



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

IN REPLY REFER TO:
NMNM-112728X
3160 (513)

Gentlemen:

Pursuant to our conversation on February 16, 2005, the unitized interval for the Leanin L unit is defined as all formations from the Base of the Chester Lime member of the Mississippian to the top of the Queen Formation. The obligation well will test to the base of the Strawn Formation or to a depth of 10,300 ft whichever is the lesser. The unit area includes all of sections 8, 9, 10 and 17, T. 15 S., R. 29 E., NMPM and contains 2560.00 acres.

If you have any questions please call John S. Simtz at (505) 627-0288 or the division of lands and Minerals at (505) 627-0272.

Sincerely,

/s/ John S. Simtz

Geologist, RFO,
Lands and Minerals

HOLLAND & HART**Wednesday, September 15, 2004****To: Gail MacQuesten
Oil Conservation Division****Fax : 476-3462
Phone:****From: Ocean Munds-Dry****Fax : (505) 983-6043
Phone: (505) 988-4421****Message:**

Please see attached letters from Yates Petroleum Corporation regarding the Leanin L Federal Exploratory Unit, OCD Case No. 13397. Please call if you have any questions.

No Confirmation Copy**Number of pages including cover sheet: 4**

Note: If this fax is illegible or incomplete please call us. This fax may contain confidential information protected by the attorney-client privilege. If you are not the named recipient, you may not use, distribute or otherwise disclose this information without our consent. Instead, please call (505) 988-4421; we will arrange for its destruction or return.

Attorney Number:	5101	Client/Matter:	44519.0122	Time Deadline:	
Operator Initials:		Date Transmitted:		Time Transmitted:	

Holland & Hart LLP Attorneys at Law**Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com****Jefferson Place 110 North Gundalupue Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, New Mexico 87504-2208****Aspen Billings Balm Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.**

FEB-16-2005 WED 10:40 AM YATES PETROLEUM LAND

FAX NO. 5057484572

P. 01



105 South Fourth Street
Artesia, NM 88210
605-748-1471
FAX 505-748-4572

February 16, 2005

Attention: Ocean M. Dry
Holland & Hart LLP
PO Box 2208
Santa Fe, New Mexico 87501

VIA FACSIMILE
505-983-6043

RE: Leanin L Federal Exploratory Unit
Chaves County, New Mexico

Dear Ocean:

Yates Petroleum Corporation and Nadel & Guesman Permian, LLC are still in negotiations for purchase/sale of the lease within the captioned unit.

This trade may not be consummated prior to the first lease expiration of February 28, 2005, however we do anticipate a deal will be made for Yates to purchase this lease.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Robert Bullock", is written over the typed name.

Robert Bullock
Lendman

RB:bn
Attachment(s)

FEB-18-2005 WED 10:40 AM YATES PETROLEUM LAND

FAX NO. 5057484572

P. 02

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

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

January 14, 2005

Attn: Sam H. Jolliffe
Nadel and Gussman Permian, LLC
601 N. Marienfeld, Suite 508
Midland, TX 79701

Certified Mail

Return Receipt Requested

Re: Leanin L Federal Exploratory Unit
Chaves County, New Mexico

Gentlemen:

Please find enclosed our AFE, Unit Agreement and Operating Agreement for the drilling of the initial well.

Your interest in this well is 80 ac/2480 ac or 3.2258%. If you wish to participate in this unit please sign and return the AFE and extra signature page to Unit Agreement and Operating Agreement.

Yates will make application before the NMOCD on January 20, 2005 for unit approval. The #1 unit well must be spud on or before February 28, 2005.

Call me at 505-748-4351 if you have questions.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

U.S. Postal Service[®]
CERTIFIED MAIL[®] RECEIPT
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Date
1-14-05

Leann L. Fed Exp Unit #1

Sent To **Attn: Sam H. Jolliffe**
 Street, Apt. No.,
 or PO Box No. **601 N. Marienfeld, Suite 508**
 City, State, ZIP+4[®] **Midland, TX 79701**

PS Form 3800, June 2004 See Reverse for Instructions

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- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ATTN: SAM H. JOLLIFFE
NADEL & GUSSMAN PERMIAN, LLC
601 N. MARIENFELD, SUITE 508
MIDLAND, TX 79701

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

Emmanuel J. Jolliffe

C. Date of Delivery

1-14-05

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3. Article Number

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Leann L. FEDERAL EXPLORATORY UNIT #1

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-44-1540

TRANSACTION REPORT

P. 01

FEB-16-2005 WED 12:09 PM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-16	12:09 PM	505 9836043	32"	4	RECEIVE	OK		