

RECEIVED

DEC 14 2004

UNIT NAME: EAST SAND SPRINGS UNIT
OPERATOR: YATES PEROLEUM CORPORATION
COUNTY: LEA

OIL CONSTRUCTION
DIVISION

DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE			FEE	CLAUSE	

EFFECTIVE	CASE NO. 12282	4053.92	4053.92	0	0	STRICT	5 YEARS
12/09/1999	ORDER NO. R-11285						SO LONG AS

APPROVALS

SLO--12-09-99
OCD--11-18-99

TOWNSHIP 10 SOUTH, RANGE 34 EAST

TOWNSHIP 11 SOUTH, RANGE 35 EAST

SECTION 34:	N/2	SECTION 5:	Lots 1, 2, 3, 4, S/2
SECTION 35:	N/2, SE/4	SECTION 6:	LOTS 1, 2, 3, 4, 5, 6, E/2SW/4, SE/4SE/4, W/2SE/4
		SECTION 7:	LOTS 1, 2, 3, 4, E/2, E/2W/2
TOWNSHIP 11 SOUTH, RANGE 34 EAST		SECTION 18:	LOTS 1, 2, 3, 4, E/2, E/2W/2

SECTION 13: ALL
SECTION 24: ALL

TERMINATED
EFFECTIVE DATE 12-7-04
APPROVAL DATE 12-7-04

EXHIBIT "A"

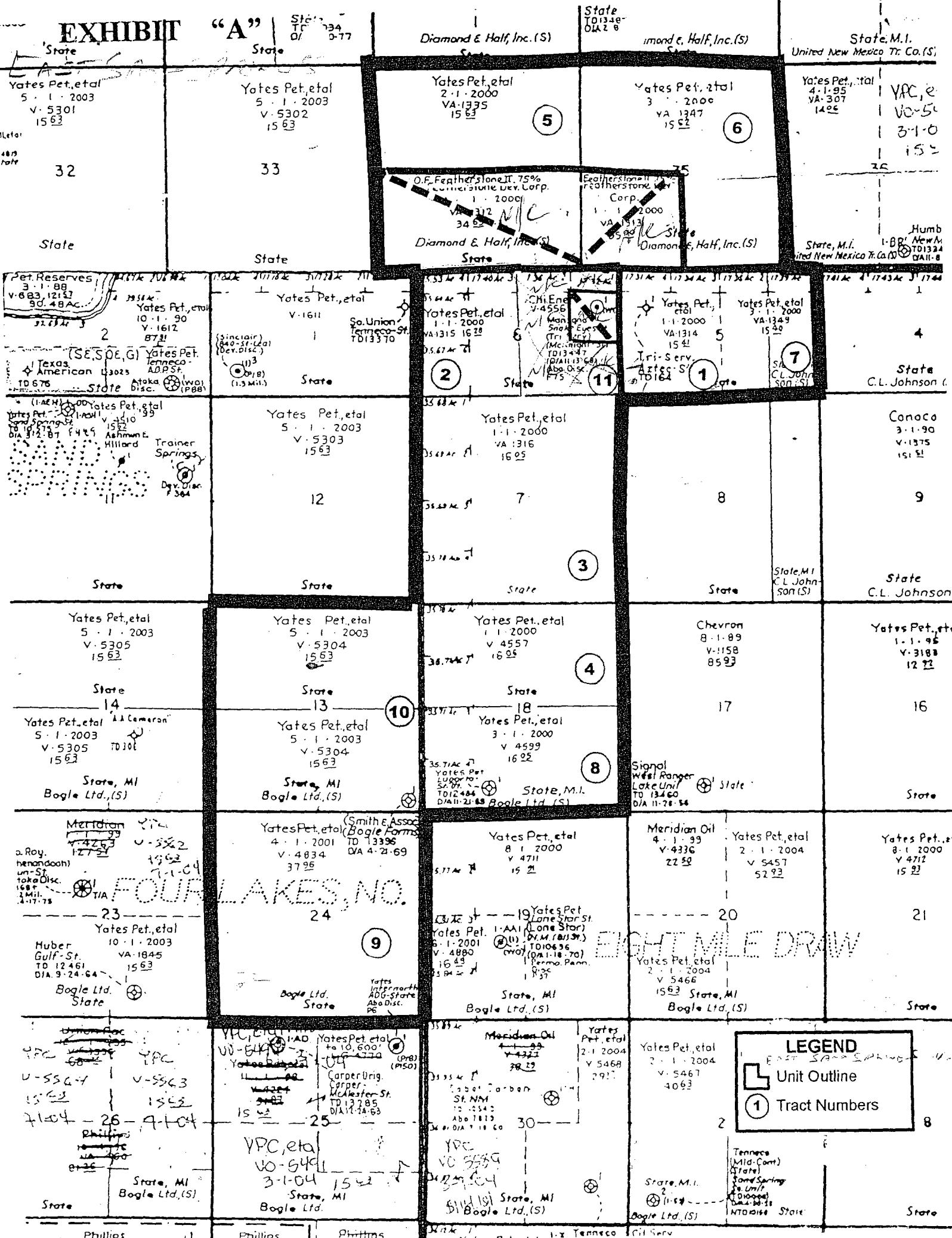


EXHIBIT "B"

East Sand Springs State Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE		BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY		WORKING INTEREST
1	T11S-R35E Section 5: Lots 3, 4, SW/4	194.65	CS VA-1314 - 0 1/1/2000		State of New Mexico 12.50%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation 12/6/44 Yates Drilling Company 12/6/44 Abo Petroleum Corporation 12/6/44 Myco Industries, Inc. 12/6/44
2	T11S-R35E Section 6: Lots 3, 4, 5, 6, E/2SW/4	184.24	CS VA-1315 - 0 1/1/2000		State of New Mexico 12.50%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
3	T11S-R35E Section 7: Lots 1, 2, 3, 4, E/2, E/2W/2 (All)	622.76	CS VA-1316 - 0 1/1/2000		State of New Mexico 12.50%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
4	T11S-R35E Section 18: Lots 1, 2, NE/4, E/2NW/4	311.41	CS VO-4557 - 0 1/1/2000	TWR	State of New Mexico 16.67%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
5	T10S-R34E Section 34: N/2	320.00	CS VA-1335 - 0 2/1/2000	TWR	State of New Mexico 12.50%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
6	T10S-R34E Section 35: N/2, SE/4	480.00	CS VA-1347 - 0 3/1/2000	TWR	State of New Mexico 12.50%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
7	T11S-R35E Section 5: Lots 1, 2, SE/4	194.75	CS VA-1349 - 0 3/1/2000		State of New Mexico 12.50%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
8	T11S-R35E Section 18: Lots 3, 4, E/2SW/4, SE/4	311.43	CS VO-4599 - 0 3/1/2000		State of New Mexico 16.67%	Yates Petroleum Corporation 12/6/44	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.

EXHIBIT "B"

East Sand Springs State Unit
Lea County, New Mexico

9	T11S-R34E Section 24: All	640.00	V-4834 4/1/2001	CS	-0	State of New Mexico 16.67%	Yates Petroleum Corporation	None	Yates Petroleum Corporation 12/16/44 Yates Drilling Company 12/16/44 Abo Petroleum Corporation 12/16/44 Myco Industries, Inc. 12/16/44	70% 10% 10% 10%
10	T11S-R34E Section 13: All	640.00	VO-5304 5/1/2003	CS	-0	State of New Mexico 16.67%	Yates Petroleum Corporation	None	Yates Petroleum Corporation 12/16/44 Yates Drilling Company 12/16/44 Abo Petroleum Corporation 12/16/44 Myco Industries, Inc. 12/16/44	70% 10% 10% 10%
11	T11S-R35E Section 6: Lots 1, 2, SE/4SE/4, W/2SE/4	154.68 194.68	V-4556 HBP	CS	N-0	State of New Mexico 16.67%	Manzano Oil Corporation	None	Manzano Oil Corporation 12/16/44	70% 10% 10% 10%
TOTAL STATE LANDS		4,053.92								

3899.04