



12761

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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2006 NOV 21 PM 1 54

COMMISSIONER'S OFFICE

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www.nmstatelands.org

November 20, 2006

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

Attention: Mr. Robert Bullock

Re: Voluntary Termination
Mocha State Unit
Lea County, New Mexico

Dear Mr. Bullock:

Your letter of November 15, 2006 has been received by this office. Your letter requests the voluntary termination of the Mocha State Unit Agreement. Enclosed with your letter of November 15, 2006 are ratifications of over 75% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Mocha State Unit Agreement, please be advised that this office has terminated the Mocha State Unit Agreement effective November 20, 2006.

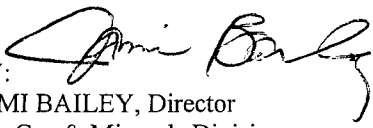
Please notify all interested parties of this action.

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
PL/JB/pm

pc: Reader File, Commissioner's File
NMOCD Attention: Mr. David Catanach
TRD-Attention: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira

-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: MOCHA STATE UNIT
 OPERATOR: YATES PETROLEUM CORPORATION
 COUNTY: LEA

DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE			FEE	CLAUSE	
EFFECTIVE 11/30/2001	CASE NO. 12761 ORDER NO. R-11697	2877.88	2877.88	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--11-30-2001
 OCD--11-28-2001

TOWNSHIP 12 SOUTH, RANGE 34 EAST

SECTION 33: ALL
 SECTION 34: ALL
 SECTION 35: ALL

TOWNSHIP 13 SOUTH, RANGE 34E

SECTION 2: ALL
 SECTION 11: N/2

TERMINATED
 EFFECTIVE DATE 11-20-06
 APPROVAL DATE 11-20-06

State L.M.E.B.R. Medlin(S)	20 Cimarron Expl., et al H B P LG-9424	21 Concho O&G 9-1-2005 V 5928 15022	22 Yates Pet., et al 9-1-2005 V-5923 7232	23 Ranger Lake Unit Tex. Pac. 14 Permian Res E-1027 Phillips E. (E. 11 Mil.) Ranger Lk. Ut. Ranger Lake Unit State, M.I. Amos D. Jones, Est.	24 Phillips Tex. Pac. E-1233 Merit
State Yates Pet., et al 9-1-2005 V-5947 M. Baxter Lower St TD10715 DA11-26-82	29 Harper Oil LG-5419 TD 1300 DA 4-16-86	28 Midwest St. Thayer Yates Pet., et al 6-1-2002 VA-1607 4297 Midwest Thayer TD 13100 DA 5-21-89	27 Concho O&G VA-1606 (Tidewater) Concho O&G 6-1-2002 VA-1606 6222 Tidewater State TD12335 A.D. Jones, Est.	26 Phillips E-906 Permian Res to 10370 C.W. "Ranger Lake Unit" Trainer Phillips St. TD12855 A.D. Jones, Est.	25 Yates Pet. V-595
State C.B. Reed (Sheila) Hobbs TD10387 (DA 4-14-87)	32 Excelsior Ener. 10-1-2005 V-5971 0023	33 Yates Pet., et al 12-1-2001 VA-1528 3193	34 Yates Pet., et al 12-1-2001 VA-1530 1563	35 Yates Pet., et al 10-1-2005 V-5920 1583	36 Yates Pet. 10-1-2005 V-597 4732
State Yates Pet., et al 10-1-2005 V-5920 1583	5 Yates Pet., et al 1-1-2001 VA-1438 5323	4 Yates Pet., et al 8-6-2006 1-24-2006 5-7-2006 R.G. Barton, Jr. 28-2006 Lars Hilburn, et al, M.I. Virginia L. Frier, et al	3 Pride Ener. 8-1-2006 VA-2501 1-450-24	2 Yates Pet., et al 6-1-2002 V-5093 4397	1 Yates Pet. 1-1-2006 VA-2500 52182
State Yates Pet., et al 1-1-2001 VA-1446 1563	8 Yates Pet., et al 7-23-2006 6-5-2006 5-4-2006 SW/4 N.M. Min. Inv. Co., M.I. Murphy Skains, (S)	9 Yates Pet., et al 3-20-2004 4-20-2006 Chas. L. Ringwald, et al, M.I. J.R. McCrory (S)	10 Yates Pet., et al 2-20-2006 2-16-2006 J.I. Collum, M.I. J.R. McCrory (S)	11 Yates Pet., et al 12-1-2002 V-5209 2196	12 Pride Ener. 8-1-2006 VA-2502 37522
State Yates Pet., et al 5-31-2006 Emma Emison	17 Yates Pet., et al 7-19-2006 7-14-2006 6-11-2006 New Mex. Inv. Co., M.I. Murphy Skains, (S)	16 Yates Pet., et al 1-1-2001 VA-1449 1563	15 Yates Pet., et al 3-20-2004 J.R. McCrory (S)	14 Yates Pet., et al 12-1-2007 100350 U.S. M.I.	13 Yates Pet., et al 3-20-2004 4-25-2006 2-21-2006 J.I. Collum 3/4 M.I. J.R. McCrory
State Yates Pet., et al 5-24-2006 5-29-2006 5-25-2006 Fort Familie Tr. M.I.	18 Yates Pet., et al 7-19-2006 7-23-2006 5-31-2006	19 Yates Pet., et al 1-1-2001 VA-1449 1563	20 Yates Pet., et al 3-20-2004 J.R. McCrory (S)	21 Yates Pet., et al 12-1-2007 100350 U.S. M.I.	22 Yates Pet., et al 12-1-2007 100351 222

EXHIBIT "A"

EXHIBIT "B"
MOCHA STATE UNIT
LEA COUNTY, NM

TRACT NUMBER	DESCRIPTION OF LANDS	SERIAL NUMBER AND ACRES	EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1.	T12S-R34E Section 33: All	640.00 CS	VA-1528 12/1/01	State of New Mexico	Yates Petroleum Corporation 11-7-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 70.00% 10.00% 10.00% 10.00%
2.	T12S-R34E Section 34: N/2	320.00 CS	VA-1530 12/1/01	State of New Mexico	Yates Petroleum Corporation 11-7-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 70.00% 10.00% 10.00% 10.00%
3.	T12S-R34E Section 35: NW/4	160.00 CS	VO-4994 12/1/01	State of New Mexico	Yates Petroleum Corporation 11-07-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 70.00% 10.00% 10.00% 10.00%
4.	T13S-R34E Section 2: All	637.88 CS	VO-5093 6/1/02	State of New Mexico	Yates Petroleum Corporation 11-07-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 70.00% 10.00% 10.00% 10.00%
5.	T13S-R34E Section 11: N/2	320.00 CS	VO-5209 12/1/02	State of New Mexico	Yates Petroleum Corporation 11-07-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 70.00% 10.00% 10.00% 10.00%
6.	T12S-R34E Section 34: S/2	320.00 CS	VO-5989 10/1/05	State of New Mexico	Yates Petroleum Corporation 11-07-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 46.67% 6.67% 6.67% 6.67%
7.	T12S-R34E Section 35: E/2, SW/4	480.00 CS	VO-5990 10/1/05	State of New Mexico	Yates Petroleum Corporation 11-07-01	None 11-7-01	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 46.67% 6.67% 6.67% 6.67%
TOTAL UNIT ACRES		2877.88					
STATE LANDS 100%							