



13535

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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BOX 1148
SANTA FE, NEW MEXICO 87504-1148
2005 SEP 2 10 12 10

COMMISSIONER'S OFFICE

Phone (505) 827-5760

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www.nmstatelands.org

August 30, 2005

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

Attn: Mr. Robert Bullock

Re: Final Approval
Ike State Exploratory Unit
Lea County, New Mexico

Dear Mr. Bullock:

Thank you for your letter of August 29, 2005 requesting final approval of the Ike State Exploratory Unit Agreement, Lea County, New Mexico.

It is our understanding that all tracts are committed to the unit agreement.

The Commissioner of Public Lands has this date granted final approval to the Ike State Exploratory Unit Agreement effective August 30, 2005.

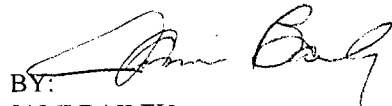
Enclosed are five (5) Certificates of Approval.

Your \$180.00 filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY
Oil, Gas & Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
~~OCD-Santa Fe, Attn: Mr. Roy Johnson~~
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira
Mr. William F. Carr

-State Land Office Beneficiaries -

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

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

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 08/30/2005		3016.04	3016.04	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--08-30-2005
OCD--08-25-2005 CASE NO. 13535
ORDER NO. R-12408

TOWNSHIP 12 SOUTH, RANGE 34E

SECTION 25: E/2, SW/4
SECTION 36: ALL

TOWNSHIP 12 SOUTH, RANGE 35E

SECTION 29: S/2
SECTION 30: LOTS 1, 2, 3, 4, E/2W/2, E/2
SECTION 31: LOTS 1, 2, 3, 4, E/2W/2
SECTION 32: ALL

[illegible]

EXHIBIT B

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1.	T12S, R34E Sec 25: NE4, S2 Lea County, NM	480.00	VO-5950 9/1/2005	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Murchison Oil & Gas, Inc. 7-16-55 Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 46.67% 33.33% 6.67% 6.67% 6.66%
2.	T12S, R34E Sec 36: N2 Lea County, NM	320.00	VO-5991 10/1/2005	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Murchison Oil & Gas, Inc. 7-16-55 Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 46.67% 33.33% 6.67% 6.67% 6.66%
3.	T12S, R34E Sec 36: S2 Lea County, NM	320.00	VO-5972 10/1/2005	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Murchison Oil & Gas, Inc. 7-16-55 Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 46.67% 33.33% 6.67% 6.67% 6.66%
4.	T12S, R35E Sec 29: S2 Lea County, NM	320.00	VO-6167 4/1/2006	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 70.00% 10.00% 10.00% 10.00%
5.	T12S, R35E Sec 30: Lots 1,2, NE4, E2NW4 Lea County, NM	313.79	VO-6168 4/1/2006	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 70.00% 10.00% 10.00% 10.00%
6.	T12S, R35E Sec 30: Lots 3,4, E2SW4, SE4 Lea County, NM	313.93	VO-6189 4/1/2006	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 70.00% 10.00% 10.00% 10.00%
7.	T12S, R35E Sec 31: Lots 1,2,3,4, E2W2 Lea County, NM	308.32	VO-6169 4/1/2006	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 70.00% 10.00% 10.00% 10.00%
8.	T12S, R35E Sec 32: N2 Lea County, NM	320.00	VO-6190 4/1/2006	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 70.00% 10.00% 10.00% 10.00%
9.	T12S, R35E Sec 32: S2 Lea County, NM	320.00	VO-6170 4/1/2006	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company 7-16-55 Abo Petroleum Corporation 7-16-55 Sharbro Oil Ltd. Co. 7-16-55 70.00% 10.00% 10.00% 10.00%
Total Acres 3016.04							
Total State Lands 3016.04 (100%)							