



13233

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

RECEIVED

May 18, 2004

MAY 21 2004

OIL CONSERVATION
DIVISION

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

Attn: Mr. Robert Bullock

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

Dear Mr. Bullock:

This office is in receipt of your letter of May 14, 2004, requesting final approval of the Statler State Exploratory Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Statler State Exploratory Unit Agreement. The effective date of your agreement is May 18, 2004.

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

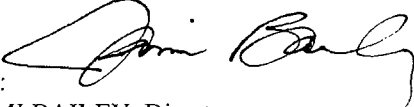
Enclosed are (5) Certificates of Approval.

Your \$210.00 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, Director
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

RECEIVED

MAY 21 2004

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

OIL CONSERVATION
DIVISION

DATE	OCC CASE NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.						
EFFECTIVE		(Committed Acreage)					
05/18/2004		3839.60	3839.60	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO-05-18-2004

OCD-05-10-2004 CASE NO. 13233

ORDER NO. R-12140

TOWNSHIP 11 SOUTH, RANGE 35 EAST

SECTION 33: S/2

SECTION 34: ALL

SECTION 35: W/2

TOWNSHIP 12 SOUTH, 35 EAST

SECTION 3: Lots 1, 2, 3, 4, S/2N/2, S/2

SECTION 4: Lots 1, 2, 3, 4, S/2N/2, S/2

SECTION 9: ALL

SECTION 10: ALL

EXHIBIT A

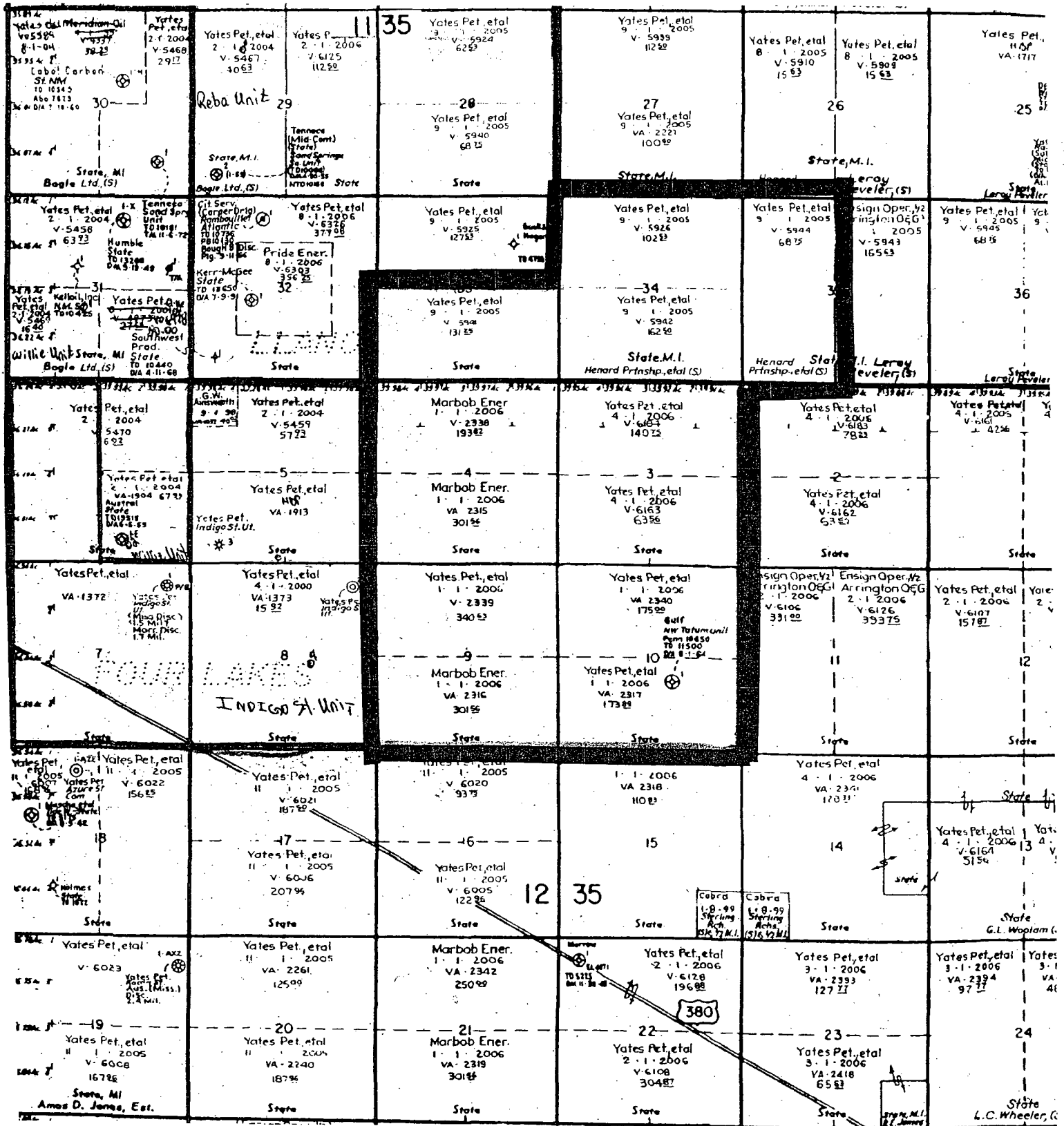


EXHIBIT "B"
STATLER STATE EXPLORATORY UNIT
LEA COUNTY, NEW MEXICO

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR & ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1.	T11S, R35E Sec. 33, S2 Lea County, NM	320.00	VO-5941 9/1/05	State of New Mexico 1/8	Yates Petroleum Corporation 2-26-04	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abco Petroleum Corporation Myco Industries, Inc. 2-26-04 12.57845% 22.01305% 45.78595% 6.54085% 6.54085% 6.54085%
2.	T11S, R35E Sec. 34, N2 Lea County, NM	320.00	VO-5926 9/1/05	State of New Mexico 1/8	Yates Petroleum Corporation 2-26-04	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abco Petroleum Corporation Myco Industries, Inc. 2-26-04 12.57845% 22.01305% 45.78595% 6.54085% 6.54085% 6.54085%
3.	T11S, R35E Sec. 34, S2 Lea County, NM	320.00	VO-5942 9/1/05	State of New Mexico 1/8	Yates Petroleum Corporation 2-26-04	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abco Petroleum Corporation Myco Industries, Inc. 2-26-04 12.57845% 22.01305% 45.78595% 6.54085% 6.54085% 6.54085%
4.	T11S, R35E Sec. 35, W2 Lea County, NM	320.00	VO-5944 9/1/05	State of New Mexico 1/8	Yates Petroleum Corporation 2-26-04	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abco Petroleum Corporation Myco Industries, Inc. 2-26-04 12.57845% 22.01305% 45.78595% 6.54085% 6.54085% 6.54085%
5.	T12S, R35E Sec. 4, Lots 1, 2, 3, 4, S2N2 (N2) Lea County, NM	319.88	VA-2336 12/1/05	State of New Mexico 1/8	Marbob Energy Corporation 3-4-04	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abco Petroleum Corporation Myco Industries, Inc. 3-4-04 12.57845% 22.01305% 45.78595% 6.54085% 6.54085% 6.54085%
6.	T12S, R35E Sec. 4, S2 Lea County, NM	320.00	VA-2315 12/1/05	State of New Mexico 1/8	Marbob Energy Corporation 3-4-04	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abco Petroleum Corporation Myco Industries, Inc. 3-4-04 12.57845% 22.01305% 45.78595% 6.54085% 6.54085% 6.54085%

EXHIBIT "B"
STATLER STATE EXPLORATORY UNIT
LEA COUNTY, NEW MEXICO

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR & ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
7.	T12S, R35E Sec. 3: Lots 1, 2, 3, 4, S2N2 (N2) Lea County, NM	319.72	VO-6184 4/1/06	State of New Mexico 1/8	Yates Petroleum Corporation	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abdo Petroleum Corporation Myco Industries, Inc.
8.	T12S, R35E Sec. 3: S2 Lea County, NM	320.00	VO-6163 4/1/06	State of New Mexico 1/8	Yates Petroleum Corporation	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abdo Petroleum Corporation Myco Industries, Inc.
9.	T12S, R35E Sec. 9: N2 Lea County, NM	320.00	VA-2339 12/1/05	State of New Mexico 1/8	Yates Petroleum Corporation	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abdo Petroleum Corporation Myco Industries, Inc.
10.	T12S, R35E Sec. 9: S2 Lea County, NM	320.00	VA-2316 12/1/05	State of New Mexico 1/8	Marbob Energy Corporation Pitch Energy Corporation	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abdo Petroleum Corporation Myco Industries, Inc.
11.	T12S, R35E Sec. 10: N2 Lea County, NM	320.00	VA-2340 12/1/05	State of New Mexico 1/8	Yates Petroleum Corporation	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abdo Petroleum Corporation Myco Industries, Inc.
12.	T12S, R35E Sec. 10: S2 Lea County, NM	320.00	VA-2317 12/1/05	State of New Mexico 1/8	Yates Petroleum Corporation	None	Marbob Energy Corporation Pitch Energy Corporation Yates Petroleum Corporation Yates Drilling Company Abdo Petroleum Corporation Myco Industries, Inc.
TOTAL ACRES		3839.60					
STATE LANDS		100%					