

Revised proposed expansion
of the Cactus Queen Unit
Chaves County, New Mexico

Tract No.	Description	No. of acres	Serial No. & Expiration Date of Lease	Basic Royalty		Lessee of Record	Overriding Royalty Owner Percentage	Working Interest	
				Owner	& Percentage			Owner	& Percentage
1.	T12S-R31E Sec.27: SW/4SE/4	40	NM-015807 HBP	USA	12.50%	Phillips Petroleum Co. Successor in Interest to Aminoil USA, Inc. 100%	F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250%	Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation	50% 25% 25%
1a.	T12S-R31E Sec. 27:NW/4SE/4	40	NM-015807 HBP	USA	12.50%	Phillips Petroleum Co. Successor in Interest to Aminoil USA, Inc. 100%	F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250%	Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation	50% 25% 25%
1b.	T12S-R31E Sec. 34: SW/4NE/4	40	NM-015807 HBP	USA	12.50%	Phillips Petroleum Co. Successor in Interest to Aminoil USA, Inc. 100%	F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250%	Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation	50% 25% 25%

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case Nos. 10641 and 10642 Exhibit No. 2

Submitted by: Yates Drilling Company

Hearing Date: December 17, 1992

Tract No.	Description	No. of acres	Serial No. & Expiration Date of Lease	Basic Royalty		Lessee of Record	Overriding Royalty Owner Percentage		Working Interest Owner & Percentage	
				Owner	Percentage					
1c.	T12S-R31E Sec. 34: NW/4SE/4	40	NM-015807 HBP	USA	12.50%	Phillips Petroleum Co. Successor in Interest to Aminoil USA, Inc. 100%	F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250%		Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation	50% 25% 25%
2.	T12S-R31E Sec. 34: NE/4NW/4	40	NM-0256521 HBP	USA 12.50%		Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%	Erlon E. Nowell R. F. Partnership Ltd. 1.5%	Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%
2a.	T12S-R31E Sec. 34: NW/4NW/4	40	NM-0256521 HBP	USA 12.50%		Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%	Erlon E. Nowell R. F. Partnership Ltd. 1.5%	Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%
2b.	T12S-R31E Sec. 34: SW/4NW/4	40	NM-0256521 HBP	USA 12.50%		Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%	Erlon E. Nowell R. F. Partnership Ltd. 1.5%	Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%
2c.	T12S-R31E Sec. 34: SE/4NW/4	40	NM-0256521 HBP	USA 12.50%		Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%	Erlon E. Nowell R. F. Partnership Ltd. 1.5%	Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%
3.	T12S-R31E Sec. 34: NW/4NE/4	40	NM-15896 HBP	USA 12.50%		Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%	C. E. Strange George Globe 2.0% 2.0%	Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates	50% 25% 25%

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			Owner & Percentage			Royalty Owner Percentage		
T12S-R31E Sec. 34: NE/4SW/4	40	NM-15896 HBP	USA 12.50%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%	C. E. Strange 2.0% George Globe 2.0%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%
T12S-R31E Sec. 34: NW/4SW/4	40	NM-15896 HBP	USA 12.50%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%	C. E. Strange 2.0% George Globe 2.0%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%
T12S-R31E Sec. 27: SE/4SW/4	40	LH-1648 6/1/92	State of New Mexico 12.50%		Yates Drilling Co. 100%	None		Yates Drilling Co. 50% Myco Industries, Inc. 50%
T12S-R31E Sec. 27: NE/4SW/4	40	LH-1648 6/1/92	State of New Mexico 12.50%		Yates Drilling Co. 100%	None		Yates Drilling Co. 50% Myco Industries, Inc. 50%
T12S-R31E Sec. 27: SW/4SW/4	40	LH-1648 6/1/92	State of New Mexico 12.50%		Yates Drilling Co. 100%	None		Yates Drilling Co. 50% Myco Industries, Inc. 50%
T12S-R31E Sec. 34: SE/4SW/4	40	NM-26883	USA 12.50%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%	David J. Sorenson 6.25%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%
T12S-R31E Sec. 34: SW/4SW/4	40	NM-26883	USA 12.50%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%	David J. Sorenson 6.25%		Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25%
RECAPITULATION								
			520 acres of Federal Lands			81.25% of Unit		
			120 acres of State Lands			18.75% of Unit		
Total			640 acres			100.00%		