0.00188 0.00208 0.00208 0.010208	4.56333 0.00430 9.37500 0.004129 1.527778
WORKING INTEREST AND PERCENTAGE	OLIVER, WILLIAM B. TRUST PANHANDLE ROYALTY COMPANY SCHIMANI, ADOLPH P. SHARBRO OIL LIMITED COMPANY SPACE BUILDING CORPORATION TRUST Q UNIVO PEGGY A. YATES	YATES DRILLING COMPANY YATES PRILLING COMPANY YATES PETROLEUM CORPORATION YATES, JOHN A.								ARO PETROLEUM CORPORATION BELLO, ERNIE BROWN BROTHERS HARRIMAN TRUST BLUNN, FRANCES B. BLUNN, ROBERT B. COLL, CHARLES H.	COLL, CARKE C. COLL, ERICJ. COLL, JON F. II COLL, JAN F. III COLL, MAX W. II	COLL, SALLY RODGERS DETEMPLE MELANIE COLL ELSIE G. HOLDEN, TESTAMENTARY ESTATE OF LILLIE M. YATES GRONDRON, I. W. GRODNOM, DAVID	HODGE, LOSEPH R. HODGE, LOSEPH R. KAWASAKI, DR. ISAAC A. KELLER, BETSY H. MAGNEH C. R. WINSTOW, INC. MAGNEHAL R. SINJE	INTOO INDUSTRIES, INC. LOUVER, WILLIAMB TRUST PANHANDLE ROYALTY COMPANY SCHUMAN, ADOLPH P. SHARBRO OIL LIMITED COMPANY
OVERRIDING ROYALTY AND PERCENTAGE										1.171800 CHAMBERS: LOLLE DEE KING: ESTATR 0.158580 3.99020 CHAMBERS; ROBERTI E.: IR. 0.045200 3.99020 CHRY: FLORENCE M: ESSAMAN 0.089540 0.390400 ESSAMA; JAMES H: 0.088540 0.781200 FREEMAN: ALICE ANN HANNS 0.021540	HINTINGTON ENERGY, LLC 0.0265.0 0.045180 NORMAN, ELZABETH J., TRUSTEE 0.050190 OSCUJA, RESOURCES, INC 0.050700 0.050700 0.050700 0.050700 0.050700 0.050700 0.050700 0.050700 0.050700	YATES PETROLEUM CORPORATION G.DBBS40		
BASIC ROYALTY AND PERCENTAGE	16.666667 16.666607 8.333333 16.666607 8.333334	16.696667 6.33333 16.69667 33.33334 3.333334	16.868686 16.868667 16.868687 33.33334 38.33333	16.666667 16.666667 6.333333 16.666687 3.333334 3.333333	16.696966 16.606967 16.669687 33.33333 8.333334 8.333334	16.696969 8.333333 16.696967 8.333333 8.333333	16.666667 16.666667 16.666667 8.333333 16.866667 8.333333	16.896666 16.896967 8.33333 16.86867 8.33333 8.33333	000000 001	16.66666 DEVON ENERGY PRODUCTION CO., LP 16.66667 GOOD EARTH MINERALS, LLC 8.33333 HEARD, MYRTLE 16.66667 HICKAM, EWELT 33.33334 MATLOCK MINERALS LIMITED COMPANY 8.333333 NEARBURG EXPLORATION COMPANY	16.696697 PANIHANDLE ROYALTY COMPANY 16.696697 POWIELL: BONNIE 8.333333 ROSS FAMILY LIVING TRUST 16.696968 ROSS, BERT A. & OLETA F. 33.333334 ROSS, GARY 8.333334 ROSS, J. T.	16.66667 ROSS, JOE E. 16.66667 ROSS, RALPH 6.33333 ROSS, ROBERT 16.666668 ROSS, RONALD 33.33333 ROSS, WILLAM 8.33333 ROSS, WILLAM	16.666667 WEDDERBURN PROPERTIES, LLC 16.666667 8.33333 16.6666668 9.33333 33.33333 33.33333	16.66667 16.66667 8.33333 16.66667 33.33334
LESSEE OF RECORD AND PERCENTAGE	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST Q UNWO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST Q LWNO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION STARBRO OLI LIMITED COMPANY TRUST O LIWIO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES PELLUIG COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION STARBRO OLI LIMITED COMPANY TRUST Q LIMIO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES, MILLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION STARRENO DIL LIMITED COMPANY TRUST Q UNNO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A.	AABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O LIMIVED CORPORATES ESTATE OF LILIE M. YATES TATES DEILLING COMPANY TATES, JOHN A.	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O UNWO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION STRARBRO OLI LIMITED COMPANY TRUST Q UMNO PEGGY A, YATES ESTATE OF LILLIE M, YATES AYES DRILLIG COMPANY YATES, OLIULIG COMPANY YATES, JOHN A.	VATES PETROLEUM CORPORATION VATES PETROLEUM CORPORATION	ABO PETROLEUM CORPORATION SHARBRO OL LIMITED COMPANY TRUST Q LUWO PEGGY A YTES ESTATE OF LILLE M YATES YATES DRILLING COMPANY YATES JOHN A.	ABO PETROLEIM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O UNWO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES ORLLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION SENREROO LIMITED COMPANY TRUST O LIWIO PEGGY A. YATES ESTATE OF LILLIE M. YATES AYTES PRILLING COMPANY AATES OF LILLING COMPANY AATES OF LILLING COMPANY	ABO PETROLEUM CORPORATION STARRENO LIMITED COMPANY TRUST Q LIMITED GOGY A. YATES ESTATE OF LILLE M. YATES YATES DIFFLING COMPANY YATES IONIN A	ABO PEROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O LUMVO PEGOY A YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY
SERIAL NUMBER AND EXPRIATION DATE	34 JOE E. ROSS / ROGER HANKS NM-403-497-E FEE - HBP	ALTON ROSS / ROGER HANKS NM-403-497-G FEE - HBP	BONNIE POWELL / ROGER HANKS NM-403-497-H FEE - HBP	JEWELL HICKAM / ROGER HANKS NM-403-497-1 FEE - HBP	MYRTLE HEARD / ROGER HANKS NM-403-497-J FEE - HBP	C. R. NIXON ETUX / ROGER HANKS NM-403-497-K FEE - HBP	COLL PRODUCTION, INC. / ROGER HANKS NM-403-497-L FEE - HBP	ULLJAN HINKLE COLL, TRUSTĒE NM-403-497-M FEE - HBP	2.500000 NARSHALL & WINSTON, INC. / MARAT NARSH 1786 12.500000 FLGG REBFERN OIL COMPANY / MUNRO 12.500000 FLGG REBFERN OIL COMPANY / MUNRO FLEG - HBP		BONNIE H MORRISON / READING & NM-403-497-A FEE - HBP	NEW MEXICO OSAGE COOP NM-403-497-B FEE - HBP	IENA W. HILDT, ETAL NM-103-497-¢ FEE - HBP	JOË E. ROSS. ROGER HANKS. NM-403-497-E FEE - HBP
DESCRIPTION ACRES OF LANDS	983333	0,83334	0.833333	0.853333	0.833333	0.833333	3.750000	1250000		TOWNSHIP 19 SOUTH, 5.833333 RANGE 25 EAST, NMPM SECTION 20: SEASW/4	2.5000	16.00000	1.080067	<u>8525330</u>
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REFERENCE	1.0010323 0.004128 0.004128 58.765696 1.909723		3.821090 OPERATING 0.004130 ACREEMENT 0.004130 SECTION 20.82 0.004780 401-202-A 4-16-1975 0.527570 0.005770 0.005710 0.0	
WORKING INTEREST AND PERCENTAGE	SPACE BUILDING CORPORATION THUST O UNWO PEGGY A TATES VAN VRANGEN, FREDERICK, 18. VATES PRILLING COMPANY VATES PETROLEUM CORPORATION VATES, JOHN A.		0.155500 ABO PETROLEUM CORPORATION 0.045100 BELLO, ERIVE 0.068540 BUNN, FRANCES B. 0.068540 COLL, CHARLES H. 0.085500 COLL, CHARLES H. 0.055200 COLL, ERIC, J. 0.055200 COLL, LON F. II 0.0685200 COLL, LON F. II 0.0685200 COLL, ANA W. II 0.0685200 COLL, ALLY RODGERS 0.015200 COLL, ANA W. II 0.068520 COLL, MAX W. II 0.068520 COLL, ANA W. II 0.068520 COLL, ANA W. II 0.068520 COLL, MAX W. II 0.068720 COLL, MAX W. II 0.0687	
OVERRIDING ROYALTY AND PERCENTAGE			1.17189 CHAMBERS LOLIE DEE KING. ESTATE 0.380C20 CHAMBERS, ROBERT E.J.R. 0.380C20 CHAMBERS, ROBERT E.J.R. 0.380C20 CHAMBERS, ROBERT E.J.R. 0.380C20 DAWSON, NE'N, CHAMBERS 0.380C20 DAWSON, NE'N, CHAMBERS 0.380C20 DAWSON, NE'N, CHAMBERS 0.380C20 DAWSON, LANGER A.D. 0.380C20 DAWSON, LANGER CHALSTE 0.380C20 DASABAN ELLOZABETHA, TRISTE 0.380C20 DA	
BASIC ROYALTY AND PERCENTAGE	8. 8333333 8. 8333333		16 669666 DEVON ENERGY PRODUCTION CO., LP 16 66967 GOOD EARTH MINERALS, LLC 18 6933333 HEAPT, MINERALS, LLC 33 333334 HICKAM, JEWEL T. 33 333334 HICKAM, JEWEL T. 16 669667 POWELL TO COMPANY 16 669667 POWELL POWELT COMPANY 16 669696 POWEL, BONNIE 16 669696 ROSS, BERT A. & QLETA F. 16 669696 ROSS, BERT A. & QLETA F. 16 669696 ROSS, LOE E. 16 669696 ROSS, ALPH 16 699696 ROSS, REPT A. & QLETA F. 16 669696 ROSS, REPT A. & QLETA F. 16 669696 ROSS, ROMELLAM 16 6696967 ROSS, ALSS 33 33333 ROSS, WILLIAM 16 669696 ROSS, ROMELLAM 17 806997 ROSS ROMELLAM 18 333333 ROSS ROMELLAM 18 669696 ROSS ROMELLAM 18 333333 ROSS ROSS ROMELLAM 18 669696 ROSS ROMELLAM 18 333333 ROSS ROSS ROSS ROMELLAM 18 669696 ROSS ROMELLAM 18 333333 ROSS ROSS ROMELLAM 18 669696 ROSS ROSS ROSS ROMELLAM 18 333333 ROSS ROSS ROSS ROSS ROSS ROSS RO	16.686666
LESSEE OF RECORD AND PERCENTAGE			ABO PETROLEUM CORPORATION SUARBRO OIL LIMITED COMPANY TEUST O LUMO PEGGY A YATES SYATES OILLING COMPANY SYARES, JOHN A. ADO PETROLEUM CORPORATION SHARBO OIL LIMITED COMPANY TEUST O LUMO PEGGY A YATES SETATE OF LILLE M. YATES VATES DRILLING COMPANY TRUST OF LULIE M. YATES VATES DRILLING COMPANY TRUST O LUMO PEGGY A YATES SETATE OF LILLE M. YATES STATE OF LILLE M. YATES STATE OF LILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLE M. YATES WATES DRILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLE M. YATES WATES DRILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLE M. YATES WATES DRILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLE M. YATES WATES DRILLING COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLE M. YATES WATES DRILLING COMPANY SHARBRO OIL LIMITED COMPANY TRUST O LUMO PEGGY A YATES STATE OF LILLE M. YATES WATES JOHN A. ADO PETROLEUM CORPORATY SHARBRO OIL LIMITED COMPANY SHARBRO OIL LIMITED COMPANY TRUST OLUMO PEGGY A YATES STATE OF LILLE M. YATES WATES TORLLING COMPANY TRUST OLUMO PEGGY A YATES STATE OF LILLE M. YATES STATE OF LILLE M. YATES WATES TORLILING COMPANY TRUST OLUMO PEGGY A YATES STATE OF LILLE M. YATES STATE OF LILLE M. YATES WATES TORLILING COMPANY TRUST OLUMO PEGGY A YATES STATE OF LILLE M. WATES STATE OF LILLE M. YATES STATE OF LILLE M. WATES STATE OF	+
SERIAL NUMBER AND EXPRIATION DATE	ALTON ROSS / ROGER HANKS FEE - HBP BONNIE POWELL / ROGER HANKS NA-03-497-H FEE - HBP INA-03-497-H FEE - HBP MA-03-497-H FEE - HBP	C. R. NIJON, ETUX / ROGER HANKS NM-403-497 / FEE - HBP COLI PRODUCTION, INC. / ROGER HANKS NM-403-497-1 FEE - HBP	CARL E. ROSS / ROGER HANKS  FEE - HBP  BONNIE H. MORRISON / READING &  NM-403-497-8  FEE - HBP  NM-403-497-6  FEE - HBP  FEE - HBP  FEE - HBP  FEE - HBP  NM-403-497-6  FEE - HBP  NM-403-497-6  FEE - HBP  NM-403-497-6  FEE - HBP  NM-403-497-6  FEE - HBP  ALTON ROSS / ROGER HANKS  NM-403-497-6  FEE - HBP	0.833334 BONNIE POWELL / ROGER HANKS
TRACT DESCRIPTION ACRES ACRES OF LANDS	0.833334 0.833334	3.750000 3.750000 1.250000	40.00 TOWNSHIP 19 SOUTH, 5 833333  RANGE 25 EAST, NMPM SECTION 20: SW/4SW/4  15.000000  15.000000  16.000000	0.833334

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REFERENCE								2.187500 OPERATING 0.1302/04 AGREEMENT 2.187500 ALTO AOL COM #1 30.733750 SECTION 21: NE!4	0.260419 401-202-X 8-23-1994 0.130210 15.36000 2.137500	46.822911	2.167500 OPERATING 0.130210 AGREEMENT 2.187200 ALTO AOL COM #1 30.733750 SECTION 21: NE/4 0.200419 401-202-X 8-23-1994 0.30220 15.360000 4.8.82201	2.187500 (OPERATING 0.130210 AGREEMENT 2.187500 ALTO AOL COM #1	46.093790 SECTION 21: NE/4 0.260419 401-202-X 8-23-1994 0.1302-0 2.1875-0 48.822811			
WORKING INTEREST AND PERCENTAGE								0.234360 ABO PETROLEUM CORPORATION 13.000000 ESTATE OF LILLE M. YATES MYCO INDUSTRIES, INC. NEARBURG EXPLORATION COMPANY	SACRAMENTO PARTNERS LIMITED SHARBRO OIL LIMITED COMPANY TOM BROWN, INC. YATES DRILL ING. CYMDANY	YATES PETROLEUM CORPORATION	13.00000 ABO PETROLEUM CORPORATION ESTATE OF LILLIE M. YATES MYCO INDUSTRIES, INC. NEARBURG EXPLORATION COMPANY SACRAMENTO PARTNERS LIMITED SHARBO OIL LIMITED COMPANY TOM BROWN, INC. TOW BRO	. 6.126980 ABO PETROLEUM CORPORATION 0.042320 ESTATE OF LILLIE M. YATES 0.312520 MYCO INDUSTRIES, INC.	0.92250 INARABUNG EXPLORATION COMPANY 0.31250 SACRAMENTO PARTNERS LIMITED 0.10280 SHARBRO OIL LIMITED COMPANY 0.042320 YATES PRILLING COMPANY 0.042320 YATES PEROLEUM CORPORATION	3,00000		
OVERRIDING ROYALTY AND PERCENTAGE								MCCAW, WILLIAM JACK TOM BROWN: INC	000		TÓM BROWN; INC.	CHAMBERS, LOLLIE DEE KING, ESTATE CHAMBERS, ROBERTE, JR CURRY, FLORENCE M. ESSMAN	OWNSON, NEVO CHAMBERS SSMAN, JAMES H FREEMAN, JAMES H FREEMAN, TAKES FROOMBE CELESTE CHAMBERS FROOMBE CELESTE CHAMBERS OWNERS STEPHEN IT & LEANETTE J.	TOM BROWN, INC.	8000	200
BASIC ROYALTY AND PERCENTAGE	6.866667 8.33333 8.333334 8.333334	16.868687 (16.868687 16.868687 8.333334 8.3333334	16 6060667 8.333333 15 806067 8.333334 8.333333	16 868666 16 86867 16 868687 8 3333334	16 866667 8.333334 18 333334 18 866677 18 866677	16 B0980867	100 000000	10.000000 DEVON ENERGY PRODUCTION CO., LP 34375001 10.000000 DOBSON, MARY LOUISE FARNA 0.312480 0.312480 0.312480 0.312480 0.312480 0.312480 0.312480 0.312480 0.312480	ARRETSON, SARA C. ACEY, LINDA FARHA ACCINNIS, BARBARA FARHA AMHARIDE FOOVALTY COMPANY		000000 WHTNEY, LESLIE P. & JEAN M. 11,000000 WHTNEY, LESLIE P. & JEAN M. 11,000000	50.000000 BP AMERICA PRODUCTION COMPANY 3.125000 25.000000 DEVON ENERGY PRODUCTION CO., LP 1.718750 25.000000 GOOD EARTH MINERALS, LLC 1074240	HEARD, MYRILE HICKAM, JEWEL T. MATLOCK MINERALS LIMITED COMPANY NEARBURG EXPLORATION COMPANY PANHANDLE ROYALTY COMIDANY ONNET! ROWINIE	ING TRUST OLETA F.	ROSS, RALPH ROSS, ROBERT ROSS, ROMALD ROSS, WILLIAM	16 866666 SHETS, ELIZABETH RUTH NIXON 0.185320 8.333333 DECEMBEN PROPERTIES, LLC 0.185320 8.333334 0.185320 8.333334 0.185323
LESSEE OF RECORD AND PERCENTAGE					ABO PETROLEUM CORPOGATION 16. SUMBERO OIL LIMITED COMPANY 16. TRUST Q LWIND PEGGY A. YATES 8. ESTATE OF LILIE M. YATES 16. YATES DRILLING COMPANY 33. YATES JOHN A.		z	ABO PETROLEUM CORPORATION 10. MYCO INDUSTRIES, INC. 10. YATES DRILLING COMPANY 10. YATES DETROL EI IM CORPORATION 70.			NEARBURG EXPLORATION COMPANY 100 NEARBURG EXPLORATION COMPANY 100	SACRAMENTO PARTNERS LIMITED 50 SHARBRO OIL LIMITED COMPANY 25 ESTATE OF LILLIE M. YATES 25				ABO PETROLELM CORPORATION SHARBERO OIL LIMITED COMPANY TRUST O LUWIO PEGGY A. YATES ESTATE OF LILLIE M. YATES 18 YATES DRILLING COMPANY 33 YATES, JOHN A.
SERIAL NUMBER AND EXPRIATION DATE	NN403497+1 FEE - HBP		MYRTLE HEARD / ROGER HANKS NM-403-497-J FEE - HBP	Ĝ. R. NIXÓN, ETUX / ROGER HANKS NM-403-497-K FEE - HBP	CÖLL PRODUCTION, INC. / ROGER HANKS NM-403-497-L	) I.I.LIAN HINKLE COLL, TRUSTEE NM-403-497-M FEE - HBP	) FLAG REDFERN OIL COMPANY / MUNRO NM-497-T FEE - HBP	D PANHANDLE ROYALTY COMPANY NM-403-1717 FEE - HBP	R. B. RODKE NM-403-1832 FEE - HBP	CERR-MCGEE CORPORATION MILIAM E FARM TRUST ALPH MIX, R. ARJA G GARRETSON	EAN M. & LESLE	3 C. R. NIXON, JR. ETAL NM-403-246 FEE - HBP	3 (CATL E. ROSS / ROGER HANKS NM-403-497 FEE - HBP	HILDT, LENA W., ETAL NM403-497-C FEE - HBP ROSE, JOE E. / ROGER HANKS	- HPP	9 ROSS, ALTON / ROGER HANKS NM-403-497-G FEE - HBP
ACRES		0.833334	0,833333	0.833333	3.750000	1.250000	9.00000	SOUTH, 15.00000 T, NMPM E/4NE/4	2.50000	2 500000 1 7 500000 1 7 500000 1	, i		5,833333	1.666667		0.833333
TR TRACT DESCRIPTION # ACRES OF LANDS								23 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 21: NE/ANE/4	-		24 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST, IMPM SECTION 21: SEANE!4	25 40.00 TOWNSHIP 19 SOUTH. RANGE 25 EAST, NMPM SECTION 21: SW/4NE/4				

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	RETERENCE		7.50000 OPERATING 7.50000 OPERATING 1.562500 HOOPER AMP #2 0.206417 SECTION 21: NW/4 0.206418 SECTION 21: NW/4 0.206419 SE
ECHCERT CHRISCH	WORMING IN LERES I		0.042800 BLANTON, KIMBERLY STEWART 0.312500 COLL, CHARLES H. 0.312500 COLL, CHARLES H. 0.312500 COLL, CHARLES H. 0.042300 COLL, CHARLE S. 0.042300 COLL, KENNETH JAMES 0.042300 COLL, KENNETH
CATTONION CONTRACTOR C	AND PERCENTAGE		15-5000 (CHAMBERS), ICHE DE KING, ESTATE 0.55010 (CHAMBERS), TROBERTE, IR. 0.25042) (CHRY, FLORENCE, M. ESSAMN 0.25042) (CHRY, FLORENCE, M. ESSAMN 1.65020 (ESSAMA, "AMES) 0.76124 (LHAMBERS), ALICE AND HANKS 0.76124 (LHAMBERS) 0.76124 (LHAMBERS) 0.250430 (ESSAMA) 0.250430 (ESSAMA) 0.250430 (ESSAMA) 0.250430 (ESSAMA) 0.250430 (ESSAMA) 0.16530 (ES
WE WAS A STORY OF THE STORY OF	AND PERCENTAGE	861318 8 8 8 1	GOOD EARTH MINERALS, LLC HEARD, MYRTLE HICKAML, EWELT. HICKAML, EWELT. MATIOCK MINERALS INTEC COMMANSHALL & WINSTON, INC. MATIOCK MINERALS LIMITED COMPANY WARSHALL & LOWINE REARBING EFELDARATION COMPANY PANHANDLE ROYALTY COMPANY PANHANDLE ROYALTY COMPANY ROSS FAMILY LIMMO TRUST ROSS, BERT A & OLETA F. ROSS, JUE ROSS, LOE E. ROSS, JOE E. ROSS, NOBERT ROSS, ROBERT ROSS, WILLIAM SHEETS, ELIZABETH RUTH NIXON WEDDERBURN PROPERTIES, LLC WEDDERBURN PROPERTIES, LLC
PROPER OF PROPERTY	LESSEE OF RECORD AND PERCENTAGE	ABO PETROLEUM CORPORATION 16 8080808  ABLARRENO CLI LIMITED COMPANY 16 6080807  TRUST Q UMNO PEGGY A YATES 16 6080807  YATES, JOHN A.  TRUST OL LILLE M. YATES 16 6080807  YATES PETROLEUM CORPORATION 10 0000000  WYCO INDUSTRIES, INC. 10 0000000  WATES PETROLEUM CORPORATION 10 00000000  WATES PETROLEUM CORPORATION COMPANY 10 000000000  WATES PETROLEUM CORPORATION COMPANY 10 00000000  WATES P	SACRAMENTO PATTHER INTED COMPANY  ESTATE OF LILLE M. YATES  SACRAMENTO OIL LIMITED COMPANY  SALURS DELLING COMPANY  THES, DOIN A.  THES, DOIN A.  THES, DOIN A.  THUST Q. UWNO PEGGY A. YATES  THUST Q. UWNO PEGGY A. YATES  THUST Q. UWNO PEGGY A. YATES  SACRAGE OF LILLE M. YATES  SACRATES DELLING COMPANY  THUST Q. UWNO PEGGY A. YATES  SACRATES DELLING COMPANY  THUST Q. UWNO PEGGY A. YATES  SACRATES OIL LIMITED COMPANY  SALURS DOIL LIMITED COMPANY  THUST Q. UWNO PEGGY A. YATES  SACRATE OF LILLE M. YATES  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  SALURS DOIL LIMITED COMPANY  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  TRUST Q. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  TRUST D. UWNO PEGGY A. YATES  SAGO PETROLEUM CORPORATION  TRUST D. ULLILE M. YATES  SAGO PETROLEUM CORPORATION  TO DODODO  WATES PETROLEUM CORPORATION  TO DODODO  WATES PETROLEUM CORPORATION  TO DODODO  TALES PETROLEUM CORPORATION  TO DODODO  TALES PETROLEUM CORPORATION  TO DODODO  TALES DELLING COMPANY  TO DODODO  TALES DELLING COMPAN
	EXPRINTION DATE	POWELL, BONNIE / ROGER HANKS FEE - HBP FEE - H	MA 403-487  TEE - HBP  TOSS, JOE E . / ROGER HANKS  MA 403-497-H  TEE - HBP  TOSS, JATON / ROGER HANKS  MA 403-497-H  TEE - HBP  TEE
TOOCA INCOMINGATION		0.8833331 0.8833333 0.0883333 0.088333 0.088333 0.08833 0.08833 0.088	90.00 TOWNERH PI SOUTH, 1.686697 (1.686697) (1.686667) (1.68667) (1.686667) (1.6867) (1.6867)

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		W	100.000000 20.000000 HINGLE, MADISON M. 20.000000 HINGLE, ROLLA R. III 20.000000 OSCUPIA RESOURCES, INC. SCHERTZ, MORRIS E.	1.875000 1.50000 3.750000 3.750000 3.750000	ABO PETROLEUM CORPORATION BLANTON, KIMBERLY STEWART COLL, CHARLES H, COLL, CHARRES H, COLL, CHRISTOPHER DALE COLL, CHRISTOPHER DALE COLL, LENG J, COLL, KINNETH JAMES COLL, MAX W, III COLL, MAX W, III COLL, MAX W, III COLL, MAX W, III COLL, MAY	7.500000 OPERATING 0.200417 AGREEMENT 1.622000 HODER AMP #2 0.200417 SECTION 2: NW/# 0.703125 403-497-UZ +14-1993 0.371979 0.022344 0.022344 0.022344 0.022344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22344 0.200416 0.22343 0.200416 0.22044 0.200416 0.250416 0.250416 0.250416 0.250416 0.250416 0.250416
!!!!!!	COOPER, PATRICIA JOHNSON COOPER, PATRICIA JOHNSON FEE - HBP CHEE - HBP CHEE-SED MINERALS UNITE/SED MINERALS		HOPER ROBERT G. COHNSON, S. P. III & BARBAR SPIRAL, INC.			7,500000   7,500000
1 ! !!!!!!!	2500000 INIXON C. R., JR. ETAL    MALIO246    FEE - HBP     5000000   GOSS, CARL E. / ROGER HANKS     17.500000   GOSS, CARL E. / ROGER HANKS     MALO2497     FEE - HBP     2.500000   HIDT, LENA W., ETAL     MALO2497     FEE - HBP     2.500000   ROSS, ALTON / ROGER HANKS     MALO2497     FEE - HBP     FEE - HBP     C. S. S. S. S. MALOS     MALO3497     FEE - HBP     FEE - HBP	SACRAMENTO PARTNERS LIMITED SACRAMENTO PARTNERS LIMITED SHARBRO CLILLIEM YATES SHARBRO CLILLIEM YATES SHARBRO CLILLIEM YATES STATE OF LILLEM YATES TATES PLILLEM YATES TATES PLILLEM YATES TATES PLILLEM COMPONT TATES PORLLIME COMPONT TATES PETROLLEUM CORPORATION TATES PETROLLEUM CORPORATION TATES PETROLLEUM CORPORATION TRUST OF LILLEM YATES SHARBRO CLI LIMITED COMPANY TRUST OF LILLEM YATES ESTATE OF LILLEM YATES SHARBRO CLIMITED COMPANY TRUST OF LILLEM YATES TATES PORLLIME COMPANY TRUST O UNIND PEGGY A YATES STATE OF LILLEM YATES TATES COLILLEM YATES TATES CHILLEM YATES	50 000000 DEVON ENERGY PRODUCTION CO. LP 25.000000 GOOD EARTH MINERALS, LLC 25.000000 GOOD EARTH MINERALS, LLC 16.66666 HICKAM, LEWEL I. 16.66666 HICKAM, LEWEL I. 16.00000 HICKAM, LEWEL I. 16.000000 HICKAM, LEWEL I. 16.000000 PANHANIDLE ROYALIY COMPANY 16.0000000 ROSS FAMILY LUNIG TRUST 100.000000 ROSS FAMILY LUNIG TRUST 100.00000 ROSS FAMILY LUNIG TRUST 100.00000 ROSS FAMILY LUNIG TRUST 100.000000 ROSS FAMILY LUNIG TRUST 100.00000 ROSS FAMILY ROSS FAMILY LUNIG TRUST 100.00000 ROSS FAMILY LUNIG TRUST 100.00000 ROSS FAMILY ROSS FAMILY LUNIG TRUST 100.00000 ROSS FAMILY ROS	1.171890 CHAMBERS LOLLE DEE KUIG ESTATE 0.44479 CHAMBERS, ROBERT E., JA. 0.2041 CHAMPY FLORENCE A. ESSMAN 0.2041 CHAMBERS 1.60550 ESSMAN LAKE CHAMBERS 1.60550 ESSMAN LAKE CHAMBERS 0.0144979 FREEMAN ALICE ANN HANKS 0.0150 LINDCAMBL CLESTE CHAMBERS 0.020417 OSCURA RESOURCES, INC. 0.20417 COSCURA RESOURCES, INC. 0.20417 COSCURA RESOURCES, INC. 0.20417 COSCURA RESOURCES, INC. 0.20417 0.20417 0.20419 0.20419 0.20419 0.20419 0.20419 0.20419 0.20419 0.20419 0.20419 0.20419 0.20419	0.042209 EELU, ENRIN CORPORATION 0.042209 EELU, ENRIN ERU, ERU, ENRIN ERU, ERU, ERU, ERU, ERU, ERU, ERU, ERU,	3.125000 OPERATING 0.016520 HOOPER MAIP #1 0.016520 HOOPER AMP #1 0.016520 HOOPER AMP #1 0.016520 HOOPER AMP #1 0.016520 HOOPER AMP #1 0.016520 GECTION 2: 5W/4 2.243750 0.043750 0.043750 0.065300 0.065300 0.006500 0.006

REFERENCE	0.016520 3.00250 3.00250 0.30020 0.10320 1.22000 12.2200 3.12500 48.875320	3.125000 OPERATING 0.016517 AGREEMENT 0.016517 AGREEMENT 0.016517 HOOPER AMP #1 0.016517 SECTION 21: SW/4 2.343750 HG4897 1.054897 1.054897 1.054897 1.054897 1.054897 1.054897 1.054897 1.053518 0.0023517 0.033517 0.033517 0.033517 0.033517 0.033517 0.032517 0.045178 0.016517 0.041870 0.0418	50.152000   OPERATING 0.016617   AGREEMENT 0.016617   AGREEMENT 0.016617   AGREEMENT 0.016617   AGREEMENT 1.054687   2.343760   403-497-U   2-19-1983 1.054687   1.054687   1.054687   1.054687   1.054687   1.054687   1.054687   1.054687   1.054687   1.053386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386   1.056386
WORKING INTEREST AND PERCENTAGE	THE TRANSPORT OF THE PROPERTY	ABO PETROLEUM CORPORATION BELLO, ENNIE BROWN BROTHERS HARRIMAN TRUST BUNN, FRANCES B. COLL, CHARLES H. COLL, JON F. COLL, SALLY RODGESS DETEMPLE, MELANIE COLL E. G. I. RESOURCES, INC. E. G. I. RESOURCES, INC. FRONDON, J. W. COCDONOW, DAVID HOLLYHOCK, LTD KANNASAKI, DR. ISAAC, A. KELLER, BETSY H. LODEWICK, LAURA PATRICIA MOORE, CHARLES CLINE MICHORING, JOHN W. LODEWICK, LAURA PATRICIA MOORE, CHARLES CLINE WICH SHERGED CORPORATION SACRAMENTO PARTNERS LIMITED SCHUMAN, ADOLPH P. SCHUMAN, ADOLPH P. SCHUMAN, ADOLPH P. SCHUMAN, ADOLPH P. SCHUMAN, TREDERICK, JR. VAN VRANKEN, FREDERICK, JR. VAN VRANKEN, FREDERICK, JR. VAN VRANKEN, FREDERICK, JR. VAN VRANKEN, FREDERICK, JR. VATES DRILLING COMPANY	MATERS FERTOLEUM CORPORATION  MO ABO PETROLEUM CORPORATION  MO BELLO, ERNIE  BOROWN BROTHERS HARRIMAN TRUST  BUNN, FRANCES B.  COLL, CHARLES H.  COLL, CHARLES H.  COLL, CHARLES H.  COLL, JON F. II.  COLL, MAX W. III.  COLL
OVERRIDING ROYALTY AND PERCENTAGE	AND PERCENTAGE	3.000000 3.0000000 3.175600 3.175600	14.082480 HODGE, JOSEPH R. 15.00000 4.887520 NORMAN, RICHARD C. 15.00000 5.PAGE BUILDING CORPORATION 0.015880
BASIC ROYALTY AND PERCENTAGE	AND PERCENTAGE  6.333333 6.33333 6.33333 6.33333 6.333333 6.689667 6.869667 6.869667 6.869667 6.800000 6.000000 6.000000 6.0000000 6.000000 6.0000000 6.0000000 6.0000000 6.0000000 6.0000000 6.00000000	100,000000 HOUSER! G. 10,000000 HOUSER! BARBARA J. 10,000000 PLC LIMITED PARTNERSHIP 10,0000000 PLC LIMITED PARTNERSHIP 10,000000 PLC LIMITED PARTNERSHIP 10,0000000 PLC LIMITED PARTNERSHIP 10,000000 PLC LIMITED	100,0000000 NEARBURG EVPLORATION COMPANY YATES PETROLEUM CORPORATION 25,000000 25,000000 25,000000
LESSEE OF RECORD AND PERCENTAGE	AND PERCENTAGE  YATES, JOHN A. ABO PERCELIM CORPORATION ABO PERCELIM CORPORATION TRUST O LUMO PEGGY A. YATES YATES DRILLING COMPANY WATES JOHN A. ABO PERFOLE M. YATES YATES DRILLING COMPANY YATES DRILLING COMPANY TRUST O LUMO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES DRILLING COMPANY YATES DRILLING COMPANY YATES PERFOLEUM CORPORATION YATES PERFORENTIAL TRUST CORPORATION YATES PERFORMATION YATES PERFORMAT	ABO PETROLEUM CORPORATION MYCO NUUSTRIES, INC. YATES DRILLING COMPANY VATES PETROLEUM CORPORATION MYCO NUOUSTRIES, INC. MYCO NUOUSTR	YATES PETROLEUM CORPORATION ABÓ PETROLEUM CORPORATION MYCO, INDUSTRIES, INC. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION
SERIAL NUMBER AND EXPRATION DATE	XPRATION DATE  ICXAM, JEWEL / ROGER HANKS  IM-403-497-1  EE - HBP  IM-403-497-1  EE - HBP  IM-403-1913-A  EE - HBP  EE - HBP  IE - HBP	INLEASED MINERALS  INLEASED MINERALS  IN 4403-1723-A  ATRICIA JOHNSON COOPER  MA 403-1723  TEE - HBP  INLEASED MINERALS / QUAIL	334 WIGGENS, ANDREA C. NM-404-120 NM-404-120 METGALF, LORENE / COQUINA FEE - HBP
TR TRACT DESCRIPTION ACRES # ACRES OF LANDS		30 20.00 TOWNSHIP 19 SOUTH, 2.500000 SECTION 21: NZSW/4SW/4 SECTION 21: NZSW/4SW/4SW/4SW/4 SECTION 21: NZSW/4SW/4SW/4SW/4SW/4SW/4SW/4SW/4SW/4SW/4	91 20.00 TOWNSHIP 19 SOUTH, 8, 333334 RANGE 25 EAST, NMPM SECTION 21: S/25W/4SW/4 11.666667

REFERENCE		OPERATING AGREEMENT SECTION 21: 5E/4 403-497-11 8-23-1994	3.437500 OPERATING 4.427090 AGREEMENT 0.390630 SECTION 21. SE4 0.520830 403-497-11 8.23-1984 0.520830 0.520830	
REI	0.002783 1.041690 0.008289 1.041670 1.041670 0.041283 3.125000 5.888683 0.016517 1.171880 3.90625 0.016517 0.1221962 0.016517 3.125000 12.221962 0.016517 3.125000	3.437500 OP 3.437500 OP 0.520830 473 0.520830 473 0.520830 473 0.520830 473 0.38650 0.781250 0.38650 0.38650 0.38650 0.38650 0.38650	3.437500 OPI 4.427080 AGI 0.390830 SEC 0.520830 0.520830 3.437500	23.139880 2.343750 0.781250 0.390630 3.437500 56.651790
WORKING INTEREST AND PERCENTAGE	HODGE, SANFORD J., III HOLTYDCK, LTD KAWASAKI, DR., ISAAC A KELLER, BETSY H. LODEWICK, JOHN W. SACRAMENTO PARTINETS DANINED SOCHUMAN ADOLHH P. SHARBRO OIL LIMITED COMPANY SACRAMENTO PARTINETS COMPANY WANNEN, FREDERICK, JR. VATRES DIELLING COMPANY VATRES DELLING COMPANY VATRES DIELLING COMPANY VATRES DELLING COMPANY VATRES VATRES DELLING COMPANY VATRES DELLING C	0.02239 B. G. L. RESOURCES, INC. 0.02239 B. CORTAIN CORTAIN CONTROL ON CONTRO	0.128853 ABO PETROLEUM CORPORATION 0.022318 E. G. L. RESOLRCES, INC. 0.0322818 MONE, MICHAEL HARRISON 0.022318 MONE, MICHAEL HARRISON 0.022318 MONE, RICHARD L. 0.188698 MONE, STEPHEN SOTT, ESTATE 0.148477 MYCO, INDIGTRIES INC.	GOGZSIG INEARBURG EXPLORATION COMPANY GOGZSIG PITCH EMEGY CORPORATION GOGZSIS ACRAMENTO PARTNERS LIMITED GOGZSISCHO SHARBRO OIL LIMITED COMPANY YATES DRILLING COMPANY YATES PETROLEUM CORPORATION
OVERRIDING ROYALTY AND PERCENTAGE		1. 2000 (Wamberrs), LULIE LINE INVINCENTIAL BANKS (WAMPERS), ROBERTE E. N. CANADERS, ROBERTE E. N. CANADERS, ROBERTE E. N. CANADERS, ROBERTE E. N. CANADERS, ROBERTS E. N. CANADERS H. CANADERS CO. 200417 (SSSMAN), JAMES H. CANADERS CO. 200417 (SCSCOMBE, CELESTE CANADERS), N. CASONER, CALLOCE SINC. 200417 (SCSCOMBE, CELESTE CANADERS), N. CASONER, ROBERTS, MIKE H. CANADERS (N. CASONER) (SCSCOMBE, CASONERS), N. CASONERS, N. CASONERS, N. CASONERS, N. CASONERS, ROBERTS, MIKE H. CASONERS, ROBERTS, ROBERTS, RO	3.125000 CHAMBERS, LOLLIE DEE KING, ESTATE 1.662500 CHAMBERS, TOLLIE DEE KING, ESTATE 0.889757 CLIREY, FLORENCE M. ESSIMAN 0.280477 CMWSCN, WICK CHAMBERS 0.280477 ESSIMAN, JAMES H. 0.889757 PREEMAN, JAMES H. 0.889757 PREEMAN, JAMES H. 0.781529 HATTMATCHO HENEGY, 11C	7.091260 LIPSCOMBE, CELESTE CHAMBERS 0.290417 OSCURA, RESOURCES, INC. 0.200417 ROBERTS, MIC. H. J.
BASIC ROYALTY AND PERCENTAGE		25,000000   PLOYNE KINGTON ON INTERPRETATION OF JANGEN OF AUTOMACON OF	BP AMERICA PRODUCTION COMPANY BPOOD EARTH MINERALS, LLC HEARD, MYRTLE HECKOM, LEWEL T MATLOCK MINERALS I IMITED COMPANY MATLOCK MINERALS I IMITED COMPANY	PANHANDLE ROYALTY COMPANY POWELL, BONNIE ROSS FAMILY LIVING TRUST ROSS, GERT A. & OLETA F. ROSS, GARY ROSS, J. T.
LESSEE OF RECORD AND PERCENTAGE		SHARBRO OIL LIMITED COMPANY ESTITE OF LILLE M. YATES TRUST OL UNINTED COMPANY SHARBRO OIL LIMITED COMPANY STATE OF LILLE M. YATES TRUST OL UNIND PEGGY A VATES STATE OF LILLE M. YATES YATES DRILLING COMPANY TRUST OL UNIND PEGGY A YATES STATE OF LILLE M. YATES STATE OF LILLE M. YATES YATES DRILLING COMPANY TRUST OL UNINTED COMPANY TRUST OL UNINTE	MYCO INDUSTRIES, INC.  VATES DRILLING COMPANY  VATES PRICING COMPANY  NEARBURG EXPLORATION COMPANY  NEARBURG EXPLORATION COMPANY  SAGRAMENTO PARTHERS LIMITED  SHARBRO OIL LIMITED COMPANY  ESTATE OF LILLE M. YATES  ABO PETROLLEM CORPORATION  SHARBRO OIL LIMITED COMPANY  ESTATE OF LILLE M. YATES  TRUST O LIMITED COMPANY  FINE OF THE METROL OF THE M. YATES  RESTATE OF LILLE M. YATES  FINE OF THE METROL OF THE M. YATES  FINE OF THE M. YATES	z
ACRES SERIAL NUMBER AND EXPRIATION DATE		11.666660 FOOSS, CARL E. FROGER HANKS  3.333333 HILDT, LENA W., ETAL  MA-403-497 FEE - HBP  1.666697 FOOSS, JOE E. / ROGER HANKS  MA-403-497-EE - HBP  1.666697 FOOSS, ALTON ROGER HANKS  MA-403-497-EE - HBP  1.666697 FOOSS, ALTON ROGER HANKS  MA-403-497-FEE - HBP  1.666697 HICKAM, JEWEL / ROGER HANKS  MA-403-497-FEE - HBP  FEE - HBP  7.220000 MORRISON, BONNIE H  7.220000 MORRISON, BONNIE H  6.666697 FEE - HBP  7.220000 MORRISON, BONNIE H  7.220000 MORRISON, BONNIE H	NM 403-177   FEE - HBP   FEE	1.888887 HLDT, LENA W., ETAL NM-403-497-C FEE - HBP 0.833333 ROSS, JOE E. / ROGER HANKS
TR TRACT DESCRIPTION A # ACRES OF LANDS		RANGE 25 EAST, NAPH, SECTION 21: NZSE4,	32a 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 21: SW/4SE/4,	i

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REFERENCE						3.437500 OPERATING 0.390630 GGREEMENT 0.390630 GGREEMENT 0.200830 GG-467-II B-23-1994 0.520830 GG-467-II B-23-1994 0.520830 0.520830 0.5738330 2.5437500 0.390630 3.437500 3.437500 3.437500 3.437500 3.437500 3.437500 3.437500	2.3.2000   CHECKING   CHECKING	1.52.22076 OPERATING 0.008610 AGREEMENT 1.563958 ROSS IZ #1 0.008610 AGREEMENT 0.008611 SECTION 28. N/2 0.157570 1.049965 0.01455 0.01455 0.00610 1.549841 1.548942 1.548943 1.548843 1.569386 0.008611 1.569386
WORKING INTEREST AND PERCENTAGE						ION TATE ITATE INTED ANY ANY ANY CONTROL OTHER	<b></b>	≥5 5 >
OVERRIDING ROYALTY AND PERCENTAGE	0.296479 0.236479 0.236479 0.236479 0.195312 0.195312					3.348214 NONE 3.348214 0.223215 9.375000 NONE		0.87330 (DACNO EMERGY PRODUCTION CO. I.P. 10.8730 (DACNO EMERGY PRODUCTION CO. I.P. 10.8730 (VATES DRILLING COMPANY CO. 20240 (O. 273240 C. 277770 C. 27330 C. 277770 C. 27330 C. 277770 C. 27330 C. 277770 C.
BASIC ROYALTY AND PERCENTAGE	TOSS, JOÉ E. TOSS, RALPH TOSS, RALPH TOSS, ROBERT TOSS, ROBERT TOSS, WILLIAM, TOSS, WILLIAM, THETS, ELIZABETH RUTH NIXON WEDDERBURN PROPERTIES, LLC		1	2	218 8 8 8 18 18 18 18 18 18 18 18 18 18 1	GUTTER, NANCY T. REVOCABLE INNEYT. SOLARI REVOCABLE SCHELRO, LTD. TONKIN, NANCY P. REVOCABLE TONKIN, NANCY P. REVOCABLE MULYIHILL, FILICE SELLMEYER		33.33333 BOWEN BETTANNE H. LIVING 16.666666 JINNE ELIVING TRUST 16.666666 JINNEE LIVING TRUST 33.33333 JINNEE, E-APAELE E. 33.33333 JINNEE, E-APAELE E. 16.666666 JIDSON, LADTH L. 277 25.600000 JADSON, LIVING TRUST 25.000000 MARSHALL KINNESTON, INC. 25.000000 MARSHALL KINNESTON, INC. 25.000000 MARSHALL KINNESTON, INC. 25.000000 MARSHALL KINNESTON, INC. 25.000000 RASHALL E-APAELE
LESSEE OF RECORD AND PERCENTAGE	SHARBRO OIL LIMITED COMPANY         16.666667           TRUST O LWNO PEGGY A YATES         8.333333           ESTATE OF LILLE M. YATES         16.666671           YATES JOHN A.         8.333334           ARD PETROLEUM CORPORATION         16.686687           YATES JOHN A.         16.686687           SHARBKO OIL LIMITED COMPANY         16.686687           TRUST O LIMITED COMPANY         16.686687           TRUST O LIMITED COMPANY         16.333333		ABO PETROLEUM CORPORATION 16.666666 ABOARARON OLI LIMITED COMPANY 18.686671 TRUST O UNIVO PEGGY A, YATES 16.666667 TRUST OLI LIE M, YATES 16.666667 YATES, JOHN A. SASSASSAS 18.66667 SASSASSASSASSASSASSASSASSASSASSASSASSAS	λ	ABO PETROLEUM CORPORATION 10000000 MYCO INDUSTRIES, INC. 10000000 YATES DELILIME COMPORATION 10000000 YATES PETROLEUM CORPORATION 70000000 INEARBIRG EPT ORATION COMPANY 100000000 INEARBIRG EPT ORATION COMPANY 100000000 INEARBIRG EPT ORATION COMPANY 1000000000 INEARBIRG EPT ORATION COMPANY 10000000000 INEARBIRG EPT ORATION COMPANY 1000000000 INEARBIRG EPT ORATION COMPANY 1000000000000 INEARBIRG EPT ORATION COMPANY 1000000000000000000000000000000000000			SACRAMENTO PARTIERS LIMITED SHARRROOUL LIMITED COMPANY FATES PETIOLELIM, COPROPATION SACRAMENTO PARTIERS LIMITED SHARRROOUL LIMITED COMPANY SACRAMENTO PARTIERS LIMITED SHARRROOUL LIMITED COMPANY AND STREET OF LILLIE MY ATTES THIS SPITROLELIM CORPORATION AND INDUSTRIES, INC. VATES DEITOLEUM CORPORATION AND OFFICE STACLEUM CORPORATION AND OFFICE STACLEUM CORPORATION AND OFFICE STACLEUM CORPORATION SACROMOMY SACROMOMY SACROMOMY VATES DEITOLEUM CORPORATION SACROMOMY VATES DEITOLEUM CORPORATION SACROMOMY VATES DEILLING COMPANY SACROMOMY VATES DEILLING COMPANY SACROMOMY VATES DEILLING COMPANY SACROMOMY VATES DEILLING COMPANY SACROMOMY VATES PETROLEUM CORPORATION SACROMOMY VAT
	NM-403-497-E FEE - HBP 0.8833333 ROSS, ALTON / ROGER HANKS FEE - HBP	100	0.833333 HICKAM, JEWEL / ROGER HANKS NM-403-487-1 FEE - HBP 0.833333 HEARD, MRYTLE / ROGER HANKS		15.000000 PANHANDLE ROYALTY COMPANY NM.403-17-17 FEE. HBP 1.390000 MICRISON BONNIE H 2.5000000 MICRISON BONNIE H 2.5000000 KEER ANGER COMPANY 2.5000000 KEER ANGER CORPORATION		MULVIHILL, FILICE SELLMEYER	10.000000 (CLARENCE E. HINKLE, ETUX MM-103-117 FEE - H8P 40.000000 ROLLA ROBERTS HINKLE, TRUST MM-103-118 FEE - H8P 40.000000 MM-403-497-N FEE - H8P 20.000000 MARSHALL & WINSTON, INC.
TRACT DESCRIPTION ACRES ACRES OF LANDS	0	ا <sup>©</sup>					SECTION 21: EZSEASE/4	80.00 TOWNSHIP IS SOUTH. RANGE 25 EAST; MMPM SECTION 28: EZNE/4  40  20

REFERENCE	0.348009 9.0751790 0.008020 OPERATING 0.008020 AGREEMENT 1.562500 ROSS IZ #1 0.009020 SECTION 28: N/2 0.009020 SECTION 28: N/2 0.009020 SECTION 28: N/2 0.009020 SECTION 28: N/2 0.009020 COOR 43	1337887 OPERATING 0.007527 AGREEMATH 1367187 ROSS IZ #1 0.007527 SECTION 28 NZ 0.007527 403-497-7 1-11-1978 1-907910 091787 0.001255 0.007527 0001255 0.007527 0001255 0.007527 0001255 0.007527 0001257 0.512806 0.512806 0.512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5512806 0.5007527 0.007527 13.315837	13316937 OPERATING 0.00727 AGREEMENT 0.007227 GCSS L2 #1 0.007227 GCSS L2 #1 0.007227 GCTON 28: NV2 0.00724 0.012591 0.012591 0.01255 0.007227
WORKING INTEREST AND PERCENTAGE	WATES ENERGY CORPORATION  WATES PERFOLLEUM CORPORATION  GOOTOOD  GOOTOO  GOOTO		CIT. STORNON ABO PETROLEUM CORPORATION  OZT3439 BELLO, ERNIE  BROWN BROTHESH HARRIMAN TRUST  BROWN ROPHERS HARRIMAN TRUST  BUNN, FRANCES B.  ELSIE G. HOLDEN, TESTAMENTARY  HODGE, JOSEPH R.  LODEWICK, LINDRA PATRICIA  MOORE, CHARLES CLINE  MOORE, CHARLES LINTER  MACRIMED MILLIAM B. TRUST  ELSIER BETSAMENTO POMPANY  OLIVER, WILLIAM B. TRUST  ELSIER BETSAMENT PRESENTINERS LIMITED  SACRAMENTO PARTINERS LIMITED  SACRAMENTO PARTINERS LIMITED
OVERRIDING ROYALTY AND PERCENTAGE	2.003330 DEVON ENERGY PRODUCTION CO.: LP 0.878910 NATES ORLLING COMPANY 0.146870 0.77772 0.777773 0.777773 0.777773 0.777773 0.777773 0.777774 0.777774 0.777774 0.777777 0.777777 0.777777 0.777777 0.777777 0.777777 0.7777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77777 0.77		4. 887500 INATES PETROLEUM CORPORATION
BASIC ROYALTY AND PERCENTAGE		BY AMENICA FRODUCTION COMPANY SPIRAL, INC.	KATES PETROLEUM CORPORATION
LESSEE OF RECORD AND PERCENTAGE	SACRAMENTO PARTNERS LIMITED SHARERO OIL LIMITED COMPANY 16.8666 STATE OF LILLEM YATES 18.3333 SACRAMENTO PARTNERS LIMITED 33.3333 SACRAMENTO PROPERTIES I IMITED 33.0000		MYCO INDUSTRIES, INC. 25,000000 YATES PETROLEUM CORPORATION 25,000000 YATES PETROLEUM CORPORATION 25,000000
ACRES SERIAL NUMBER AND EXPRIATION DATE	10.000000 CLARENCE E. HINKLE, ETUX NM-103-117 FEE + HBP 10.0000000 WILLIAM H. MARTIN, ETAL NM-103-108 FEE - HBP A0.0000000 WILLIAM H. MARTIN, ETAL NM-403-407-N FEE - HBP 20.0000000 MARSHALL & WINSTON, INC.	1.666667   UNLEASED MINERALS 1.666667   UNLEASED MINERALS 1.66667   UNLEASED MINERALS	40,000000) MICAGAF. LORENE / COQUINA NIM-403-497-N FEE - HBP
TR TRACT DESCRIPTION ACI		SECTION 28. NE/ANW/4	37 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST NIMPM SECTION 28: NW/4NW/4

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# ACRES	S OF LANDS	EXPRIATION DATE	AND PERCENTAGE	AND PERCENTAGE	AND PERCENTAGE	AND PERCENTAGE	NET ENENCE	
l i						SHARBRO OIL LIMITED COMPANY SPACE BULLING CORPORATION SPIRAL, INC. UNIT PETROLLEM COMPANY VAN VRANKEN, FREDERICK, JR. YATES DERILLING COMPANY VAN THES BEREYOUS CORPORATION VATES PETROLEUM CORPORATION VATES PETROLEUM CORPORATION	1.907910 0.018818 1.987188 5.56904 0.007527 13.31587 2.6883129	
40.00	TOWNSHIP 19 SOUTH. RANGE 25 EAST, NMPM SECTION 28: SW/ANW/4	0.83333 NIXON, C. R., JR. ETAL NM-103-246 FEE. HDP 5.833333 ROSS, CARL E. / ROGER HANKS NM-403-497 FEE. HBP	SACRAMENTO PARTNERS LIMITED SHARBRO OLL LIMITED COMPANY ESTATE OF ULLIE M. YATES ABO PETROLEUM CORPORATION SHARBRO OLL LIMITED COMPANY TRUST OLIMINO PEGGY A. YATES ESTATE OF ULLIE M. YATES VATES DEILLING COMPANY	56.000000) BP AMERICA PRODUCTION COMPANY 25.000000) DEVOIS BLERGY PRODUCTION CO. LP 25.0000001 GOOD EARTH MINERALS, LLC 16.0000001 MARSHALL & WINISTON, INC. 16.000007 MARSHALL & WINISTON, INC. 16.000007 MARSHALL & WINISTON, INC. 16.000007 MARSHALL & COMPANY 33.33334 MINERABLIGE EXPLORATION COMPANY	CHAMBERS, LOULE DEE KING, ESTATE CHAMBERS, ROBERT E., JR CHAMBERS, ROBERT E., JR DAWSON, NEVA CHAMBERS DEVON EMERGY PRODUCTION CO., LP SSAMAN, AMES H. ESSAMAN, AMES H. HUNTINGTON EMERGY; LLC.	0.126653 ABO PETROLEUM CORPORATION 0.042316 BELLO, ENDI 0.312500 IBP AMERICA, PRODUCTION COMPANY 0.042316 BROWN BROTHERS HARRIMAN TRUST 0.170806 BUINL, FRANCES B. 0.312500 ESTATE OF LILLE M. YATES 0.685250 HARRYE E. YATES COMPANY 0.104/67 HODGE, SANFORD J., III	13.328067 OPERATING 0.007534 AGREEMENT 1.36844 DRS 13.0007534 0.007534 403-497-Y 1-11-1978 1.90962 0.001255	
		1.666667 HILDT, LENA W., ETAL NM-403-497-C FEE - HBP 0.833334 ROSS, JOFE - ROGER HANKS NM-403-497-E FEE - HBP	TATES JOHNA  VATES PETROLEUM CORPORATION  ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY THUST OL LILLE M. NATES ESTATE OF LILLE M. NATES  VATES DRILLING COMPANY	8.33333 PANHADLE MOYAL I Y COMPANY 100,000000 POWELL, BONNIE ROSS, BETA & OLETA F. 16.666607 ROSS, J. T. 8.333331 ROSS, J. DE. 16.66667 ROSS, RALPH 33.333334 ROSS, RALPH 33.333334 ROSS, RALPH	UPSOMBE; CALCES COMMERS MORNAN, ELIZABETH 1., TRUSTEE OSCURA RESOURCES, INC. PROGANOT W. F.G. JEANETTE J. ROBERTS, AINC H.	COAZSSI GALAPENO CORPORATION C. 208533 JOHNSON, S. P. III & BARBARA J. C. 302777 LODEWICK, JOHN W. C. 302777 LODEWICK, JOHN W. MYCO INDUSTRIES, INC. MYCO INDUSTRIES, INC. MRTOBING MYCO INDUSTRIES INC. INTERBURGE EXPLORATION COMPANY OLIVER, WILLIAM B. TRUST PLO. LIMITED PARTINEESHIP	2.08334) 0.145216 3.125000 2.08333 2.08333 13.328067 0.513167 3.125000	
		0.83333 ROSS, ALTON / ROGER HANKS NM-403-497-G FEE - HBP	ANTES, OTHER COMPANY THES CONTROLL WITTED COMPANY TRUST O LIMITED COMPANY TRUST O LIMITED COMPANY TRUST O LIMITED OF LILIE M. YATES ESTATE OF LILIE M. YATES YATES LICHA A	6. 333331 NCSA. KOMALD. 6. 353331 NCSA. WILLIAM 16. 666667 SHEETS, ELIZABETH RUTH NIXON 18. 333333 WEDDERBURN PROPERTIES, LLC 18. 368667 33. 333334 85. 333334	0.236979 0.195312 0.195312	SAGAMENTO PARTHERS LMITED SHARBRO OIL LMITED COMPANY SPIRAL, INC. INC. LEUM COMPANY IVAN PETROLEUM COMPANY IVAN TRANKEN, FREDERICK, IR. IVAN VRANKEN, FREDERICK, IR. IVAN TRES DRILLING COMPANY IVATES BRILLING COMPANY IVATES ERENOV CORDONATOM	6.556211 1.005652 1.308444 5.575020 0.007534 0.007534	
			ABO PETROLEUM CORPORATION SHARBRO OL LUMITED COMPANY TRUST O LUMVO PEGGY A YATES ESTATE OF LILLE M YATES YATES LILLIG COMPANY YATES JOHN A.	16.000006 16.000007 16.000007 18.000007 33.33334		YATES PETROLEUM CORPORATION	0.30508 26.907821	<del></del>
			ABO PETROLEUM CORPORATION STARRBO OU LIMITED COMPANY TRUST O UNWO PEGGY A. YATES ESTATE OF LILLE M. YATES YATED OFFULING COMPANY YATES DATE OF LILLY COMPANY YATES JOHN A.	16.66666 16.866667 16.86667 16.86667 33.33334				
			ABO PETROLEUM CORPORATION STARRARD OL LIMITED COMPANY TRUST O UNIVO PEGGY A YATES ESTATE OF LILLE M YATES TATES OF LILLIG COMPANY YATES DILLIG COMPANY YATES COMPANY	16,666667 16,866667 8,333333 16,666667 33,33334				
			ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION	25,00000 25,00000 25,00000 25,00000				
		15.000000 NEW MEXICO OSAGE COOP / COQUINA NM-403-497-R1 FEE - HBP	ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION	25,000000 25,000000 25,000000 25,000000			·	
-		2,500000 MORRISON, BONNIE H. / READING NM-403-497-S FEE - HBP	ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DETLLING COMPANY YATES PETROLEUM CORPORATION	25,000000 25,000000 25,000000 25,000000				_
		2.500000 FLAG-REDFERN OIL COMPANY IM-403-497-V FEE - HBP	ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION	25,000000 25,000000 25,000000 25,000000				
	10.		ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION ARCO PERMIAN	7.2.50000 12.50000 12.50000 12.50000 12.50000				
20.00	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 28: W/2SE/4NW/4	0.416866 NIXON, C. R., JR. ETAL NM4-103-246 FEE - HBP	SACRAMENTO PARTNERS LIMITED SHARBRO OIL LIMITED COMPANY ESTATE OF LILLIE M. YATES	50.000000 BP AMERICA PRODUCTION COMPANY 25.000000 DEVON ENERGY PRODUCTION CO., LP 25.000000 GOOD EARTH MINERALS, LLC	CHAMBERS, LOLLIE DEE KING, ESTATE CHAMBERS, ROBERT E, JR. CURRY, FLORENCE M. ESSMAN	0:126653 ABO PETROLEUM CORPORATION 0:052318 BELLO, ERNIE 0:312500 BP AMERICA PRODUCTION COMPANY	13.375930 OPERATING 0.007527 AGREEMENT 1.367188 ROSS IZ #1	
			ABÓ PETROLELIM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O LIWIO PEGGY A. YATES ESTATE OF LILLE M. YATES 'YATES DRILLING COMPANY 'XATES JOHN A.	16 696699 HEADA MYRTLE 16 696697 HICKAM, JEWELT 16 696997 MARSHALL & WINSTON, INC. 16 696997 MATLOCK MINERALS LIMITED COMPANY 33 33334 MEARBURG EXPLORATION COMPANY 6 333334 MEARBURG EXPLORATIVO COMPANY PARTING TO THE PROPALTY COMPANY	DAWSON NEXT CHAMBERS DEVON BERGY PRODUCTION CO., LP ESSMAN, LAMES H FREEMAN, ALICE ANN HAN'S HUTTINGTON BINGS LIPSCOMBE, CELESTE CHAMBERS	CÓGZST BROWN BROTHERS HARRIMAN TRUST COTTOBER BUNN, FRANCES B. SAZZOG ESTATE OF LULIE M. YATES OGEGZO HARVEY E. YATES COMPANY COTHIER PLOCES, DESERPIN, R. SANFORD, III	0.007527 SECTION 28: N2 0.007527 403-497-Y 1-11-1978 1.907910 0.917876 0.001255 0.001255	
		0.833333 HILDT. LENA W., ETAL NM-403-497-C. FEE HBP	YATES PETROLEUM CORPORATION	100,000000 POWELL, BONNIE ROSS FAMILY LIVING TRUST ROSS, BERT A. & OLETA F.	NORMÁN, ELIZABETH J. TRUSTEE OSCURA RESOLNCES, INC. PROBANDT, W. T. & JEANETTE J.	© 562500 HOLLYHOCK, LTD © 200333 JALAPENO CORPORATION © 302777 JOHNSON, S. P. III & BARBARA J.	2.083333 0.145082 3.125000	

REFERENCE	840F0808	24.5.9.8.6					0 OPERATING 7 AGREEMENT POSS IZ #1 SECTION 28: NZ 7 403-497-Y 1-11-1978				
WORKING INTEREST AND PERCENTAGE	0.312500   LODEWICK, JOHN W   2.083333     LODEWICK, LAURA PATRICIA   2.083334     WYCO INDUSTRES, INC   13,37530     WEARBURG EXPLOATION COMPANY   0.35887     P.C. LAMITED PARTINERS LIMITED   5,550195     SHARBRO OIL LIMITED COMPANY   1,907910     SPRIAL, INC   1.8671810     SHARBRO OIL LIMITED COMPANY   1,907910     SPRIAL, INC   1.8671810     SPRIAL, INC   1.	UNIT PETROLEUM COMPANY 5.589904 VANY RADANCEN, REDERGICA, R. 0.007527 VATES PETROLEUM CORPORATION 0.304229 VATES PETROLEUM CORPORATION 26.943223					ABO PETROLEUM CORPORATION BELLO, ENNE BP AMERICA PRODUCTION COMPANY BP AMERICA PRODUCTION COMPANY BP AMERICA PRODUCTION TRUST BUNN, FRANCES B. ESTATE OF LILLE M. YATES HODGE, JOSEPH R. HODGE, JOSEPH R. HODGE, JOSEPH R.	0.0005200 JALAPENO CORPORATION 2.0005333 U.04NSON, S. P. III & BARBRA J. 3.12500 JALAPENO CORPORATION 2.000333 U.0DEWICK, JOHN W. 2.000333 U.0DEWICK, JOHN W. 2.00033 U.0005 U	· · · · · · · · · · · · · · · · · · ·		
OVERRIDING ROYALTY AND PERCENTAGE	0.236379 ROBERTS, MIKE H1:: 0.236379 COBERTS, MIKE H1:: 0.236477 0.236879 0.236879 0.236879 0.16537	21:89:10 ————————————————————————————————————					CHAMBERS, COLIE DEE KING-ESTÂTE CHAMBERS, ROBERTE, IR. CHAMBERS, ROBERTE, IR. CHAMBERS, ROBERT, ELINE CHAMBERS ESSLANT, JAMES H. FREEMAN, JAICE ANN HANKS HAUTINGTON EENERY, LLAC IPSOOMBE, CHESTE CHAMBERS GSCURA RESOUNCES; INC.				
BASIC ROYALTY AND PERCENTAGE	16.66666 ROSS, GARY 16.66667 ROSS, J. T. 8.33333 ROSS, LOE E. 16.66667 ROSS, RALPH 33.33334 ROSS, ROBERT (6.666667 ROSS, ROULLAM 16.666667 ROSS, WILLAM 16.66667 ROSS, WILLAM 16.66667 ROSS, WILLAM 16.66667 ROSS, WILLAM 16.66667 ROSS, WILLAM	8 333333 WEDDERBURN PROPERTIES, LLC 16 86667 3 333334 16 86667 16 86667 16 86667 16 833333 16 86667 8 333334 8 333334	16,000000 8,3333334 18,000000 33,333334 16,000000 16,000000 16,000000 33,33333 16,000000 33,333334	25,000000 25,000000 25,000000 25,000000 25,000000 25,000000 25,000000	25,000000 25,000000 25,000000 25,000000 25,000000 25,000000	12,500000 12,500000 12,500000 12,500000 50,000000	GOOD HEARI HICKA MARISI MATLO POWE ROSS ROSS	33.33334 ROSS, JOE E. 8.333334 ROSS, RALPH 16.666666 ROSS, ROBERT 16.666667 ROSS, ROMALD 8.333338 ROSS, WILLIAM 16.66667 33.33334 8.3333334	16.56566 16.56567 8.33333 18.33334 8.333334 8.33333	16.86668 18.33333 16.86667 33.33334 8.333334	16.666967
LESSEE OF RECORD AND PERCENTAGE	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O LUMO PEGGGY A VATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES JOHN A. ARD PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY	TRUST OLUMYO PEGA Y VATES STATE OF LILLE M. YATES YATES DEILLING COMPANY TATES, JOHNA ABO PETROLELING CORPORATION SHARBRO OLL UMITED COMPANY TRUST OLUMYO PEGACY A YATES ESTATE OF LILLE M. YATES ESTATE OF LILLE M. YATES YATES DIRLING COMPANY YATES JOHN A	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST Q LUWIO PEGGY A. YATES STATE OF LILLE M. YATES YATES DRILLING COMPANY YATES JOHNA YATES OF LIMITED COMPANY SHARBRO OIL LIMITED COMPANY TRUST Q LIWITED COMPANY TRUST Q LIWING COMPANY ENTS TO LIWING COMPANY SHARBRO OIL LIMITED COMPANY TRUST Q LIWING COMPANY EST OF LILLE M. YATES YATES DRILLING COMPANY	WATES, JOHNA, AMO PETROLEIM, CORPORATION MYCO INDUSTRIES, INC. YATES PETROLEIM, CORPORATION AND PETROLEIM, CORPORATION MYCO INDUSTRIES, INC. YATES DRILLING, COMPANY YATES DRILLING, COMPANY	TATES PETROLEIM CORPORATION ABO PETROLEIM CORPORATION WYCO NUDUSTRIES, INC. YATES DRILLING COMPANY ABO PETROLEIM CORPORATION ARD PETROLEIM CORPORATION WYCO NUDUSTRIES, INC. YATES DRILLING COMPANY	ATES PET ROLEMA CORPORATION ABO PETROLEMA CORPORATION MYCO INDUSTRIES, INC. YATES PRILLING COMPANY YATES PETROLEUM CORPORATION AROD PERMIAN	ABO PETROLEM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O UNWO PEGGY A. YATES SETATE OF ILLIE M. YATES YATES DEILLING COMPANY YATES JOHN A. SHARBRO OIL LIMITED COMPANY SHARBRO OIL LIMITED COMPANY TRUST O UNNO PEGGY A. YATES	ESIATE OF ILLIEM, VATES  YATES DRILLING COMPANY  YATES JOHN A.  ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST Q UNWO PEGGY A. YATES ESTATE OF ILLIE M. YATES YATES DRILLING COMPANY YATES DRILLING COMPANY YATES JOHN A.	ABO PÉTROLEUM CÓRPORATION SENARBRO OL LIMITED COMPANY TRUST O LWINO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DIBLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPODATION SHARBOO OIL LIMITED COMPANY TRUST O LUMO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES JOHN A.	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY
ES SERIAL NUMBER AND EXPRIATION DATE	0.416666 ROSS, JOE E / ROGER HANKS NM.402-497-E FEE - HBP 0.416667 ROSS, ALTON / ROGER HANKS NM.402-487-G	FEE - HBP 0.41666) POWELL BONNIE / ROGER HANKS NM4-403-497-4 FEE - HBP	0.418887 HICKAM, JEWEL / ROGER HANKS NM-403-497-1 FEE - HBP 0.418887 HEARD, MRYTLE / ROGER HANKS NM-403-487-J FEE - HBP	1.250000 MARSHALL & WINSTON, INC. / TXO NA-402-497-P FEE - HBP 7.5000000 NEW MEXICO OSAGE COOP / COQUINA FEE - HBP FEE - HBP	1280000 MORRISON, BONNIE H. / READING NM-402-487-5 FEE - HBP 1280000 FLGA-REDFEN OIL COMPANY NM-403-487-V FEE - HBP		8.750000 ROSS, CARL E. / ROGER HANKS NM-403-497 FEE - HBP 1.250000 ROSS, JOE E. / ROGER HANKS FEE - HBP	1.250000 ROSS, ALTON / ROGER HANKS NN4403-497-G FEE - HBP	1.250000 POWELL, BONNIE / ROGER HANKS NR.403-497-H FEE - HBP	1.250000 HICKAM, JEWEL / ROGER HANKS NM-402-497-1 FEE - HBP	1.250000 HEARD, MRYTLE / ROGER HANKS NM-403-497-J
TR TRACT DESCRIPTION # ACRES OF LANDS							20.00 TOWNISHP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 28: EZSE/ANW/4				

REFERENCE	S OPERATING S OPERATING S STORE MENT S SECTION 28: S7	FION 28: S72 1822-B 1-15-1975 AATING EEMENT FION 28: S22 1822-B 1-15-1975	AATING FEMENT FION 28: S/2 622-B 1-15-1975 AATING	SECTION 28: SZ 402-4622-8 1-15-1975 OPERATING	AGREENENT BINGER AU #1 SECTION 28: NE4 403-1553-E 1-12-1993
REFE	0.714286 OPEF 2.857143 AGRE	857 1428 577 14285 77.14285 77	3.633000 OPERATING 0.6250000 AGREEMENT 2.500000 AGREEMENT 2.500000 SECTION 28: S2 3.633000 0.625000 0.625000 0.625000 60.000000 60.000000 60.000000 60.000000 60.0000000 60.00000000	33.750000 SECTION 28: S12 33.750000 SECTION 28: S12 12.5500000 50.000000 1.089750 OPERATING	0.0037164 AGRE 0.0037164 SECT 0.0037164 SECT 0.001549 2.08333 2.08333 2.08333 2.08333 2.08333 0.037163 0.037163 0.037163 0.037163
WORKING INTEREST AND PERCENTAGE	0.284840 LANGDALE CORPORATION 0.224840 LANGDALE CORPORATION 0.2245540 LANGBALE CORPORATION 0.0099544 HARABURG EVELORATION 0.0099544 HARABURG EVELORATION 0.0099544 HARABURG EVELORATION 0.0099554 HARABURG EVELORATION 0.	10.008959, MATRBING EXPLORATION COMPANY 10.803566 (RUTHEA, INC. 10.152344 (YATES PETROLEUM CORPORATION 10.204697 10.204697 11.80507 11.80507 10.422754 (ANGDALE CORPORATION 10.422754 (ANGDALE CORPORATION 10.422754 (ANGDALE CORPORATION 10.6422754 (ANTAGE PETROLEUM (ANGDALE) 10.5422754 (ANTAGE PETROLEUM (CORPORATION 10.56242754 (ANTAGE PETROLEUM CORPORATION 10.56242754 (ANTAGE PETROLEUM (ANGDALE) 10.562444 (ANTAGE PETROLEUM (ANGDALE) 10.562444 (ANTAGE PETROLEUM (ANGDALE) 10.566444 (ANGDALE) 10.564444 (ANGDALE) 10.56	A S. ENERGY PARTNERS, LTD.  ANGIALE CORPORATION NEWBOURNE CLIRTS W. WARRBURG EXPLORATION COMPANY RETNOLOS, FRED N. WINTAGE, PETROLEUM, INC. WATES PETROLEUM CORPORATION ANGDALE CORPORATION MEWBOURNE, CURTIS W.	NEARBURG EXPLORATION COMPANY NEARBURG EXPLORATION COMPANY NATHER, INC. NATES PETROLEUM, INC. NATES PETROLEUM CORPORATION AREO PETROLEUM CORPORATION	0.04220) BILLO, ENNE 0.04220) BILLO, ENNE 0.04220) BILNN, FRANCES B. 0.04220) BILNN, FRANCES B. 0.04220) BILNN, FRANCES B. 0.04220) BILNN, FRANCES B. 0.04220) BILLO BILLO, I. I.D. 0.04220) BILLO BILLO, I. I.D. 0.04220) LODEWICK, JOHN W. 0.04220) LODEWICK, JOHN W. 0.04220) LODEWICK, JOHN W. 0.04220) LODEWICK, JOHN W. 0.04220) CACAMIENTO PARTINERS LIMITED 0.04220) STANCES BILLO PARTINERS LIMITED 1.0440000000000000000000000000000000000
OVERRIDING ROYALTY AND PERCENTAGE	ا و	P. P	RINDLE DICK.  TOMAP 1980-A.  TOMAP 1980-A.  TOMAP 1980-A.  RECALM ENERGY INC.  FEGAN ENER	F & JENERO'F PARTNESS, LTD. FELORATI REPROY, MC. TOM BROWN, INC. TOM BROWN, INC. TOM BROWN, INC.	16.200 ONLANDERS ROBERT E. R. 16.200 ONLANDER CALINE CALINE C. 16.200 ONLANDERS CLINE C. 16.200 ONLANDERS CLINE C. 16.200 ONLANDERS CLINE C. 16.200 ONLANDERS ROBERT E. 16.200 ONLANDERS ROBERT E. MICH. A. LANDETTE. 1. 16.200 ONLANDERS ROBERT E. MICH. A. LANDETTE. 1. 16.200 ONLANDERS ROBERT E. BULDING CORPORATION. 16.200 ONLANDERS
BASIC ROYALTY AND PERCENTAGE	. PUBLIC LANDS	100.000000 COMMISSIONER OF PUBLIC LANDS	COMMISSIONER OF PUBLIC LANDS SOND, ELEANOR MARGARET GRAPATRICK LUNING SURVIVOR'S TRUST	LEWIS, CATHERINE P. PETERSON, KARLA BOND RANKIN, MARGIE BOND RANKIN, MARGIE BOND RUNYAN, BARBARA JANE REV. TRUST TACKITT, KAREN WILLIAMS, JOHN FINLAY WILLIAMS, JOHN FINLAY WILLIAMS, JOHN FINLAY WILLIAMS, GONGRARY BP AMERICA PRODUCTION COMPANY	
LESSEE OF RECORD AND PERCENTAGE	37 A. YATES FORATION REGEATION NC. REGEATION NC. REGEATION NC. REANY CORPORATION NC. REANY CORPORATION CORPORATION CORPORATION CORPORATION	VATES PETRÔLEUM CORPORATION			TRUST O UMPO PEGGY A VATES ESTATE OF LULE M. YATES ESTATE OF LULE M. YATES VATES DRILLING COMPANY VATES PRILLING COMPANY VATES PETROLEUM CORPORATION ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST O LUMPO PEGGY A VATES ESTATE OF LULLE M. YATES ESTATE OF LULLE M. YATES VATES DRILLING COMPANY VATES ORLUNG COMPANY
ACRES SERIAL NUMBER AND EXPRIATION DATE	N, INC. / TXO I. / READING MPANY MIPANY	STATE - HBP  40,0000000 K-8088-58.7, FIVE 30°S OIL & GAS & CONOCO  NM-402-4622-A  STATE - HBP	80.000000 K-8086-547, FTVE 30'S OIL & GAS & CONOCO NA-402-4622-A STATE -HBP STATE -HBP 80.000000 MARTIN, WILLIAM H., ETAL NA-405-487-N		
TR TRACT DESCRIPTION AC	0 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST, NAPM SECTION 28: NW/SSW/4	DA 40.00 TOWNSHIP 19 SOUTH, RANGE 25 EAST, NAPA SECTION 28: NEASW/A	100 80.00 TOWNSHIP 19 SOUTH RANGE 25 E.NST. NMPN SECTION 28: S/2SW/4 SCTION 28: S/2SW/4	SECTION 28: SE4  2 80.00 TOWNSHP 19 SOUTH	RANGE 25 EAST, NAPA SECTION 28: EZNEA

REFERENCE												OPERATING AGREEMENT BINGER AKU #1 SECTION 29: NE/4 403-1553-E 1-12-1983				***		
	1.093750											1.093750 0.037164 A 0.09291 B 0.037164 S 0.037164 S 0.018582 4	4.398054 0.037164 0.001549	0.006194 2.083334 0.037164 0.018582 2.083333	1.093750 0.037163 6.25000 0.037163 6.25000	18.332942 0.037163 1.083750 54.682485		
WORKING INTEREST AND PERCENTAGE	YATES DRILLING COMPANY  YATES PETROLEUM CORPORATION											0.139990 ABO PETROLEUM CORPORATION 0.042320 BELLO, ERNIE 0.312500 BROWN BROTHERS HARRIMAN TRUST 0.042220 BROWN, FRANCES B 0.042220 BLIN, FRANCES B 0.042220 BLIN, FRANCES B 0.042520 BLIN, FRANCES B 0.042520 BLIN, FRANCES B	0:104170 GFB ACQUISITION - 1, LP 0:062320 GOODNOW, DAVID 0:005880 HODGE, JOSEPH R	0.562500 HODGE, SANFORD J. III 0.2063500 HOLLYHOOC, LTD 0.02037290 (KAWASAKI, DR. ISAACA 0.0312500 (KELLER, BETSY H. 0.00590 LODEWICK, CJOH W.	MYCO INDUSTRIES, INC. CUYER, WILLAMB. TRUST SACRAMENTO PARTIESE LIMITED SCHUMAN, ADOLPH P. SCHUMAN, ADOLPH P. TRANSREPUBLIC RESOURCES, LTD	UNIT PETROLEUM COMPANY WAN YARMEN, FREDERICK, JR. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION		
OVERRIDING ROYALTY AND PERCENTAGE	0.236878 0.236878 0.236978 0.185310											CHAMBERS, LOLUE DEE KING, ESTATE CHAMBERS, ROBENT E., UR CURRY, FLORENCE, M. ESSANNI DAWSON, INEVA CHAMBERS ESSANNI, JAMES H FREEMANI, JAMES H	0.585940 HUNTINGTON ENERGY, LLC 0.781250 LIPSCOMBE, CELESTE CHAMBERS 7.031250 MOORE, CHARLES CLINE		0.236976 0.236976 0.236976 0.1256976 0.155310			
BASIC ROYALTY AND PERCENTAGE	I) ROSS, ROBERT IS ROSS, ROIMLD IT ROSS, WILLIAM IS HEITS, ELIZABETH RUTH NIXON IS WEDDERBURN PROPERTIES, LLC									· ·		BP AMERICA PRODUCTION C DEVON ENERGY PRODUCTIO GOOD EARTH MINERALS, LLC HEARD, MYRTLE HICKAM, JEWEL T ARRSHALL & WINSTON, INC.	MATLOCK MINERALS LIMITED COMPANY NEARBURG EXPLORATION COMPANY PANHANDLE ROYALTY COMPANY	66 POWELL, BOWNIE 17 ROSS SAMILY LIVING TRUST SIR COSS, BERT A. & OLETA F. 17 ROSS, GARY 18 ROSS, J. T. 18 ROSS, J. G. E.	66 ROSS, RALPH ART FOSS, RALPH 318 ROSS, ROBERT 67 ROSS, WILLIAM 67 ROSS, WILLIAM 324 SHEETS, ELLZABETH RUTH NIXON 313 WEDDERBURN PROPERTIES, LLC			
	16.666667 8.333333 16.666667 33.333334 8.333333	16.666667 16.666667 8.333333 16.666667 33.333334 8.333333	16.666667 16.666667 8.333333 16.686667 33.333334 8.333333	16.666667 16.666667 8.333333 16.666667 33.333334 8.333333	25.00000 25.000000 25.000000 25.000000	20.000000 20.000000 20.000000 40.000000	10.000000 10.000000 10.000000	100.00000	100.00000	100.00000	100.00000	16.666667 16.666667 8.333333 16.666667 16.666667 8.3333334 8.3333333	100.000000	16.666667 16.666667 16.666667 33.333334 8.333333	16.666667 16.66667 16.66667 33.33334 8.333333	16.666666 16.668687 8.333333 16.666667 33.33334	16.666666 16.666667 8.333333 16.66667 33.33334 8.333333	16.666666 16.666667 8.333333
LESSEE OF RECORD AND PERCENTAGE	SHARBRO OIL LIMITED COMPANY TRUST Q UNNO PEGGY A. YATES ESTATE OF LILLIE M. YATES YATES DRILLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION SHARBOTO LIMITED COMPANY TRUST Q UNIVO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES DRILLING COMPANY YATES, JOHN A.	ABO PETROLELIM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST Q LIWNO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILLING COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION SHARBRO OLL LMITED COMPANY TRUST Q LUWO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DRILING COMPANY YATES GOLHA, A. YATES JOHA A.	ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION	ABÓ PETRÖLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DRILLING COMPANY YATES PETROLEUM CORPORATION	ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. YATES DIRLLING COMPANY VATES DETROLEUM COMPONATION	YATES PETROLEUM CORPORATION	YATES PETROLEUM CORPORATION	YATES PETROLEUM CORPORATION	YATES PETROLEUM CORPORATION	MAD PETROLELIM CORPORATION SHARBRO OUL LIMITED COMPANY ITRUST O LIVINO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DILLING COMPANY YATES, JOHN A.	YATES PETROLEUM CORPORATION	ABO PETROLEUM CORPORATION SHARBOO OL LIMITED COMPANY TRUST O LWWO PEGGY A. YATES ESTATE OF LILLE M. YATES YATES DILLING COMPANY YATES OBLILING COMPANY YATES SILLING COMPANY YATES LILLING COMPANY	ABO PETROLEUM CORPORATION SHARBROOL IL IMITED COMPANY TRUST O LUWNO PEGGY A. YATES ESTATE OF LULIE M. YATES YATES ORLIUNG COMPANY YATES, JOHN A.	ABO PETROLEUM CORPORATION SHARBRO UNU LIMITED COMPANY TRUST O LIWIO PEGGY A, YATES ESTATE OF LILLE M, YATES YATES DELILIG COMPANY YATES DELILIG COMPANY YATES COMPANA	ABO PETROLEGIA CORPORATION SISHARBRO OLI LIMITED COMPANY TRUST O LIVINO PEGGY A. YATES ESTATE OF LILLIE M. YATES YATES DIRLING COMPANY YATES OLILLING COMPANY YATES LIVING COMPANY	ABO PETROLEUM CORPORATION SHARBRO OIL LIMITED COMPANY TRUST Q U/W/O PEGGY A. YATES
SERIAL NUMBER AND EXPRIATION DATE					NGE COOP		BONNIE H. MÖRRISON NM-403-1553-A FEE - HBP	2	ó		FIELD COMPANY							MYRTLE HEARD NM 403-497-J FEE - HBP
ACRES S	<u> </u>	1.666667 k	1,66667 N T	1.66667 N N	30.00000		5.000000 N	5.000000 X		0.833333 N	10.000000 A	2.916867 C	0.833333 L	0.416667 N	0.416667 A	0.416667 B	0.416667 JR	0.416667 M
R TRACT DESCRIPTION AND ACRES OF LANDS								i				42a 20.00 TOWNSHP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 29: WZSW/ANE/4					i	

REFERENCE		1.0037164 AGREEATING 0.0037164 AGREEATING 0.002201 BINGER AKU #1 0.018682 403-153-E 1-12-1983 0.037164 SECTION 28: NE/4 0.037164 AGREEATING 0.007164 0.005134 0.007164 0.005134 0.007164 0.005134 0.007164 0.00514 0.007165 0.007163 0.007163 0.007163	1.0807760 OPERATING 0.009290 BINGFE RAUTH 0.009290 BINGFE RAUTH 0.016890 403-1553-E 1-12-1983 0.055740 OSES00 0.037140 001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001550 0.001710 0.001710 0.001710 0.001710 0.001710 0.001710 0.001710 0.001710	34.802500 0.937500 [OPERATING 2.083333 AGREEMENT 1.041666 [VOIGHT ALD COM #1 1.041667 [SECTION 29: NW/4
WORKING INTEREST		0.0000000 DO 0.000000 DO 0.000000 DO 0.000000 DO 0.00000 DO 0.000000 DO 0.00000 DO 0.000000 DO 0.00000 DO 0.000000 DO 0.00000 DO 0.000000 DO 0.00000 DO 0.000000 DO 0.00000 DO 0.00000 DO 0.000000 DO 0.00	ABO PETROLEUM CORPORATION BELLO, ENTRE BROWN BROTHERS HARRIMAN TRUST BROWN BROTHERS HARRIMAN TRUST BLISIE G. HOLDEN, TESTAMENTARY GENDRON, J. W. GEN BACULSTITON - 1. LP GOODNOW, DAVID HODE. JOSEPH R. HODE. SARYORD J. III KOLL WACK, LTD KANKARA, ID. B. HARCA. LODEWICK, JOHN W. MYCO NUUSTRES, INC. BRANKERPUBLIC RESOURCES, LTD UIT PETROLEUM COMPANY VAR TRES PRELIME COMPANY VAR TES PRELIME COMPANY VAR ES PRELIME VAR PRESENTED VAR PRESENTE	AND PERFORMANT AND PROPERSION FIRST ROSWELL COMPANY HOLLYHOCK, LTD LOBEWICK, JOHN W.
OVERRIDING ROYALTY AND PERCENTAGE		WOORAGE ENLINE CONFORMATION SACE BUILDING CONFOR	3.1250000 NO/NE 3.000000 3.1250000 3.125000	18.750000 NONE
BASIC ROYALTY AND PERCENTAGE		100.0000000) BP AMERICA PRODUCTION COMPANY 20.0000000 MARSHALL & WINSTON, INC. 20.0000000 MEDDERBURN PROPERTIES, LLC. 20.0000000 25.0000000 25.0000000 25.0000000 25.0000000000	HODER, ROBERT G. JOHNSON, S. P. III & BARBARA J. JOHNSON, S. P. III & BARBARA J. SPIRAL, INC. SPIRAL, INC.	DORCHESTER 1988 FAMILY TRUST
LESSEE OF RECORD AND PERCENTAGE			ABO PETROLEUM CORPORATION 10 000000 MYCO INDUSTRES, INC. 10 000000 AZIES PETRICLEUL CORPORATION 10 000000 AZIES PETRICLEUL CORPORATION 10 000000 AZIES PETROLEUL CORPORATION 10 000000 MYCO INDUSTRIES, INC. 10 000000 MYCO INDUSTRIES, INC. 10 000000 MYCO INDUSTRIES, INC. 10 000000 JOHN W. LODEWICK INC. 100 000000 JANA B. LODEWICK INC. 100 000000 SACRAMENTO PARTNERS LTD 100 000000 SPIFAL, INC. 100 000000	ABO PETROLEUM CORPORATION 10.00000000000000000000000000000000000
SERIAL NUMBER AND LEXPRIATION DATE	NEW MEXICO OSAGE COOP NIM-403-497-R1 FEE - HBP G. R. NIXON, JR. NIM-403-1833 FEE - HBP BÖNNIE H. MÖRRISÖN MA-403-183-A FEE - HBP RERAMCGEE CORPORATION NIM-403-183-A FEE - HBP NIM-403-183-B FEE - HBP FEE - HBP NIM-403-183-B FEE - HBP NIM-403-183-B FEE - HBP FEE - HBP NIM-403-183-B FEE - HBP NIM-403-183-B FEE - HBP NIM-403-183-B FEE - HBP FEE - HBP NIM-403-183-B FEE - HBP NIM-403-B FEE - HBP NIM-403-B FEE -	0.208333 (EM W. HILDT MIA-403-407-C EEE - H8P 0.20833 C. F. MIZÓN, JR. MIA-403-1533 FEE - H8P 1.250000 (EFRFA-MCGEE CORPORATION MIA-403-153-C FEE - H8P 0.208333 WILLIAM H. NIXON ESTATE NIXA-403-153-D MIA-403-153-D MIA-403-153-D MIA-403-153-D MIA-403-153-D MIA-403-153-D FEE - H8P 2.500000 ATLAINT C. RICHFIELD COMPANY MIA-403-153-J FEE - H8P 7.500000 MIA-403-153-J FEE - H8P	5.000000 PATRICIA JOHNSON COOPER NM4-043-1724 FEE - H8P 5.000000 S. P. JOHNSON, III TRUST NM4-04-1724-A FEE - H8P 1.6866670 UNE-SEED MINERALS NM4-04-2. KEITH F. QUALL, ETUX 5.000000 UNE_SEED MINERALS NM4-04-2. KEITH F. QUALL, ETUX 1.6866670 UNE_SEED MINERALS NM4-04-2. KEITH F. QUALL, ETUX 1.6866670 UNE_SEED MINERALS NM4-04-2. KEITH F. QUALL, ETUX 1.0000000 UNE_SEED MINERALS 1.000000 UNE_SEED MINERALS 1.0000000 UNE_SEED MINERALS 1.000000 UNE_SEED MINERA	10.000000 DORCHESTER 1988 FAMILY TRUST NM-403-1728 FEE - HBP
TR TRACT DESCRIPTION ACRES # ACRES OF LANDS		43 20.00 TOWNSHIP SOUTH, RANGE 25 EAST (MMPM SECTION 28 E2SW/ANE/4	44 40.00 TOWNSHP IS SOUTH, 5.00 RANGE 25 EAST, NMPM SECTION 29: NW/ANE/4, 5.00 TOWNSHP IS SOUTH, 5.00 TOWNSHP IS S	45 10.00 TOWNSHP 19 SOUTH, 10.00 RANGE 25 EAST, NMPM SECTION 29: NEANE/ANW/4

REFERENCE	403-1770-F 9-1-1991	OPERATING AGREEMENT VOIGHT AND COM #1 SECTION 28: NW/4 409-1770-F 9-1-1991	OPERATING AGREEMENT VOIGHT ALD COM #1 SECTION 20: NW/4 403-1770-F 9-1-1991	OPERATING AGREEMENT SECTION 28: NW/4 403-1770-F 9-1-1981	OPERATING AGREEMENT ACREMENT SECTION 28: NW/4 403-1770-F 9-1-1991	DOFENTING 3 AGREEMENT BY VOIGHT ALD COM #1 5 SECTION 28: NW/4 1 403-1770-F 9-1-1991
	A 1041667 COMPANY 25,00000 J.125000 3,125000 12,50000 0,837500 0,837500 12,500000 0,837500	0.837500 2.08333 1.041687 1.041687 0.837500 25.00000 3.125000 12.50000 0.837500 48.229157	DN 0.837500 0.8333 0.041697 1.041	0.93750 1.04169 1.04169 1.04169 1.04169 2.50000 3.12500 12.5000 12.5000 1.5000 1.5000 1.5000 1.5000 1.5000 1.5000	0.837500 2.08333 2.08333 2.08333 1.041667 1.041667 1.2600000 3.125000 1.260000 0.637500 0.637500 0.637500	0.83750 2.08333 1.04166 1.04166 0.83750
WORKING INTEREST AND PERCENTAGE	LODEWICK, LAURA PATRICIA MYCO INDUSTRIES, INC. NEARBURG EXPLORATION COMPANY SACRAMENTO PARTNERS LIMITED SPIRAL, INC. VOIGT, WILLING COMPANY YATES DRILLING COMPANY YATES PETROLEUM CORPORATION		MAD PETROLEUM CORPORATION PIERST ROSWELL COMPANY POLLYMOCK, LTD LODEWICK, JOHN W. LODEWICK, JOHN W. LODEWICK, LAURA PATRICIA MYCO INDUSTRIES, INC MYCO INDUSTRIES, INC MYCO INDUSTRIES, INC SACRAMENTO PARTNERS LIMITED SPIRAL, INC SACRAMENTO PARTNERS LIMITED SPIRAL, INC SACRAMENTO COMPANY YATES PETROLEUM CORPORATION	MARO PEROLEUM CORPORATION PIEST ROSWELL COMPANY HOLLYHOCK, LTD LODEWICK, LOHN WICCO INDUSTRIES, INC MYCO INDUSTRIES, INC MYCO INDUSTRIES, INC MYCO INDUSTRIES INC MYCO INDUSTRIES INITED SPIRAL, INC SACRAMENTO PARTNERS LIMITED SPIRAL, INC YOIGT WILLAME EVELYN YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION	ABO PETROLEUM CORPORATION FIRST ROSWELL COMPANY HOLLYHOCK, LTD LODEWICK, JOHN W. LODEWICK, JOHN W. LODEWICK, LAURA PATRICIA MYCO INDUSTRIES, INC. MYCO INDUSTRIES, INC. SPIRAL, INC. SOFRAL, INC. VOIGT, WILMA EVELYN YATES DRILLING COMPANY YATES PETROLEUM CORPORATION  YATES PETROLEUM CORPORATION	MARO PETROLEUM CORPORATION FIRST ROSWELL COMPANY HOLLYHOCK, LTD LODEWICK, JOHN W. LODEWICK, LAURA PATRICIA MYCO INDUSTRIES, INC.
		2,0831	0.5003.0 0.5003.0 0.5003.0 0.5003.0	5.6926		20000
OVERRIDING ROYALTY AND PERCENTAGE		FIRST ROSWELL COLUMNY	BALWICK LIMITED PARTNERSHIP SERAL, INC. SERAL, INC.	MARTION OIL COMPANY VAITES PETROLEUM CORPORATION	NOVE	BETTY ANDERSON ASPDEN FAMILY
		8.333330 4.166870 8.333330	1.041660 0.250000 1.041680 1.041680 3.00000 3.125000		0,104160 0,330630 0,330630 0,330630 0,330630 0,330630 0,330630 0,230430 0,220420 0,2	12.50000
BASIC ROYALTY AND PERCENTAGE		BLANCO COMPANY FIRST ROSWELL COMPANY KECHANE, INC.	10,000000 BALWINGK LIMITED PARTNERSHIP 10,000000 HOOPER, ROBERT B. 10,000000 HOOPER, ROBERT B. 10,000000 LODEWINGK, JOHN BATRICIA 10,000000 PLIC LIMITED PARTNERSHIP 10,000000 PLIC LIMITED PARTNERSHIP 100,000000 PLIC LIMITED PARTNERSHIP 100,000000 PLIC LIMITED PARTNERSHIP 100,000000 PLIC LIMITED PARTNERSHIP 100,0000000 PLIC LIMITED PARTNERSHIP 100,00000000 PLIC LIMITED PARTNERSHIP 100,0000000 PLIC LIMITED PARTNERSHIP 100,00000000 PLIC LIMITED PARTNERSHIP 100,0000000 PLIC LIMITED PARTNERSHIP 100,0000000 PLIC LIMITED PARTNERSHIP 100,0000000 PLIC LIMITED PARTNERSHIP 100,0000000 PLIC LIMITED PARTNERSHIP 100,00000000 PLIC LIMITED PARTNERSHIP 100,0000000000000000000000000000000000	BECKER, JUDITH ANN BURNS, ETHEL E. NERWICK, CATHERNE J. SIMPSON, PATRICIA, J. VOIGT, WILMA EVELYN	100,000000   DRUDERMANI, JESSICA   CL. CLARIE, C. C. CLARIE, C. C. CLARIE, C. C. CLARIE, C. CORRINNE   COSTRER FAMILY TRUST   COOCOCO   CLARIE FAMILY TRUST   COOCOCO   CLARIE, C. CORRINA, LINDA K. C. T. C.	IERALS MANAGEMENT SERVICE
BASI		100.000000 BLAI FIRS FIRS 100.0000000 100.0000000		000000 (0)1	100.00000 100.00000 100.00000 100.00000 100.00000 100.00000 100.00000	100.000000 MIN
LESSEE OF RECORD AND PERCENTAGE		YATES PETROLEUM CORPORATION YATES PETROLEUM CORPORATION FIRST ROSWELL COMPANY LIMITED	ABO PETROLEUM CORPORATION MYCO INDUSTRIES, INC. VATES DETROLEUM CORPORATION ABO PETROLEUM CORPORATION AND PETROLEUM CORPORATION AND PETROLEUM CORPORATION ATES DETROLEUM CORPORATION LODEWICK ENERGY, INC. JOHN W. LODEWICK LAURA BATRICIA LODEWICK LAURA FATRICIA LODEWICK SACRAMENTO PARTINERS LTD SPIRAL, INC.	YATES PETROLEUM CORPORATION WHARE EVELYN VOIGT	NEARBURG EXPLORATION COMPANY	YATES PETROLEUM CORPORATION
SERIAL NUMBER AND EXPRIATION DATE		BILANCO COMPANY / MARATHON 403-1771 FEE - HBP 1 RECHANE, INC. / MARATHON 403-177-4 FEE - HBP 1 UNLEASED MINERALS		PATRICIA, JOBES SIMPSON NM4403-1170 FEE - HBP NM4403-1170-A FEE - HBP FEE -	GLADYS PRICE FEE - HBP	NA-0569176, BETTY A. ASPDEN NA-401-190 FEDERAL - HBP
ACRES SERIAL EXPRIA			2 500000 PATRICIA NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 NH-403-17 S000000 NH-568-17 NH-403-17 S000000 NH-568-17 NH-403-17 S000000 NH-568-17 S000000 NH-568-17 S00000 NH-568-17 S0000 NH	2 666250 PATRIC NM-403 PEE - 1 2 031250 JUDIT NM-403 DW-40		40.000000 NM-055 NM-401 FEDER
CT DESCRIPTION LES OF LANDS		TOWNSHIP 19 SOUTH, RAINGE 25 EAST, IMPM SECTION 28: SEANEANWA	MOWSHP 19 SOUTH FRANGE 25 EAST, NMPM SECTION 29: W/ZNE4NW/4	TOWNSHP 19 SOUTH RANGE 25 EAST, MAPM SECTION 28: NWANWIA	TOWNSHIP 19 SOUTH, RAINGE 25 EAST, NMPM SECTION 28: SWANWIA	TOWNSHIP 19 SOUTH, RANGE 25 EAST; NAPA SECTION 29: SE4NW/4,
TR TRACT # ACRES		10.00	20.00	60.09	40.00	90.04

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REFERENCE		25.000000 3.125000 1.125000 12.50000 12.50000 48.229167	25,000000 OPERATING 75,000000 AGREEMENT BOYD x STATE COM #2 SECTION 29 SW/4 402-104-E	1.169058 0.77076 1.159058 0.38533 1.45080 1.459820 92.173106	1.104964 1.104964 1.104964 1.104960 1.382321 1.104870 1.104870 1.382430 1.382430 1.382430 1.382430 1.382430 1.382430 1.382430	1.104904 0.738643 1.104904 1.104904 1.104970 1.104970 1.104970 1.382430 1.382430 1.382430 1.382430 1.382430	1,117310 0,74873 1,177310 1,177310 0,37247 1,177310 1,407990 1,407990	0.312742   OPERATING 0.20848 AGREEMENT 0.312742   CONOCO INC. 0.312740   OFFICE   12.1-1887 0.312740   0.30810 0.30810   0.308110 0.394110   0.394110	0.312742 OPERATING 0.208468 ARPERMENT 0.312742 CONOCO INC. 0.102274 001-190-F 12-1-1987 0.312740 0.330810 0.330810 0.338110 0.394110 0.394110	0.599601 OPERATING 0.396734 AGREEMENT 0.599601 DAGGER ZW #1 0.599601 SECTION 30: SW/4
WORKING INTEREST	50	NEARBURG EXPLORATION COMPANY SACRAMENTO PARTNERS LIMITED SPIRAL, INC. VOIGT, WILMA EVELYN YATES DRILLING COMPANY YATES PRILLING COMPANY YATES PRILLING COMPANY			5,000000 AUVENSHINE CHILDREN'S  1,225/530 (ONE, KATHLEEN TRUST, DECD (BOD)  1,005540 (OONE, KATHLEEN TRUST, DECD (KGC)  1,005540 (OONE, KATHLEEN TRUST, DECD (KGC)  1,005540 (OONE, TOM R  1,005540 (OONE, TOM R  1,005540 (OONE, TOM R  1,005000 (MCCOWN, CATHIE CONE  5,005040 (OONE, TOM R  1,005000 (MCCOWN, CATHIE CONE  5,005040 (OONE)  1,005040 (MCCOWN, CATHIE CONE  5,005040 (MCCOWN, CATHIE CONE  6,005040 (MCCOWN, CATHIE CONE  6,0050		5.000000 AUVENSHINE CHILDRENS 0.227530 OOKE, KATHEEN TRUST, DECD (800) 0.085840 COME, KATHEEN TRUST, DECD (KGC) 0.085840 COME, KENNETH G. 0.085840 COME, RANNOT LEE 0.085840 COME, RANNOT LEE 0.085840 COME, RANNOT LEE 2.085840 COME, RANNOT LEE SEMBL SANNOTHERS LIMITED SEMBL SANNOTHERS LIMITED SPIRAL, INC. 1.250000 SACRAMENTO PARTINERS LIMITED SPIRAL, INC. 1.250000 SACRAMENTO PARTINERS LIMITED SPIRAL, INC. 1.250000 SACRAMENTO PARTINERS LIMITED SPIRAL, INC.	5.000000 AJVENSHINE CHILDRENS CAGGOTOONE, KATHLEEN TRUST, DECD (800) (5.135680 CONE, KATHLEEN TRUST, DECD (KGC) (5.135680 CONE, KATHLEEN TRUST, DECD (KGC) (5.135680 CONE, TOM R. (5.135600 CONE, TOM R. (5.135600 MCCOWN, CATHLE CONE NEARBUDE PETROLEUM CO. (5.26000 MCCOWN, CATHLE CONE NEARBUDE SPELOATION COMPANY SACRAMENTO PARTINERS LIMITED SPIROLEUM CORPORATION (7.71ES PETROLEUM CORPORATION)	AUVENSHIPE CHILDREN'S CONE, KATHLEEN TRUST, DECD (RGC) CONE, KATHLEEN TRUST, DECD (KGC) CONE, RANDY LEE CONE, RANDY LEE CONE, TOAN R. HANSON-MOSRIDE PETROLEUM CO. MCCOWN, CATHLE CONE NEARBURG SZPLORATION COMPANY SACRAMENTO PARTNERS LIMITED SPIRAL, INC. 'YATES PETROLEUM CORPORATION	0.286209 AUVENSHINE CHILDREN'S  0.0268796 (ONE, KATHEEN TRUST, DECTD (RGC)  0.0080739 (ONE, KATHEEN TRUST, DECTD (KGC)  0.0080739 (ONE, KATHEEN TRUST, DECTD (KGC)
OVERRIDING ROYALTY					ATE I	The second second	VTE	ANDERSON ASPIENT FAMILY BERS, TOLLE DE KING, ESTATE BERS, TOLEGET E, IN. ON NEWA CHAMBERS AN ALCE ANN HANN'S NADT, W. H. NETROLEUM CORPORATION  RETROLEUM CORPORATION		CHAMBERS: LOLLIE DEE KING; ESTATE 0.20 CHAMBERS: ROBERT E.; 0.08 DAWSON: NEVA CHAMBERS 0.008 LIPSCOMBE, CELESTE CHAMBERS 0.008
BASIC ROYALTY			VICE 12.50000	12.5000	12.5000	VICE 12,50000	₹VICE 12.500000	WICE 12.500000	VICE 12.500000	JOHNSON, S. P. JII, & BARBARA. J. P.JC. LIMITED PARTNERSHIP 9.375000
LESSEE OF RECORD [BA			<u> </u>		100,000,000	190,00000		100,000000	COMPANY 100.000000	CATHE CONE MCCOMN 2.142224 JG MATHLERI CHILDRENS 1.142225 PJ KATHLERI CONE TRUST 1.142224 DOUGLAS L. CONE 1.142224
SERIAL NUMBER AND			NM-0559176, BETTY A. ASPDEN NM-401-190 FEDERAL - HBP	NM-CGS9175, BETTY A. ASPDEN NM-AO1-190 FEDERAL - HBP	NM-0559175, BETTY A. ASPDEN NM-401-190 FEDERAL - HBP	NM-0569175, BETTY A. ASPDEN NM-401-190 FEDERAL - HBP	NA-0680178, BETTY A. ASPDEN NA-401-190 FEDERAL - HBP	NM-0569175, BETTY A, ASPDEN NM-401-180 FEDERAL - HBP	NM-54382 FEDERAL - HBP	S. P. JOHNSON, III, ETAL NIM-403-22 FEE - HBP
AACT   DESCRIPTION   ACRES	ωi I		TOWNSHIP 18 SOUTH RANGE 25 EAST. NMPM SECTION 29: SZSW/4	TOWNSHIP 18 COUTH, RANGE 25 EAST NAFA SECTION 30: NW/4NE/4	TOWNSHIP 19 SOUTH RANGE 25 EAST, NMPM SECTION 30: SWIANEIA		TOWNSHP 19 SOUTH, RANGE 25 EAST, MAPA SECTION 30: LOT 2 (SW/ANW/A)	TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM SECTION 30: NZSE/4, SE/4SE/4	TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM SECTION 30: SW/48/E/4	81.37 TOWNISHIP 19 SOUTH, 81.370000 RIAD SOUTH, RANGE 25 EAST, NMPM SECTION 30: LOT 3 (NW/4SW/4), NE/4SW/4
TR TRAC	# AC					20 <b>q</b> 15		120	24	81

REFERENCE	0.186867 403-22-E 4-15-1887 0.589601 0.586001 0.755592 0.755592 94.881210	0.59901 OPERATING 0.399734 AGREEMENT 0.59901 DAGGER ZWH 0.19901 SECTION 30: SWH 0.199014 40: Z-E 6.259001 0.599001 0.599001 0.599001 0.55602 0.755502 0.755502	
WORKING INTEREST  AND PERCENTAGE	0.824080 CONE, FANDY LEE CONE, TOM R. MCCOWN, CATHE CONE SACRAMENTO PARTNERS LIMITED SPIRAL, INC. YATES PETROLEUM CORPORATION	0.013310 AUVENSHINE CHILDRENS 0.00437 CONE, KATHLEN TRUST, DECD (800) 0.00437 CONE, KATHLEN TRUST, DECD (KSC) 0.326165 CONE, KANPLEN 0.00437 CONE, RANDY LE 0.00437 CONE, TANDY LE 0.00437 CONE, TANDY LE 0.00437 CONE, TOM R. MCCOWIN, CATHLE CONE SACRAMENTO PARTNERS LIMITED SPIRAL, INC. YATES PETROLEUM CORPORATION  YATES PETROLEUM CORPORATION	
OVERRIDING ROYALTY. AND PERCENTAGE	PROBAIDT, W.T. & JEANETTE J.	0.837500 CHAMBERS, I.OLLE DEE KING, ESTATE 0.013310 CHAMBERS, ROBERT E., IR. DAWSON, INVA CHAMBERS LIPSCAMBE, CELESTE CHAMBERS ROBAND, W. T. & LANETTE, J. 0.824090	
BASIC ROYALTY AND PERCENTAGE	1.142224 1.142224 1.142224 1.142224 1.142224 1.142224 1.1433334 1.1433334 1.1433334 1.1433334	2,142224 VAN WINKLE, JOANNE D. 1,142224	766.10000000 TGC 10000000
LESSEE OF RECORD AND PERCENTAGE	RUST NAE LIMITED OPATION 8	8 01 01 01	MARATHON OIL COMPANY 16 DEPCO, INC. 10
SERIAL NUMBER AND EXPRIATION DATE		4.086500) S. P. JOHNSON, III, ETAL NM-403-22 FEE - HBP NM-403-42 NM-403-42 NM-404-48. NM-404-48. T8 3127550 MINERALS	9-198375 ININERALS ININERALS 6-198375 ININERALS ININERALS INININERALS INININININININININININININININININININ
ACRES			9.156
DESCRIPTION OF LANDS		TOWNSHIP SOUTH, RANGE 25 EAST, NMPM SECTION 30: LOT 4 (SW/4SW/4), SE/4SW/4	
TR TRACT # ACRES		83.88	

# EXHIBIT C SCHEDULE SHOWING UNIT PARTICIPATION OF EACH WORKING INTEREST OWNER PAGE 1 OF 2

OWNER NAME	UNIT PARTICIPATION
ABO PETROLEUM CORPORATION	
BP AMERICA PRODUCTION COMPANY	1.535016
MCCOWN, CATHIE CONE	0.060826 0.083703
AUVENSHINE CHILDREN'S	0.100862
CONE, KATHLEEN TRUST, DEC'D (BOO)	0.067243
BELLO, ERNIE	0.007243
BLANTON, KIMBERLY STEWART	0.014039
BROWN BROTHERS HARRIMAN TRUST	0.004346
BUNN, FRANCES B.	0.005115
BUNN, ROBERT B.	0.002608
COLL, CLARKE C.	0.090069
COLL, ERIC J.	0.090069
COLL, CHARLES H.	0.200151
COLL, CHRISTOPHER DALE	0.014039
COLL, KENNETH JAMES	0.014039
COLL, MICHAEL T.	0.014039
COLL, RICHARD KEITH	0.014039
COLL, SALLY RODGERS	0.080057
COLL, JON F.	0.115922
COLL, JON F. II	0.028329
COLL, MAX W. II	0.120090
COLL, MAX W. III	0.002864
CONE, RANDY LEE	0.033621
CONE, TOM R.	0.076537
CONE, KENNETH G.	0.095039
CONE, KATHLEEN TRUST, DEC'D (KGC)	0.100862
COLUMBIA RIVER RESOURCES, INC.	0.074243
DETEMPLE, MELANIE COLL	0.002864
DEVON ENERGY PRODUCTION CO., LP	0.026739
E. G. L. RESOURCES, INC.	0.117871
EXPLORERS PETROLEUM CORP.	0.067241
F & J ENERGY PARTNERS, LTD.	0.080543
FIRST ROSWELL COMPANY	0.055737
OLIVER, WILLIAM B. TRUST	0.005077
GFB ACQUISITION - 1, LP	0.114987
GENDRON, J. W.	0.003210
GOODNOW, DAVID	0.002159
HANSON-MCBRIDE PETROLEUM CO.	0.104975
HODGE, JOSEPH R.	0.000269
HODGE, SANFORD J. III	0.000576
ELSIE G. HOLDEN, TESTAMENTARY	0.001319
HOLLYHOCK, LTD	0.325241
JALAPENO CORPORATION	0.101898
JOHNSON, S. P. III & BARBARA J.	0.067337
KAWASAKI, DR. ISAAC A.	0.002106
KELLER, BETSY H.	0.001319
LANGDALE CORPORATION	0.040393
LODEWICK, JOHN W.	0.325242

## EXHIBIT C SCHEDULE SHOWING UNIT PARTICIPATION OF EACH WORKING INTEREST OWNER PAGE 2 OF 2

OWNER NAME		UNIT PARTICIPATION
LODEWICK, LAURA PATRICIA		0.325242
MARKS OIL INC.		0.075691
MARSHALL & WINSTON, INC.		0.074708
MEWBOURNE, CURTIS W.		0.161573
MOORE, CHARLES CLINE		0.004128
MOORE, MICHAEL HARRISON		0.012154
MOORE, RICHARD L.		0.012154
MOORE, STEPHEN SCOTT ESTATE		0.012154
MYCO INDUSTRIES, INC.		1.625054
NEARBURG EXPLORATION COMPANY		9.436103
OZARK EXPLORATION, INC.		0.525327
OZARK (GAS) / ALTURA (OIL)		0.530185
PJC LIMITED PARTNERSHIP		0.067337
PANHANDLE ROYALTY COMPANY		0.434066
PITCH ENERGY CORPORATION		0.127640
REYNOLDS, FRED N.		0.080543
RUTHEA, INC.		0.040393
SACRAMENTO PARTNERS LIMITED		2.229919
SCHUMAN, ADOLPH P.		0.002138
SHARBRO OIL LIMITED COMPANY		0.414960
SOUTHWEST ROYALTIES, INC.	7	1.690908
SPACE BUILDING CORPORATION		0.005803
SPIRAL, INC.		1.086602
TOM BROWN, INC.		0.790735
TRANSREPUBLIC RESOURCES, LTD		0.004842
UNIT PETROLEUM COMPANY		2.432449
VINTAGE PETROLEUM, INC.		0.736598
VOIGT, WILMA EVELYN		0.334424
VAN VRANKEN, FREDERICK, JR.		0.004574
YATES ENERGY CORPORATION		0.213674
TRUST Q U/W/O PEGGY A. YATES		0.298393
HARVEY E. YATES COMPANY		0.507310
ESTATE OF LILLIE M. YATES		0.414960
YATES DRILLING COMPANY		2.131806
YATES, JOHN A.		0.298400
YATES PETROLEUM CORPORATION		68.367068
TOTAL		100.00000

### 4 11 8/20

# EXHIBIT D SCHEDULE OF REMAINING PRIMARY RESERVES ALLOCABLE TO EACH WORKING INTEREST OWNER PAGE 1 OF 2

OVANIED NAME	DOE DECEDVED OFFICE
OWNER NAME ABO PETROLEUM CORPORATION	BOE RESERVES, STBOE
BP AMERICA PRODUCTION COMPANY	10127.0
MCCOWN, CATHIE CONE	53.2
AUVENSHINE CHILDREN'S	342.6
CONE, KATHLEEN TRUST, DEC'D (BOO)	342.7
BELLO, ERNIE	228.3
BLANTON, KIMBERLY STEWART	21.1
BROWN BROTHERS HARRIMAN TRUST	200.8
BUNN, FRANCES B.	17.1
BUNN, ROBERT B.	21.1 7.7
COLL, CLARKE C.	7.7 770.9
COLL, ERIC J.	770.9 770.9
COLL, CHARLES H.	
COLL, CHRISTOPHER DALE	1713.3
COLL, KENNETH JAMES	200.8
COLL, MICHAEL T.	200.8
COLL, RICHARD KEITH	200.8
•	200.8
COLL, SALLY RODGERS	685.3
COLL, JON F.	508.3
COLL, JON F. II	323.2
COLL, MAX W. II	1028.2
COLL, MAX W. III	24.4
CONE, RANDY LEE	114.3
CONE, TOM R.	301.9
CONE, KENNETH G.	342.6
CONE, KATHLEEN TRUST, DEC'D (KGC)	342.7
COLUMBIA RIVER RESOURCES, INC.	270.0
DETEMPLE, MELANIE COLL	24.4
DEVON ENERGY PRODUCTION CO., LP	169.2
E. G. L. RESOURCES, INC.	420.1
EXPLORERS PETROLEUM CORP.	233.3
F & J ENERGY PARTNERS, LTD.	1006.1
FIRST ROSWELL COMPANY	321.7
OLIVER, WILLIAM B. TRUST	21.1
GFB ACQUISITION - 1, LP	618.4
GENDRON, J. W.	8.4
GOODNOW, DAVID	5.5
HANSON-MCBRIDE PETROLEUM CO.	294.5
HODGE, JOSEPH R.	0.3
HODGE, SANFORD J. III	1.7
ELSIE G. HOLDEN, TESTAMENTARY	4.4
HOLLYHOCK, LTD	2666.2
JALAPENO CORPORATION	336.9
JOHNSON, S. P. III & BARBARA J.	113.2
KAWASAKI, DR. ISAAC A.	5.5
KELLER, BETSY H.	4.4
LANGDALE CORPORATION	340.8
LODEWICK, JOHN W.	2666.2
LODEWICK, LAURA PATRICIA	2666.2



### **EXHIBIT D**

### SCHEDULE OF REMAINING PRIMARY RESERVES ALLOCABLE TO EACH WORKING INTEREST OWNER PAGE 2 OF 2

OWNER NAME	BOE RESERVES, STBOE
MARKS OIL INC.	422.2
MARSHALL & WINSTON, INC.	280.2
MEWBOURNE, CURTIS W.	1363.4
MOORE, CHARLES CLINE	7.4
MOORE, MICHAEL HARRISON	40.0
MOORE, RICHARD L.	40.0
MOORE, STEPHEN SCOTT ESTATE	40.0
MYCO INDUSTRIES, INC.	10566.5
NEARBURG EXPLORATION COMPANY	74426.6
OZARK EXPLORATION, INC.	1971.8
OZARK (GAS) / ALTURA (OIL)	54.7
PJC LIMITED PARTNERSHIP	113.2
PANHANDLE ROYALTY COMPANY	1359.7
PITCH ENERGY CORPORATION	951.7
REYNOLDS, FRED N.	1006.1
RUTHEA, INC.	340.8
SACRAMENTO PARTNERS LIMITED	12351.1
SCHUMAN, ADOLPH P.	5.5
SHARBRO OIL LIMITED COMPANY	2181.4
SOUTHWEST ROYALTIES, INC.	19994.2
SPACE BUILDING CORPORATION	12.4
SPIRAL, INC.	8438.3
TOM BROWN, INC.	13480.2
TRANSREPUBLIC RESOURCES, LTD	26.1
UNIT PETROLEUM COMPANY	10931.5
VINTAGE PETROLEUM, INC.	6816.6
VOIGT, WILMA EVELYN	1930.7
VAN VRANKEN, FREDERICK, JR.	21.1
YATES ENERGY CORPORATION	706.5
TRUST Q U/W/O PEGGY A. YATES	1682.5
HARVEY E. YATES COMPANY	1654.5
ESTATE OF LILLIE M. YATES	2181.4
YATES DRILLING COMPANY	13492.0
YATES, JOHN A.	1682.5
YATES PETROLEUM CORPORATION	459540.9
TOTAL	681403.0



### **EXHIBIT E**

# SCHEDULE OF VALUES OF REMAINING PRIMARY RESERVES ALLOCABLE TO EACH WORKING INTEREST OWNER FOR WITHDRAWAL FROM UNIT PURSUANT TO PARAGRAPH 17.1 PAGE 1 OF 2

01481=5.1141=	
OWNER NAME	VALUE OF RESERVES, DOLLARS
ABO PETROLEUM CORPORATION	9,277
BP AMERICA PRODUCTION COMPANY	838
MCCOWN, CATHIE CONE	832
AUVENSHINE CHILDREN'S	997
CONE, KATHLEEN TRUST, DEC'D (BOO)	665
BELLO, ERNIE	57
BLANTON, KIMBERLY STEWART	307
BROWN BROTHERS HARRIMAN TRUST	51
BUNN, FRANCES B.	57
BUNN, ROBERT B.	23
COLL, CLARKE C.	1,973
COLL, ERIC J.	1,973
COLL, CHARLES H.	4,383
COLL, CHRISTOPHER DALE	307
COLL, KENNETH JAMES	307
COLL, MICHAEL T.	307
COLL, RICHARD KEITH	307
COLL, SALLY RODGERS	1,753
COLL, JON F.	2,539
COLL, JON F. II	620
COLL, MAX W. II	2,630
COLL, MAX W. III	63
CONE, RANDY LEE	332
CONE, TOM R.	750
CONE, KENNETH G.	941
CONE, KATHLEEN TRUST, DEC'D (KGC)	997
COLUMBIA RIVER RESOURCES, INC.	416
DETEMPLE, MELANIE COLL	63
DEVON ENERGY PRODUCTION CO., LP	257
E. G. L. RESOURCES, INC.	1,627
EXPLORERS PETROLEUM CORP.	695
F & J ENERGY PARTNERS, LTD.	1,111
FIRST ROSWELL COMPANY	535
OLIVER, WILLIAM B. TRUST	57
GFB ACQUISITION - 1, LP	999
GENDRON, J. W.	34
GOODNOW, DAVID	23
HANSON-MCBRIDE PETROLEUM CO.	1,044
HODGE, JOSEPH R.	3
HODGE, SANFORD J. III	3
ELSIE G. HOLDEN, TESTAMENTARY	15
HOLLYHOCK, LTD	6,784
JALAPENO CORPORATION	1,045
JOHNSON, S. P. III & BARBARA J.	1,475
KAWASAKI, DR. ISAAC A.	24
KELLER, BETSY H.	15
LANGDALE CORPORATION	557
L Jorde Cold Civilion	551



#### **EXHIBIT E**

# SCHEDULE OF VALUES OF REMAINING PRIMARY RESERVES ALLOCABLE TO EACH WORKING INTEREST OWNER FOR WITHDRAWAL FROM UNIT PURSUANT TO PARAGRAPH 17.1 PAGE 2 OF 2

OWNER NAME	VALUE OF RESERVES, DOLLARS
LODEWICK, JOHN W.	6,784
LODEWICK, LAURA PATRICIA	6,784
MARKS OIL INC.	1,658
MARSHALL & WINSTON, INC.	1,636
MEWBOURNE, CURTIS W.	2,230
MOORE, CHARLES CLINE	46
MOORE, MICHAEL HARRISON	266
MOORE, RICHARD L.	266
MOORE, STEPHEN SCOTT ESTATE	266
MYCO INDUSTRIES, INC.	9,644
NEARBURG EXPLORATION COMPANY	24,675
OZARK EXPLORATION, INC.	5,407
OZARK (GAS) / ALTURA (OIL)	8,460
PJC LIMITED PARTNERSHIP	1,475
PANHANDLE ROYALTY COMPANY	5,990
PITCH ENERGY CORPORATION	1,762
REYNOLDS, FRED N.	1,111
RUTHEA, INC.	557
SACRAMENTO PARTNERS LIMITED	40,820
SCHUMAN, ADOLPH P.	23
SHARBRO OIL LIMITED COMPANY	3,886
SOUTHWEST ROYALTIES, INC.	12,980
SPACE BUILDING CORPORATION	71
SPIRAL, INC.	13,620
TOM BROWN, INC.	6,131
TRANSREPUBLIC RESOURCES, LTD	42
UNIT PETROLEUM COMPANY	26,615
VINTAGE PETROLEUM, INC.	10,165
VOIGT, WILMA EVELYN	4,615
VAN VRANKEN, FREDERICK, JR.	51
YATES ENERGY CORPORATION	2,192
TRUST Q U/W/O PEGGY A. YATES	3,485
HARVEY E. YATES COMPANY	5,193
ESTATE OF LILLIE M. YATES	3,887
YATES DRILLING COMPANY	16,197
YATES, JOHN A.	3,484
YATES PETROLEUM CORPORATION	599,500
TOTAL	882,042
101/1L	002,042

#### YATES PETROLEUM CORPORATION

#### UNIT OPERATING AGREEMENT

#### NORTH DAGGER DRAW UPPER PENN UNIT

Dated: October 1, 2003

Township 19 South, Range 25 East Section 16: All Section 17: All

Section 18: Lots 3,4, E/2SW/4, SE/4NW/4,

SW/4NE/4, E/2NE/4, SE/4

Section 19: All Section 20: All Section 21: All Section 28: All Section 29: All Section 30: All

Eddy County, New Mexico

# UNIT OPERATING AGREEMENT NORTH DAGGER DRAW UPPER PENN UNIT EDDY COUNTY, NEW MEXICO

	INDEX	PAG	프
ARTICLE 1 CON 1.1	FIRMATION OF UNIT AGREEMENT  Confirmation of Unit Agreement		1
2.1	IBITS  Exhibits	2	2
ARTICLE 3 SUP 3.1 3.2			
ARTICLE 4 MAN 4.1 4.2 4.3	Meetings	4	4
ARTICLE 5 IND 5.1 5.2 5.3 5.4	Specific Rights	!	5 5
ARTICLE 6 UNI 6.1 6.2 6.3	Resignation or Removal & Selection of Successor	(	6
7.1 7.2 7.3 7.4 7.5 7.6 7.7 7.8 7.9	Employees		8 8 8 8 8 8 8 9
	3 Conflict of Supervision		9

ARTICLE	8	TAXES 8.1 Ad Valorem Taxes
ARTICLE	9	INSURANCE 9.1 Insurance
ARTICLE	10	ADJUSTMENT OF INVESTMENTS  10.1 Personal Property Taken Over
ARTICLE	11	UNIT EXPENSE  11.1 Basis of Charge to Working Interest Owner
ARTICLE	12	NON-UNITIZED FORMATION 12.1 Right to Operate
ARTICLE	13	TITLES  13.1 Warranty and Indemnity
ARTICLE	14	LIABILITY, CLAIMS AND SUITS  14.1 Individual Liability
ARTICLE	15	LAWS AND REGULATIONS 15.1 Internal Revenue Provisions
ARTICLE	16	NOTICES 16.1 Notices
ARTICLE	17	WITHDRAAL OF WORKING INTEREST OWNER 17.1 Withdrawal

ARTICLE	18	ABANDONMENT OF WELLS  18.1 Rights of Former Owners
ARTICLE	19	EFFECTIVE DATE AND TERM  19.1 Effective Date
ARTICLE	20	ABANDONMENT OF OPERATIONS 20.1 Termination
ARTICLE	21	LAWS, REGULATIONS AND CERTIFICATE OF COMPLIANCE 21.1 Laws and Regulations
ARTICLE	22	EXECUTION 22.1 Original, Counterpart, or Other Instrument 19
ARTICLE	23	SUCCESSORS AND ASSIGNS 23.1 Successors and Assigns
		EXHIBIT "A" Map of the Unit Area EXHIBIT "B" Schedule of Lands and Ownership EXHIBIT "C" Schedule of Owner Unit Participation EXHIBIT "D" Schedule of Owner Remaining Primary Reserves EXHIBIT "E" Schedule of Owner Values for Withdrawal from Unit EXHIBIT "F" Accounting Procedure EXHIBIT "G" Insurance Provisions EXHIBIT "H" Certificate of Non-segregated Facilities

### UNIT OPERATING AGREEMENT NORTH DAGGER DRAW UPPER PENN UNIT EDDY COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as the  $1^{\rm st}$  day of October, 2003 by and between the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to become a party hereto.

#### WITNESSETH:

WHEREAS, the parties hereto as Working Interest Owners have executed, as of the date hereof, an Agreement entitled "Unit Agreement, North Dagger Draw Upper Penn Unit, Eddy County, New Mexico, herein referred to as "Unit Agreement," which, among other things, provides for a separate agreement to be entered into by Working Interest Owners to provide for Unit Operations as therein defined.

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, it is agreed as follows:

#### ARTICLE 1

#### CONFIRMATION OF UNIT AGREEMENT

1.1 <u>Confirmation of Unit Agreement</u>. The Unit Agreement is hereby confirmed and by reference made a part of this Agreement. The definitions in the Unit Agreement are adopted for all purposes of this Agreement. If there is any conflict between the Unit Agreement and this Agreement, the Unit Agreement shall govern.

#### ARTICLE 2

### EXHIBITS

- 2.1 Exhibits. The following exhibits are incorporated herein by reference
  - 2.1.1 Exhibit "A", attached hereto, is a map of the Unit Area showing the boundaries of each Tract and their respective Tract Numbers.
  - 2.1.2 Exhibit "B", attached hereto, is a schedule showing all lands and leases, legal descriptions thereof and ownership within each Tract.
  - 2.1.3 Exhibit "C", attached hereto, is a schedule showing the Unit Participation of each Working Interest Owner. Exhibit "C", or a revision thereof, shall not be conclusive as to the information

therein, except it may be used as showing the Unit Participations of Working Interest Owners for purposes of this Agreement until shown to be in error or revised as herein authorized.

- 2.1.4 Exhibit "D", attached hereto, is a schedule of remaining primary reserves allocable to each of the Working Interest Owners.
- 2.1.5 Exhibit "E", attached hereto, is a schedule of values of remaining primary reserves allocable to each Working Interest Owner for the purpose of Withdrawal from the Unit pursuant to paragraph 17.1.
- 2.1.6 Exhibit "F", attached hereto, is the Accounting Procedure applicable to Unit Operations. If there is any conflict between this Agreement and Exhibit "F", this Agreement shall govern.
- 2.1.7 Exhibit "G", attached hereto, contains insurance provisions applicable to Unit Operations.
- 2.1.8 Exhibit "H", attached hereto contains a Certificate of Non-segregated Facilities applicable to the Unit
- 2.2 Revision of Exhibits. Whenever Exhibits "A" or "B" are revised, Exhibit "C" shall be revised accordingly and be effective as of the same date. Unit Operator shall also revise Exhibit "C" from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided in the Unit Agreement. Working Interest Owners shall be provided a duplicate copy of any exhibit revised as provided herein.
- 2.3 <u>Reference to Exhibits</u>. When reference is made herein to an exhibit, it is to the exhibit as originally attached or if revised, the last revision.

#### ARTICLE 3

#### SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

- 3.1 Overall Supervision. Working Interest Owners shall exercise overall supervision and control of all matters pertaining to Unit Operations pursuant to this Agreement and the Unit Agreement. In the exercise of such authority, each Working Interest Owner shall act solely in its own behalf in the capacity of an individual owner and not on behalf of the owners as an entirety.
- 3.2 Specific Authorities and Duties. The matters with respect to which Working Interest Owners shall decide and take action shall include, but not be limited to, the following:
  - 3.2.1 Method of Operation. The method of the operation, including the type or types of pressure maintenance, secondary recovery, tertiary recovery, or other recovery program to be employed.
  - 3.2.2 <u>Drilling of Wells</u>. The drilling, deepening, or plugging back of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

- 3.2.3. Well Abandonment, Use, and Conversion. The abandonment of any well; the use of any well for injection, salt water disposal, or for any purpose other than production; or the conversion of the use of any well from one purpose to another. The reactivation of a well which was shut-in or temporarily abandoned to its former use by Unit Operator shall not require prior approval of Working Interest Owners if the estimated expenditure is less than the expenditure limitation specified in Section 3.2.4.
- 3.2.4 Expenditures. The making of any single expenditure in excess of Fifty Thousand Dollars (\$50,000.00); however, approval by Working Interest Owners of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefore, and for completing, testing and equipping the well, including necessary flow lines, separators, and lease tankage; provided however, that in case of blowout, explosion, fire, flood or other sudden emergencies, Unit Operator may take steps and incur such expenses as in its opinion are required to deal with the emergency and to safeguard life or property but that Unit Operator shall, as promptly as possible, report the emergency to the Working Interest Owners.
- 3.2.5 <u>Disposition of Unit Equipment</u>. The selling or otherwise disposing of any major item of surplus Unit Equipment, if the current price of new equipment similar thereto is Twenty Thousand Dollars (\$20,000.00) or more.
- 3.2.6 Appearance Before a Court or Regulatory Agency. The designating of a representative to appear before any court or regulatory agency in matters pertaining to Unit Operations; however, Unit Operator shall act as such representative in the absence of the designation of a different representative by Working Interest Owners. Such designation shall not prevent any Working Interest Owner from appearing in person or from designating another representative in its own behalf.
- 3.2.7 <u>Audits</u>. The auditing of the accounts of Unit Operator pertaining to Unit Operations hereunder; however, the audits shall
  - (a) not be conducted more than once each year except upon the resignation or removal of Unit Operator, and
  - (b) be made upon the approval of the owner or owners of a majority of Working Interest other than that of Unit Operator, at the expense of all Working Interest Owners other than Unit Operator, or
  - (c) be made at the expense of those Working Interest Owners requesting such audit, if owners of less than a majority of Working Interest, other than that of Unit Operator, request such an audit, and
  - (d) be made upon not less than thirty (30) days written notice to Unit Operator.

- 3.2.8 <u>Inventories</u>. The taking of periodic inventories under the terms of Exhibit "F".
- 3.2.9 <u>Technical Services</u>. The authorizing of charges to the Joint Account of services by consultants or Unit Operator's technical personnel not covered by the overhead charges provided by Exhibit "F."
- 3.2.10 Assignments to Committees. The appointment of committees to study any problems in connection with Unit Operations.
- 3.2.11 The removal of Unit Operator and the selection of a successor.
- 3.2.12 The enlargement of the Unit Area.
- 3.2.13 The adjustment and readjustment of investments.
- 3.2.14 The termination of the Unit Agreement.

#### ARTICLE 4

#### MANNER OF EXERCISING SUPERVISION

- 4.1 <u>Designation of Representatives</u>. Each Working Interest Owner shall inform Unit Operator in writing of the names and addresses of the representative and alternate who are authorized to represent and bind such Working Interest Owner with respect to Unit Operations. The representative or alternate may be changed from time to time by written notice to Unit Operator.
- 4.2 Meetings. All meetings of Working Interest Owners shall be called by Unit Operator upon its own motion or at the request of two (2) or more Working Interest Owners having a total Unit Participation then in effect of not less than ten percent (10%). No meeting shall be called on less than fourteen (14) days advance written notice, with agenda for the meeting attached. Working Interest Owners who attend the meeting may amend items included in the agenda and may act upon an amended item or other items presented at the meeting. The representative of Unit Operator shall be chairman of each meeting.
- 4.3 <u>Voting Procedure</u>. Working Interest Owners shall decide all matters coming before them as follows;
  - 4.3.1 <u>Voting Interest</u>. Each Working Interest Owner shall have a voting interest equal to its Unit Participation in effect at the time of the vote.
  - 4.3.2 <u>Vote Required</u>. Unless otherwise provided herein or in the Unit Agreement, Working Interest Owners shall determine all matters by the affirmative vote of three or more Working Interest Owners having a combined voting interest of at least seventy-five percent (75%); however, should any one Working Interest Owner have

more than twenty-five percent (25%) voting interest, its negative vote or failure to vote shall not defeat a motion, and such motion shall pass if approved by Working Interest Owners having a majority voting interest, unless three or more Working Interest Owners having combined voting interest of at least five percent (5%) likewise vote against the motion or fail to vote.

- 4.3.3 <u>Vote at Meeting by Non-attending Working Interest Owner.</u> Any Working Interest Owner not represented at a meeting may vote on any agenda item by letter, telegram, fax or email, addressed to the representative of Unit Operator if its vote is received prior to the vote at the meeting, provided the agenda items are not amended.
- 4.3.4 Poll Votes. Working Interest Owners may vote on and decide, by letter, telegram, fax or email, any matter submitted in writing to Working Interest Owners. If a meeting is not requested, as provided in Section 4.2, within seven (7) days after a written proposal is sent to Working Interest Owners, the vote taken by letter, telegram, fax or email shall become final. Unit Operator will give prompt notice of the results of such voting to all Working Interest Owners.

#### ARTICLE 5

#### INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

- 5.1 Reservation of Rights. Working Interest Owners severally reserve to themselves all their rights, except as otherwise provided in this Agreement, and the Unit Agreement.
- 5.2 <u>Specific Rights</u>. Each Working Interest Owner shall have, among others, the following specific rights:
  - 5.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to inspect Unit Operations, all wells, and the records and data pertaining thereto.
  - 5.2.2 Reports. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency, reports of crude oil runs and stocks, inventory reports, and all other information pertaining to Unit Operations. The cost of gathering and furnishing information not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged to the Working Interest Owner that requests the information.
- 5.3 <u>Undrilled Locations</u>. Unit Operator shall have the option to drill any undrilled locations on tracts committed to the Unit Area at Unit Expense subject to Article 3.2.2 and partners' approval as listed under Article 4.3.
- 5.4 <u>Taking Unitized Substances In Kind</u>. Each Working Interest Owner shall have the right to take in kind and separately dispose of its proportionate share of all oil and gas produced from the Unit Area, exclusive

of production which may be used in development and producing operations and in preparing and treating oil for marketing purposes and production unavoidably Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unitized Area, provided the same are so constructed, maintained and operated as not to interfere with Unit Operations. Any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event any Working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation then so long as such condition continues, Unit Operator, for the account and at the expense of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, shall sell or otherwise dispose of such production to itself or to others, provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of three years, and at not less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned.

Unit Operator shall be responsible for the payment of all royalty, overriding royalty and production payments due on each Tract committed hereto, and each Working Interest Owner shall hold each other Working Interest Owner and Unit Operator harmless against all claims, demands and causes of action by owners of such royalty, overriding royalty and production payments. Any Working Interest Owner receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract shall be responsible for the payment of all royalty, overriding royalty and production payments due thereon, and each such party shall hold each other Working Interest Owner and Unit Operator harmless against all claims, demands and causes of action by owners of such royalty, overriding royalty and production payments.

#### ARTICLE 6

#### UNIT OPERATOR

- 6.1 <u>Unit Operator</u>. Yates Petroleum Corporation, a New Mexico corporation, is hereby designated as Unit Operator.
- 6.2. Resignation or Removal of Unit Operator. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, the Land Commissioner and the A.O. unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties and obligations hereunder, be subject to removal by Working Interest Owners having in the aggregate eighty percent (80%) or more of the Unit Participation then in effect exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the Land Commissioner and the A.O.

In all such instances of effective resignation or removal, until a successor to Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books and records, materials, appurtenances and any other assets used in connection with the Unit Operations to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected. Nothing herein shall be construed as authorizing the removal of any material, equipment or appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator who resigns or is removed hereunder from any liability or duties accruing or performable by it prior to the effective date of such resignation or removal.

6.3 <u>Successor Unit Operator</u>. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Land Commissioner and the A.O. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the Land Commissioner and/or the A.O., at their election, may declare this Agreement terminated.

In selecting a successor Unit Operator, the affirmative vote of three or more Working Interest Owners having a total of sixty-five percent (65%) or more of the total Unit Participation shall prevail; provided that if any one Working Interest Owner has a Unit Participation of more than thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of two or more other Working Interest Owners having a total Unit Participation of at least five percent (5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of the owners of at least seventy-five percent (75%) of the Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

#### ARTICLE 7

#### AUTHORITIES AND DUTIES OF UNIT OPERATOR

- 7.1 Exclusive Right to Operate Unit. Subject to the provisions of this Agreement and to instructions from Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to conduct Unit Operations.
- 7.2 Workmanlike Conduct. Unit Operator shall conduct Unit Operations in a good and workmanlike manner, as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them informed of all matters, which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages, unless such damages result from its gross negligence or willful misconduct.
- 7.3 <u>Liens and Encumbrances</u>. Unit Operator shall endeavor to keep the lands and leases in the Unit Area and Unit Equipment free from all liens and encumbrances occasioned by Unit Operations, except the lien and security interest of Unit Operator and Working Interest Owners granted hereunder.
- 7.4 Employees. The number of employees used by Unit Operator in conducting Unit Operations, their selection, hours of labor, and compensation, shall be determined by Unit Operator. Such employees shall be the employees of Unit Operator.
- 7.5 <u>Records</u>. Unit Operator shall keep correct books, accounts, and records of Unit Operations.
- 7.6 Reports to Working Interest Owners. Unit Operator shall furnish Working Interest Owners semiannual reports of Unit Operations.
- 7.7 Reports to Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.
- 7.8 Engineering and Geological Information. Unit Operator shall furnish to a Working Interest Owner, upon written request, a copy of all logs and other engineering and geological data pertaining to wells drilled for Unit Operations.
- 7.9 Expenditures. Unit Operator is authorized to make single expenditures not in excess of Fifty Thousand Dollars (\$50,000.00) without prior approval of Working Interest Owners. If an emergency occurs, Unit Operator may immediately make or incur such expenditures as in its opinion are required to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the emergency and the action taken.
- 7.10 Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be at the usual rates prevailing in the area. Unit Operator may employ its own tools and equipment, but the charge therefore shall not exceed the

usual rates prevailing in the area, and the work shall be performed by Unit Operator under the same terms and conditions as are usual in the area in contracts of independent contractors doing work of an similar nature.

- 7.11 <u>Mathematical Errors</u>. Unit Operator is empowered to correct any mathematical errors, which might exist in the pertinent exhibits to this Agreement.
- 7.12 <u>Border Agreement</u>. Subject to the provisions and conditions in the Unit Agreement, Unit Operator shall have the right and authority to enter into border protection agreements or cooperative agreements with respect to lands adjacent to the Unit Area for the purpose of coordinating operations.
- 7.13 Conflict of Supervision. Neither the Unit Operator nor the Working Interest Owners, nor any of them, shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that the said Unit Operator or the Working Interest Owners, or any of them are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained.

## ARTICLE 8

## TAXES

- 8.1 Ad Valorem Taxes. Beginning with the first calendar year after the Effective Date hereof, Unit Operator shall make and file all necessary ad valorem tax renditions and returns with the proper taxing authorities with respect to all property of each Working Interest Owner used or held by Unit Operator for Unit Operations. Unit Operator shall settle assessments arising therefrom. Any Working Interest Owner dissatisfied with any proposed rendition or assessment of its interest in property shall have the right, at its own expense, to protest and resist the same. All such ad valorem taxes shall be paid by Unit Operator and charged to the joint account; however, if the interest of a Working Interest Owner is subject to a separately assessed overriding royalty interest, production payment, or other interest in excess of one-eighth (1/8) royalty, such Working Interest Owner shall notify Unit Operator of such interest prior to the rendition date and shall be given credit for the reduction in taxes paid resulting therefrom.
- 8.2 Other Taxes. Each Working Interest Owner shall pay or cause to be paid all production, severance, gathering, and other taxes imposed upon or with respect to the production or handling of its share of Unitized Substances, except that on gas production only the taking parties shall pay such taxes.

## **INSURANCE**

- 9.1 Insurance. Unit Operator, with respect to Unit Operations, shall:
  - (a) comply with the Workmen's Compensation Laws of the State,
  - (b) carry Employer's Liability and other insurance required by the laws of the State, and
  - (c)provide other insurance as set forth in Exhibit "G".

## ARTICLE 10

## ADJUSTMENT OF INVESTMENTS

- 10.1 Personal Property Taken Over. Upon the Effective Date, Working Interest Owners shall deliver to Unit Operator the following:
  - 10.1.1 Wells. All wells completed in the Unitized Formation.
  - 10.1.2 Well and Lease Equipment. The casing and tubing in each such well, the wellhead connections thereon, and all other well, lease and operating equipment that is used in the operation of such wells which Working Interest Owners determine is necessary or desirable for conducting Unit Operations.
  - 10.1.3 Records. A copy of all production and well records for such wells.
- 10.2 Inventory and Evaluation of Personal Property. Working Interest Owners shall at Unit Expense inventory and evaluate, the personal property taken over by Unit Operator under Section 10.1.2. Such inventory shall include and be limited to those items of equipment considered controllable under Exhibit "F" except, upon determination of Working Interest Owners, items considered non-controllable may be included in the inventory in order to be included in the inventory for record purposes, but shall be excluded from evaluation and investment adjustment.
- 10.3 <u>Investment Adjustment</u>. Upon approval by Working Interest Owners of the inventory and evaluation, each Working Interest Owner shall be credited with the value, as determined in accordance with Section 10.2 above, of its interest in all personal property taken over by Unit Operator under Section 10.1.2 and charged with an amount equal to that obtained by multiplying the total value of all such personal property taken over the Unit Operator under Section 10.1.2 by such Working Interest Owner's Unit Participation. If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be paid and in all other respects be treated as any other item of Unit Expense chargeable against such Working Interest Owners. If against such Working Interest Owner, the resulting net credit shall be paid to such working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

- 10.4 <u>General Facilities</u>. The acquisition of warehouses, warehouse stocks, lease houses, camps, facility system, and office buildings necessary for Unit Operations shall be by negotiation by the owners thereof and Unit Operator, subject to the approval of Working Interest Owners.
- 10.5 Ownership of Personal Property and Facilities. Each Working Interest Owner, individually, shall by virtue hereof own an undivided interest, equal to its Unit Participation in all wells, equipment, personal property and facilities taken over or otherwise acquired by Unit Operator pursuant to this agreement.

## UNIT EXPENSE

- 11.1 <u>Basis for Charge to Working Interest Owners</u>. Unit Operator initially shall pay all Unit Expense. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expense. Each Working Interest Owner's share of such Unit Expense shall be the same as its Unit Participation for:
  - (a) items in the nature of capital assets including, without limitation, real property if acquired;
  - (b) acquiring, drilling, re-drilling, equipping and re-equipping water injection wells, re-plugging or converting oil wells to water injection wells, pumping and pipeline facilities for such wells, and changing any injection interval in any such well;
  - (c) re-entry and re-plugging of wells outside the unit area as necessary to permit water injection into appropriate wells within the unit area;
  - (d) gathering lines and facilities and common tank batteries utilized or acquired for Unit Operations, and
  - (e) water purchased from parties other than Working Interest Owners obtained for injection purposes and the costs of transportation and injection thereof into the Unit Area.

Unit Operator will furnish make-up water from its Dagger Draw disposal system at no cost for Unit Operations so long as such water is available. Unit Operator shall charge as Unit Expense 2 cents per barrel handling fee for the make-up water handling and 6 cents per barrel for produced water injection. Each Working Interest Owner's share of all other Unit Expense shall be the same as its Unit Participation in effect at that time. All charges, credits and accounting for Unit Expense shall be in accordance with Exhibit "F".

The First Phase Unit Operations shall be defined as all Unit Operations necessary to prepare the Unit for injection, initiate injection into the Unitized Formation and shall extend until the first day of the month immediately following six (6) months after the initiation of injection into the Unitized Formation. First Phase Unit Expense shall include all Unit

Expense necessary to accomplish the First Phase Unit Operations inclusive of Unit Expense accrued through six (6) months after initiation of injection.

- 11.2 <u>Budgets</u>. Upon execution of this agreement and the Unit Agreement, and simultaneously therewith, Working Interest Owners agree to the estimated Budget for the First Phase Unit Expense. Each Working Interest Owner shall agree and be obligated to pay their respective share of First Phase Unit Expense through completion of the First Phase Unit Operations. Subsequent to the First Phase Operations Unit Operator shall prepare a budget of estimated Unit Expense for the remainder of the calendar year and on or before the first day of each October thereafter shall prepare such a budget for the ensuing calendar year. Budgets shall be estimates only, and shall be adjusted or corrected by Working Interest Owners and Unit Operator whenever an adjustment or correction is proper. A copy of each budget and adjusted budget shall be furnished promptly to each Working Interest Owner.
- 11.3 Advance Billings. Unit Operator shall have the right, without prejudice to other rights or remedies, to require Working Interest Owners to advance their respective share of estimated Unit Expense by submitting to Working Interest Owners, on or before the 15th day of any month, an itemized estimate thereof for the succeeding month, with a request for payment in advance. Within fifteen (15) days after receipt of the estimate, each Working Interest Owner shall pay to Unit Operator its share of such estimate. Adjustments between estimated and actual Unit Expense shall be made by Unit Operator at the close of each calendar month, and the accounts of Working Interest Owners shall be adjusted accordingly.
- 11.4 <u>Commingling of Funds</u>. Funds received by Unit Operator under this agreement need not be segregated or maintained by it as a separate fund, but may be commingled with its own funds.
- 11.5 Lien and Security Interest of Unit Operator and the Working Interest Owners. Each Working Interest Owner grants to Unit Operator a lien upon its Oil and Gas Rights in each Tract and a security interest in its share of Unitized Substances when extracted and its interest in all Unit Equipment to secure payment of its share of Unit Expense, together with interest thereon at the rate of twelve percent (12%) per annum, with the further provision that Unit Operator grants a like lien to Working Interest Owners. To the extent that Unit Operator has a security interest under the Uniform Commercial Code of the State of New Mexico, Unit Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of a judgment by Unit Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Working Interest Owners in the payment of its share of Unit Expense, Unit Operator shall have the right, without prejudice, to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owed by such Working Interest Owners, plus interest, has been paid. Each purchaser shall be entitled to rely upon Unit Operator's written statement concerning the amount of any default. The rights herein granted the Unit Operator shall in like manner apply to the other Working Interest Owners.

In addition to the liens and security interest as provided herein, each Non-Operator to this Agreement, to secure payment of its share of expenses incurred under this Operating Agreement, grants Operator a lien on all of its right, title and interest now owned or hereafter acquired in the contract Area including, but not limited to, the oil and gas leases, mineral estates and other mineral interests subject to this Operating Agreement and any properties now or hereafter pooled or unitized with any of the properties affected by such mineral interests; and all unsevered and unextracted oil, gas and other hydrocarbons that may be produced, obtained or secured from the lands covered and affected by such mineral interests.

In addition to the rights and remedies afforded to Operator pursuant to the terms hereof, or at law or in equity, it is understood and agreed that each defaulting party grants to the Operator a contractual right of offset in and to all money, production, proceeds from the sale of production and property of every kind or character of such defaulting party, now or at any time hereunder coming within Operator's custody or control, wheresoever located whether or not subject to the terms of the Agreement or any other agreement between Operator and defaulting party. Operator, may, at its election, at any time and from time to time, reduce (or eliminate, as the case may be) any debt owing to it by any defaulting party by applying such defaulting party's money, proceeds or property in the custody or control of Operator to the balance owed on such debt and giving such defaulting party appropriate credit therefore. Any such amount so applied shall first be applied to any past due interest, if any, then to any costs, including attorney's fees, incurred by Operator in the collection of the proceeds or property, and then to the underlying debt. It is agreed and understood that Operator's contractual right of offset shall extend to and include all proceeds of production attributable to the defaulting party from any wells in which the defaulting party owns an interest.

In addition to all rights and remedies afforded Operator under this agreement, in the event any debt owing by the defaulting party to Operator shall exceed any money, proceeds of sale of production, or property of such defaulting party as provided in the contractual right of offset as provided above, the Operator may elect to proceed and foreclose the lien of Operator against the interest of any defaulting party in the contract area.

11.6 Unpaid Unit Expense. If any Working Interest Owner fails to pay its share of Unit Expense, whether subject to Advance Billing or usual monthly billing, Unit Operator shall give such Working Interest Owner a second notice requesting payment. If within fifteen (15) days after receipt of the second notice the Working Interest Owner has not paid to Unit Operator its unpaid Unit Expense, such Working Interest Owner shall be deemed in default and shall be deemed to have relinquished to the Unit Operator, and any other Working Interest Owner agreeing to pay its proportionate part of the defaulting owner's Unit Expense, all of its Oil and Gas Rights and Working Interest in and to the Unit. Thereafter such defaulting owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the defaulting Working Interest Owner hereunder and under the Unit Agreement shall cease insofar as they existed by virtue of the interest relinquished. Upon the effective date of relinquishment, the Unit Participations of the Working Interest Owners paying the default shall be revised to reflect the increase in their shares resulting from the default interest. Should there be a legitimate dispute of

a Unit Expense and a Working Interest Owner continues to pay undisputed Unit Expenses no default or relinquishment will occur until a determination has been made under the audit procedures herein and further provided in Exhibit "F". Notwithstanding anything herein to the contrary, all Working Interest Owners shall remain responsible, subject to the Lien and Security provisions of Section 11.5, for payment of their proportionate share of the costs of plugging and abandoning the Unit wells.

- 11.7 Carved-Out Interest. If any Working Interest Owners shall, after executing this agreement, create an overriding royalty, production payment, net proceeds interest, carried interest, or any other interest out of its Working Interest, such carved-out interest shall be subject to the terms and provisions of this agreement, specifically including, but without limitation, Section 11.5 hereof entitled "Lien of Unit Operator." If the Working Interest Owner creating such carved-out interest (a) fails to pay any Unit Expense chargeable to such Working Interest Owner under this agreement, and the production of Unitized Substances accruing to the credit of such Working Interest Owner is insufficient for that purpose, or (b) withdraws from this agreement under the terms and provisions of Article 17 hereof, the carved-out interest shall be chargeable with a pro rata portion of all Unit Expense incurred hereunder, the same as though such carved-out interest were a Working Interest, and Unit Operator shall have the right to enforce against such carved-out interest the lien and all other rights granted in Sections 11.5 and 11.6 for the purpose of collecting the Unit Expense chargeable to the carved-out interest.
- 11.8 Salvage Credit. Credit for Unit Equipment salvaged shall be divided in the same proportion as the Unit participation.
- 11.9 <u>Rentals</u>. The Working Interest Owners in each Tract shall pay all rentals, minimum royalty, advance rentals or delay rentals due under the lease thereon and shall concurrently submit to the Unit Operator evidence of payment.

## ARTICLE 12

## NON-UNITIZED FORMATIONS

12.1 Right to Operate. The Working Interest Owners recognize that there are Existing Operating Agreements covering the Unitized Formation, as to each Spacing Unit as designated by the New Mexico Oil Conservation Division, as well as other formations. This Unit Operating Agreement supercedes the Existing Operating Agreements only as to the Unitized Formation, and such Existing Operating Agreement continues in full force and effect as to any other lands and formations covered thereby. Any Working Interest Owner that now has or hereafter acquires the right to drill for and produce oil, gas, or other minerals, from a formation above or underlying the Unit Area other than the Unitized Formation, shall have the right to do so notwithstanding this Agreement or the Unit Agreement. In exercising the right, however, the Working Interest Owner shall exercise care to prevent unreasonable interference with Unit Operations. No Working Interest Owner shall produce Unitized Substances through any well drilled or operated by it. If any Working Interest Owner drills any well into or through the Unitized Formation, the Unitized Formation shall be protected in a manner satisfactory to Working Interest Owners so that the production of Unitized Substances will not be affected adversely.

### ARTICLE 13

## TITLES

- 13.1 Warranty and Indemnity. Each Working Interest Owner represents and warrants that it is the owner of the respective working interests set forth opposite its name in Exhibit "B" of the Unit Agreement, and agrees to indemnify and hold harmless the other Working Interest Owners from any loss due to failure, in whole or in part, or its title to any such interest, except failure of title arising out of Unit Operations; however, such indemnity and any liability for breach of warranty shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this Agreement is concerned, as of 7:00 a.m. on the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense, or retroactive allocation of Unitized Substances or the proceeds therefrom, as a result of title failure.
- 13.2 Failure Because of Unit Operations. The failure of title of any Working Interest in any Tract because of Unit Operations, including non-production from such Tract, shall not change the Unit Participation of the Working Interest Owner whose title failed in relation to the Unit Participations of the other Working Interest Owners at the time of the title failure.

## ARTICLE 14

## LIABILITY, CLAIMS, AND SUITS

- 14.1 <u>Individual Liability</u>. The duties, obligations, and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing herein shall ever be construed as creating a partnership of any kind, joint venture, association, or trust among Working Interest Owners.
- 14.2 <u>Settlements</u>. Unit Operator may settle any single damage claim or suit involving Unit Operations if the expenditure does not exceed Thirty Thousand Dollars (\$30,000.00) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, Working Interest Owners shall assume and take over the further handling of the claim or suit, unless such authority is delegated to Unit Operator. All costs and expense of handling, settling, or otherwise discharging such claim or suit shall be an item of Unit Expense. If a claim is made against any Working Interest Owner or if any Working Interest Owner is sued on account of any matter arising from Unit Operations over which such Working Interest Owner individually has no control because of the rights given Working Interest Owners and Unit Operator by this Agreement and the Unit Agreement, the Working Interest Owner shall immediately notify Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

### LAWS AND REGULATIONS

- 15.1 Internal Revenue Provision. Notwithstanding any provisions herein that the rights and liabilities of the parties hereunder are several and not joint or collective, or that this Agreement and operations hereunder shall not constitute a partnership, if for Federal income tax purposes this Agreement and the operations hereunder are regarded as a partnership then each of the parties hereto elects to be excluded from the application of all of the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Unit Operator is hereby authorized and directed to execute on behalf of each of the parties hereto such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations. Should there be any requirement that each party hereto further evidence this election, each party hereto agrees to execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. Each party hereto further agrees not to give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the State of New Mexico, or any future income tax of the United States, contain provisions similar to those in Subchapter K, Chapter I, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of the Code is permitted, each of the parties agrees to make such election as may be permitted, or required by such laws. In making this election, each of the parties' states that the income derived by such party from the operations under this Agreement can be adequately determined without the computation of partnership taxable income.
- 15.2 Statutory Unitization. If working Interest Owners owning at least, seventy-five percent (75%) of the Unit Participation have become parties to this Agreement and if Royalty Interest Owners owning at least seventy-five percent (75%) of the Royalty Interest have become parties hereto, the Unit Operator may make application to the New Mexico Oil Conservation Division of the Energy and Minerals Department for statutory unitization of the uncommitted interests.

## ARTICLE 16

## NOTICES

16.1 <u>Notices</u>. All notices required hereunder shall be in writing and shall be deemed to have been properly served when sent by mail, telegram, fax, email, or telephone to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4. Any notice given by telephone shall be promptly followed by written confirmation.

### WITHDRAWAL OF WORKING INTEREST OWNER

17.1 Withdrawal. At the completion of the First Phase Unit Operations Unit Operator shall give notice to each Working Interest Owner. A Working Interest Owner shall then have 30 days from receipt of notice to make a onetime election to withdraw from this Agreement and the Unit by transferring, without warranty of title, either express or implied, to the other Working Interest Owners, effective the first day following completion of the First Phase Unit Operations, all its Oil and Gas Rights, exclusive of Royalty Interests, together with its interest in all Unit Equipment and in all wells used in Unit Operations. The instrument of transfer may be delivered to Unit Operator for the transferees. Such transfer shall not relieve the Working Interest Owner from any obligation or liability incurred prior to the first day of the month following receipt by Unit Operator of the instrument of transfer. The interest transferred shall be owned by the transferees in proportion to their respective Unit Participations then in effect or in other proportions as may be agreed by the transferees. The transferees, in proportion to the respective interests so acquired, shall pay transferor according to the Schedule of Values for Withdrawal from the Unit, Exhibit "E." (The Schedule of Values for Withdrawal from the Unit, Exhibit "E", are calculated taking into consideration the net salvage value of Unit Equipment, the cost of salvaging and of plugging and abandoning wells then being used or held for Unit Operations.) In the event such withdrawing owner's interest in the aforesaid value is negative, the withdrawing owner, as a condition precedent to withdrawal, shall pay the Unit Operator, for the benefit of Working Interest Owners succeeding to its interest, a sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit Operator shall render a final statement to the withdrawing owner for its share of Unit Expense, including any deficiency in value incurred as of the first day of the month following the date of receipt of the transfer. Provided all Unit Expense, including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty (30) days after the rendering of such final statement by the Unit Operator, the transfer shall be effective the first day of the month following its receipt by Unit Operator and, as of such effective date, withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the withdrawing Working Interest Owner hereunder and under the Unit Agreement shall cease insofar as they existed by virtue of the interest transferred. Upon the effective date of transfer, the Unit Participations of the transferees shall be revised to reflect the increase in their shares resulting from the transferred interest. Working Interest Owners electing not to withdraw during the 30 day election period provided shall thereafter participate in Unit Operations and be required to pay their proportionate share of Unit Expense until termination of the Unit, including all costs of plugging and abandoning Unit Wells.

## ARTICLE 18

## ABANDONMENT OF WELLS

18.1 Rights of Former Owners. If Working Interest Owners decide to permanently abandon any well within the Unit Area prior to termination of the

Unit Agreement, Unit Operator shall give written notice thereof to the Working Interest Owners of the Spacing Unit on which the well is located, and they shall have the option for a period of ninety (90) days after the sending of such notice to notify Unit Operator in writing of their election to take over and own the well. Should the Working Interest Owners within the Spacing Unit elect not to take over the well the Unit Operator shall give written notice to the other Working Interest Owners in the Unit, and they shall have the option for a period of ninety (90) days after the sending of such notice to notify Unit Operator in writing of their election to take over and own the well. Within ten, (10) days after the Working Interest Owners have notified Unit Operator of their election to take over the well, they shall pay Unit Operator, for credit to the joint account, the amount determined to be the net salvage value of the casing and equipment in and on the well. The Working Interest Owners, by taking over the well, agree to seal off the Unitized Formation, and upon abandonment to plug the well in compliance with applicable laws and regulations.

18.2 <u>Plugging</u>. If no Working Interest Owners elect to take over a well located within the Unit Area that is proposed for abandonment, Unit Operator shall plug and abandon the well in compliance with applicable laws and regulations.

### ARTICLE 19

### EFFECTIVE DATE AND TERM

- 19.1 Effective Date. This Agreement shall become effective when the Unit Agreement becomes effective.
- 19.2 Term. This Agreement shall continue in effect so long as the Unit Agreement remains in effect, and thereafter until (a) all Unit wells have been plugged and abandoned or turned over to Working Interest Owners in accordance with Article 20; (b) all Unit Equipment and real property acquired for the joint account have been disposed of by Unit Operator in accordance with instructions of Working Interest Owners; and (c) there has been a final accounting.

#### ARTICLE 20

## ABANDONMENT OF OPERATIONS

- 20.1 <u>Termination</u>. Upon termination of the Unit Agreement, the following will occur:
  - 20.1.1 Oil and Gas Rights. Oil and Gas Rights in and to each separate Tract shall no longer be affected by this Agreement, and thereafter the parties shall be governed by the terms and provisions of the leases, contracts and other instruments, including Existing Operating Agreements, affecting the separate Tracts and Spacing Units.
  - 20.1.2. Right to Operate. Working Interest Owners of any Spacing Unit that desire to take over and continue to operate wells

located thereon may do so by paying Unit Operator, for credit to the joint account, the net salvage values, as determined by Working Interest Owners, of the casing and equipment in and on the wells taken over and by agreeing upon abandonment to plug each well in compliance with applicable laws and regulations.

- 20.1.3 <u>Salvaging Wells</u>. Unit Operator shall salvage as much of the casing and equipment in or on wells not taken over by Working Interest Owners of separate Tracts as can economically and reasonable be salvaged, and shall cause the wells to be plugged and abandoned in compliance with applicable laws and regulations.
- 20.1.4 Cost of Abandonment. The cost of abandonment of Unit Operations shall be Unit Expense.
- 20.1.5 <u>Distribution of Assets</u>. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their Unit Participations.

#### ARTICLE 21

## LAWS, REGULATIONS AND CERTIFICATE OF COMPLIANCE

- 21.1 Laws and Regulations This Agreement and operations hereunder are subject to all valid rules, regulations and orders of all regulatory bodies having jurisdiction and to all other applicable federal, state and local laws, ordinances, rules, regulations and orders; and any provision of this agreement found to be contrary to or inconsistent with any such law, ordinance, rule, regulation or order shall be deemed modified accordingly. This Agreement and all matters pertaining hereto, including, but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the law of the state of New Mexico.
- 21.2 <u>Certificate of Compliance</u>. In the performance of work under this agreement, the parties agree to comply with, and Unit Operator shall require each independent contractor to comply with, the Federal contract provisions of Exhibit "H."

## ARTICLE 22

## EXECUTION

22.1 Original, Counterpart, or other Instruments. An owner of a Working Interest may become a party to this Agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to become a party hereto. The signing of any such instrument shall have the same effect as if all parties had signed the same instrument.

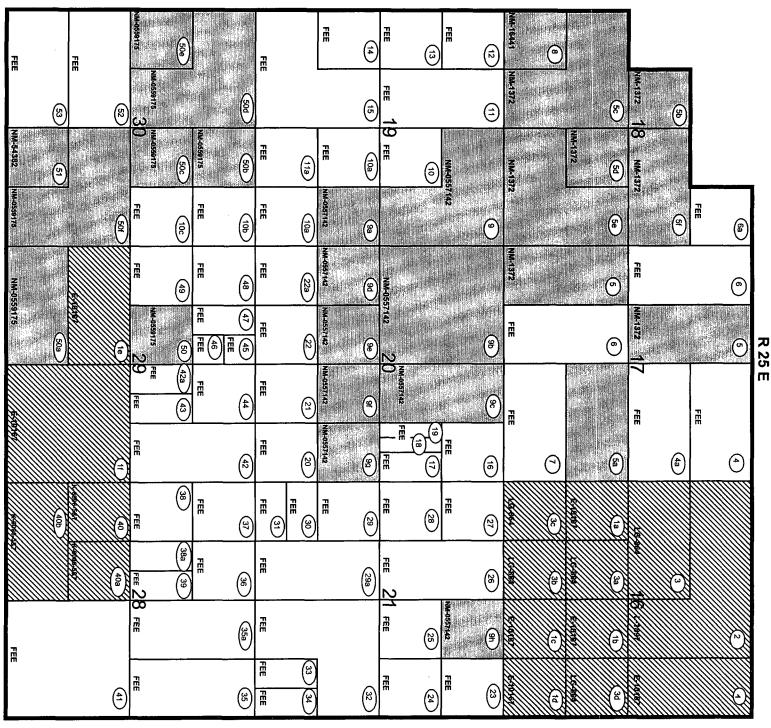
## SUCCESSORS AND ASSIGNS

23.1 <u>Successors and Assigns</u>. This Agreement shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representative, successors, and assigns, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

Should any interest committed hereto be or become owned by three (3) or more parties, then all of such parties shall be obligated to appoint a single agent to represent such interest for the purpose of accepting billings and receiving payments, if any, arising hereunder, or under the Unit Agreement, and for vote upon any matter which is the subject of determination of by the Working Interest Owners.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates opposite their respective signatures.

YATES	S PETROLEU	л с	DRPORATIO	N	
Unit	Operator	and	Working	Interest	Owner
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By					
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**EDDY COUNTY, NEW MEXICO** 

Federal Land

State Land

Fee Land

Scale: 2.5 inches = 1 mile

All Leases are Held by Production

Susan Vierra 10/23/03

YATES PETROLEUM CORPORATION

EXHIBIT "A"

**NORTH DAGGER DRAW** 

**UPPER PENN UNIT** 

Recommended by the Council of Petroleum Accountants, Societies of North America



## **EXHIBIT** "F" Accounting Procedure

# ACCOUNTING PROCEDURE JOINT OPERATIONS

#### I. GENERAL PROVISIONS

#### 1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America.

#### 2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits, summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

### 3. Advances and Payments by Non-Operators

Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the rate of twelve percent (12%) per annum or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

#### 4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

#### 5. Audits

A. Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator.

#### 6. Approval by Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

#### II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

#### 1. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

#### 2. Labor

- A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.
  - (2) Salaries of First Level Supervisors in the field.
  - (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the Overhead rates.
- B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II. Such costs under this Paragraph 2B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 2A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II.
- D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II.

## 3. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's actual cost not to exceed twenty per cent (20%).

#### 4 Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

#### 5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like material is normally available, unless agreed to by the Parties.
- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of Subparagraphs A and B above, there shall be no equalization of actual gross trucking cost of \$200 or less excluding accessorial charges.

#### 6. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 9 of Section II and Paragraph 1. ii of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the Overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

## 7. Equipment and Facilities Furnished by Operator

- A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on investment not to exceed eight per cent (8%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.
- B.. In lieu of charges in Paragraph 7A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 26%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

## 8. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

#### 9. Legal Expense

- A. Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.
- B. Expenses incurred by Operator in representing the Joint Property at hearings or proceedings before state or federal regulatory or administrative agencies.

### 10. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties.

#### 11. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Workmen's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

#### 12. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

#### III. OVERHEAD

#### 1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:
  - (XX ) Fixed Rate Basis, Paragraph 1A, or
  - ( ) Percentage Basis, Paragraph 1B.

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 2A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property shall ( ) shall not (XX) be covered by the Overhead rates.
- A. Overhead Fixed Rate Basis
  - (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling	Well	Rate	\$	5400.00	 
Producin	g We	ll Ra	te \$	540.00	

- (2) Application of Overhead Fixed Rate Basis shall be as follows:
  - (a) Drilling Well Rate
    - [1] Charges for onshore drilling wells shall begin on the date the well is spudded and terminate on the date the drilling or completion rig is released, whichever is later, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days.
    - [2] Charges for offshore drilling wells shall begin on the date when drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location or rig is released, whichever occurs first, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days
    - [3] Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig, commence through date of rig release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive days.
  - (b) Producing Well Rates
    - [1] An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
    - [2] Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
    - [3] An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
    - [4] A one-well charge may be made for the month in which plugging and abandonment operations are completed on any well.
    - [5] All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Fields Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

#### B. Overhead - Percentage Basis

- (1) Operator shall charge the Joint Account at the following rates:
  - (a) Development

Percent (%) of the cost of Development of the Joint Property exclusive of costs provided under Paragraph 9 of Section II and all salvage credits.

(b) Operating

Percent (%) of the cost of Operating the Joint Property exclusive of costs provided under Paragraphs 1 and 9 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, redrilling, deepening or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as Operating.

#### 2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for Overhead based on the following rates for any Major Construction project in excess of \$25,000.00 ::

- A. 5 % of total costs if such costs are more than \$25,000.00 but less than \$100,000.00; plus
- B. 3 % of total costs in excess of \$ 100,000.00 but less than \$1,000,000; plus
- C.  $\frac{2}{\sqrt{2}}$  % of total costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells shall be excluded.

#### 3. Amendment of Rates

The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

## IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

#### 1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reason, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

## 2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following bases exclusive of cash discounts:

#### A. New Material (Condition A)

(1) Tubular goods, except line pipe, shall be priced at the current new price in effect on date of movement on a maximum carload or barge load weight basis, regardless of quantity transferred, equalized to the lowest published price f.o.b. railway receiving point or recognized barge terminal nearest the Joint Property where such Material is normally available.

### (2) Line Pipe

- (a) Movement of less than 30,000 pounds shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property where such Material is normally available.
- (b) Movement of 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph 2A (1) of this Section IV.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store or f.o.b. railway receiving point nearest the Joint Property where such Material is normally available.

#### B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

- (1) Material moved to the Joint Property
  - (a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV.
- (2) Material moved from the Joint Property
  - (a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as new Material, or



(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as good used Material at seventy-five percent (75%) of current new price.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

## C. Other Used Material (Condition C and D)

#### (1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph 2A of this Section IV. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

#### (2) Condition D

All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose, shall be priced on a basis comparable with that of items normally used for such other purpose. Operator may dispose of Condition D Material under procedures normally utilized by the Operator without prior approval of Non-Operators.

#### D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

#### E. Pricing Conditions

- (1) Loading and unloading costs may be charged to the Joint Account at the rate of fifteen cents (15¢) per hundred weight on all tubular goods movements, in lieu of loading and unloading costs sustained, when actual hauling cost of such tubular goods are equalized under provisions of Paragraph 5 of Section II.
- (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

#### 3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

## 4. Warranty of Material Furnished by Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

## v. inventories

The Operator shall maintain detailed records of Controllable Material.

#### 1. Periodic Inventories, Notice and Representation

At reasonable intervals, Inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

#### 2. Reconciliation and Adjustment of Inventories

Reconciliation of a physical inventory with the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Non-Operators within six months following the taking of the inventory. Inventory adjustments shall be made by Operator with the Joint Account for overages and shortages, but Operator shall be held accountable only for shortages due to lack of reasonable diligence.

#### 3. Special Inventories

Special Inventories may be taken whenever there is any sale or change of interest in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory.

#### 4. Expense of Conducting Periodic Inventories

The expense of conducting periodic Inventories shall not be charged to the Joint Account unless agreed to by the Parties.

# EXHIBIT "G" Insurance Provisions

## ADDITIONAL INSURANCE PROVISIONS

Operator, during the term of this agreement, shall carry insurance for the benefit and at the expense of the parties hereto, as follows:

- (A) Workman's Compensation Insurance as contemplated by the state in which operations will be conducted, and Employer's Liability Insurance with limits of not less than \$1,000,000.00 per employee.
- (B) Public Liability Insurance:

  Bodily Injury and Property Damage \$1,000,000.00 single limit each occurrence.
- (C) Automobile Public Liability Insurance:

  Bodily Injury \$500,000.00 each person.

  \$1,000,000.00 each occurrence.
  - Property Damage \$500,000.00 each accident.

(or)

Bodily Injury and Property Damage - \$1,000,000.00 combined single limit.

(D) Control of Well and Extra Expense - \$10,000,000.00 - Limit of Liability

Except as authorized by this Exhibit "D", Operator shall not make any charge to the joint account for insurance premiums. Losses not covered by Operator's insurance (or by insurance required by this agreement to be carried for the benefit and at the expense of the parties hereto) shall be charged to the joint account.

## EXHIBIT "H" EQUAL EMPLOYMENT OPPORTUNITY PROVISION

During the performance of this contract, the Operator agrees as follows:

- The Operator will not discriminate against any employee or applicant for employment because of race, color, religion, national origin or sex. The Operator will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post in conspicuous places, available to employees and applicants for employment notices to be provided for the contractcing officer setting forth the provisions of this non-discrimination clause.
- (2) The Operator will, in all solicitations or advertisements for employees placed by or on behalf of the Operator, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin or sex.
- (3) The Operator will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Operator's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The Operator will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The Operator will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the Operator's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Operator may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Operator will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Operator will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event the Operator becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Operator may request the United States to enter into such litigation to protect the interests of the United States.

Operator acknowledges that it may be required to file Standard Form 100 (EEO-I) promulgated jointly by the Office of Federal Contract Compliance, the Equal Employment Opportunity Commission and Plans for Progress with Joint Reporting Committee, Federal Depot, Jeffersonville, Indiana, within thirty (30) days of the date of contract award if such report has not been filed for the current year and otherwise comply with or file such other compliance reports as may be required under Executive Order 11246, as amended and Rules and Regulations adopted thereunder.

Operator further acknowledges that he may be required to develop a written affirmative action compliance program as required by the Rules and Regulations approved by the Secretary of Labor under authority of Executive Order 11246 and supply Non-Operators with a copy of such program if they so request.

#### CERTIFICATION OF NON-SEGREGATED FACILITIES

Operator assures Non-Operators that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. For this purpose, it is understood that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, religion, or national origin, because of habit; local custom or otherwise. It is further understood and agreed that maintaining or providing segregated facilities for its employees or permitting its employees to perform their services at any location under its control where segregated facilities are maintained is a violation of the equal opportunity clause required by Executive Order 1246 of September 24, 1965.

Operator further understands and agrees that a breach of the assurance herein contained subjects it to the provisions of the Order at 41 CFR Chapter 60 of the Secretary of Labor dated May 21, 1968, and the provisions of the equal opportunity clause enumerated in contracts between the United States of America and Non-Operators.

Whoever knowingly and willfully makes any false, fictitious or fraudulent representation may be liable to criminal prosecution under 18 U. S. C. - 1001.