

DICKERSON, FISK & VANDIVER  
ATTORNEYS AT LAW  
SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210  
(505) 746-9841

CHAD DICKERSON  
JOHN FISK  
DAVID R. VANDIVER  
REBECCA REESE DICKERSON

March 1, 1988

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Michael E. Stogner

Re: Case No. 9317  
Sunny Side State Unit  
Chaves County, New Mexico

*Received  
@ the hearing  
3/2/88  
m.s.*

Gentlemen:

The Application of Yates Petroleum Corporation for Approval of a Unit Agreement for the above Unit originally requested that 11,189.87 acres be committed to said unit. The Applicant hereby requests that the Application be deemed amended to delete E/2 E/2, W/2 NE/4 Section 24, Township 10 South, Range 26 East, N.M.P.M., and All Sections 7, 18 and 19, Township 10 South, Range 27 East, N.M.P.M., from such unit. The unit will now consist entirely of state lands.

This matter is set for hearing on March 2, 1988.

Thank you.

Sincerely yours,

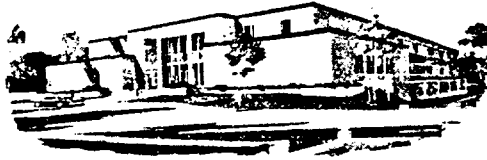
DICKERSON, FISK & VANDIVER

*Chad Dickerson*  
Chad Dickerson

CD:pvw

cc: Ms. Kathy Colbert

# State of New Mexico



SLO REF NO. OG-690

W.R. HUMPHRIES  
COMMISSIONER

## Commissioner of Public Lands

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

March 8, 1988

Dickerson Fisk & Vandiver  
ATTN: Mr. Chad Dickerson  
Seventh & Mahone/Suite E  
Artesia, New Mexico 88210

*Received  
By OLP  
3/7/88  
M. Stoen*

Re: Proposed Sunny Side State Unit  
Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed Sunny Side State Unit, Chaves County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given. Also, any well commenced prior to the effective date of this agreement which penetrates its objective horizon prior to said effective date shall not be construed as the initial test well.

When submitting your agreement for final approval please submit the following:

1. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. All ratifications from the lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. Your filing fee in the amount of thirty dollars (\$30.00)

Dickerson, Fisk & Vandiver  
March 7, 1988  
Page 2


Dollars) has been received.

5. On Exhibits "A" and "B" Tract No. 17, the correct lease No. should be LG-7999. Also, please show the correct lease assignment numbers as written in your copy of Exhibit "B".

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
cc: OCD-Santa Fe, New Mexico

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

March 14, 1988

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. Chad Dickerson  
Dickerson, Fisk & Vandiver  
Attorneys at Law  
Beventh and Mahone, Suite E  
Artesia, New Mexico 88210

Re: CASE NO. 9317  
ORDER NO. R-3612

Applicant:

Yates Petroleum Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD       X        
Artesia OCD       X        
Aztec OCD                   

Other William Cline, Ernest Szabo

---

SLO REF NO OG-930

State of New Mexico

9317



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

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

November 4, 1988

Yates Petroleum Corporation  
Attn: Ms. Kathy H. Colbert  
105 South Fourth Street  
Artesia, New Mexico 88210

Re: Sunny Side State Unit  
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of October 24, 1988, requesting a six-month extension from November 17, 1988, within which to commence the second test well on the Sunny Side State Unit.

Please be advised that the Commissioner of Public Lands has this date approved the above request.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.  
cc: OCD

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

May 2, 1988

New Mexico Oil and Gas Division  
P. O. Box 2088  
Santa Fe, New Mexico 87507

Attention: Mr. William LeMay

Re: Sunny Side State Unit  
Chaves County, New Mexico  
Case No. 9317  
Order No. R-8612

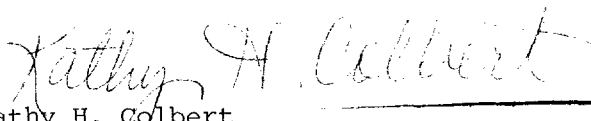
Gentlemen:

Enclosed for your files are three copies of Ratification and Joinder executed on behalf of William W. Cline and Mellie L. Cline, his wife, as subsequent joinders to the captioned unit.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

  
Kathy H. Colbert  
Landman

KHC/mw

Enclosures

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SUNNY SIDE STATE UNIT, County of Chaves, State of New Mexico, dated February 4, 1988, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 22nd day of April, 1988.

William W. Cline  
WILLIAM W. CLINE

Mellie L. Cline  
MELLIE L. CLINE , his wife

Address: P. O. Box 1746  
Amarillo, TX 79105-1756

STATE OF TEXAS )  
: ss  
COUNTY OF POTTER )

The foregoing instrument was acknowledged before me this 22nd day of April, 1988, by WILLIAM W. CLINE and MELLIE L. CLINE, his wife.

My commission expires:  
5/31/91

Doris L. White  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

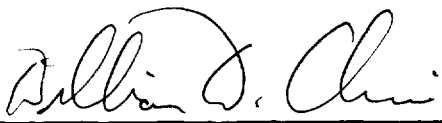
UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 22nd day of April, 1988.

  
\_\_\_\_\_  
WILLIAM W. CLINE

  
\_\_\_\_\_  
MELLIE L. CLINE, his wife

Address: P. O. Box 1746  
Amarillo, TX 79105-1756

STATE OF TEXAS                            )  
  : ss  
COUNTY OF POTTER                            )

The foregoing instrument was acknowledged before me this 22nd day of April, 1988, by WILLIAM W. CLINE and MELLIE L. CLINE, his wife.

My commission expires:  
5/31/91

  
\_\_\_\_\_  
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

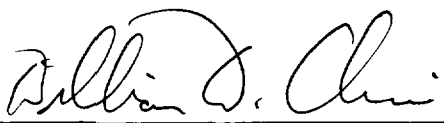
UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SUNNY SIDE STATE UNIT, County of Chaves, State of New Mexico, dated February 4, 1988, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 22nd day of April, 1988.

  
\_\_\_\_\_  
WILLIAM W. CLINE

  
\_\_\_\_\_  
MELLIE L. CLINE, his wife

Address: P. O. Box 1746  
Amarillo, TX 79105-1756

STATE OF TEXAS            )  
                                  : ss  
COUNTY OF POTTER    )

The foregoing instrument was acknowledged before me this 22nd day of April, 1988, by WILLIAM W. CLINE and MELLIE L. CLINE, his wife.

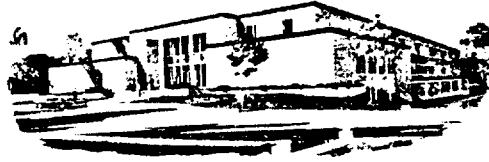
My commission expires:  
5/31/91

  
\_\_\_\_\_  
Notary Public

# State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



## Commissioner of Public Lands

SLO REF NO. OG-748

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

March 30, 1988

Dickerson, Fisk & Vandiver  
ATTN: Mr. Chad Dickerson  
Seventh & Mahone, Suite E  
Artesia, New Mexico 88210

Re: Approval of Sunny Side State Unit  
Chaves County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date granted final approval to the Sunny Side State Unit Agreement in Chaves County, New Mexico. The effective date of this agreement is March 30, 1988. Tract Nos. 17, 18, 19, 20, 21, 26, 27, 28, and 29 are not committed at this time. Our approval is subject to like approval by the New Mexico Oil Conservation Division.


Enclosed are Five (5) Certificates of Approval.

Your filing fee in the amount of \$480.00 Dollars has been received.

If we may be of further help please do not hesitate to call on us.

Very truly yours.

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm

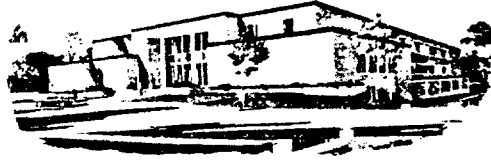
encls.

cc:           OCD  
              GULRAM

State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-753

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

April 13, 1988

Yates Petroleum Corporation  
ATTENTION: Ms. Kathy H. Colbert  
105 South Fourth Street  
Artesia, New Mexico 88210

Re: Sunny Side State Unit  
Chaves County, New Mexico

Gentlemen:

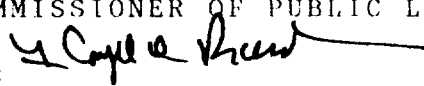
This office is in receipt of your letter of April 6, 1988, together with three originally executed copies each of Ratifications and Joinders from Marsh Operating Company and Samedan Oil Corporation requesting the Subsequent Joinder of interests in Tract Nos. 18, 26, 27, 28 and 29 in the Sunny Side State Unit.

As per Section 23, of the Unit Agreement, the Commissioner of Public Lands has this date approved the Ratifications and Subsequent Joinders of Marsh Operating Company and Samedan Oil Corporation. Please be advised that Tract No 18 is now fully committed and Tract Nos. 26, 27, 28 and 29 are partially committed to the unit agreement. These subsequent joinders will be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of these instruments.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP - pm  
encls.

cc: OCD--Santa Fe, New Mexico  
GULRAM  
TRD--Oil and Gas Processing

State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



SLO REF NO. OG-771

Commissioner of Public Lands

April 29, 1988

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

Yates Petroleum Corporation  
ATTENTION: Ms. Kathy H. Colbert  
105 South Fourth Street  
Artesia, New Mexico 88210

Re: Subsequent Joinder  
Sunny Side State Unit  
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of April 25, 1988, together with three originally executed copies each of Ratifications and Joinders to the Sunny Side State Unit from William W. Cline and Mellie L. Cline, his wife requesting the Subsequent Joinder of interests in Tract Nos. 26, 27, 28 and 29 in the Unit.

As per Section 23, of the Unit Agreement, the Commissioner of Public Lands has this date approved the Ratifications and Subsequent Joinders of Willian W. Cline and Mellie L. Cline. Please be advised that Tract Nos. 26, 27, 28, and 29 are now fully committed to the Sunny Side State Unit. These Subsequent Joinders will be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of these instruments.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
GULRAM  
TRD-Oil and Gas Processing

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

April 19, 1988

New Mexico Oil Conservation  
P. O. Box 2088  
Santa Fe, New Mexico 87507

Attention: William LeMay

Re: Sunny Side State Unit  
Chaves County, New Mexico  
Case No. 9317  
Order No. R-8612

Gentlemen:


Enclosed for your files are three (3) copies of the following Ratifications and Joinders as subsequent joinders to the captioned unit:

1. Samedan Oil Corporation
2. Marsh Operating Company

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

  
Kathy H. Colbert  
Landman

KHC/bp

Enclosures

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SUNNY SIDE STATE UNIT, County of Chaves, State of New Mexico, dated February 4, 1988, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 31<sup>st</sup> day of March, 1988.

SAMEDAN OIL CORPORATION

By [Signature]  
George L. DeMare

Title Division General Manager

Address: 10 Desta Drive  
Midland, Texas 79705

1
2 <u>GEA</u>
3
4
5

STATE OF TEXAS )  
COUNTY OF Midland ) : ss

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March, 1988, by George L. DeMare, Division General Manager for SAMEBAN OIL CORPORATION, a Delaware corporation, on behalf of said corporation.

My commission expires:  
11-19-90

[Signature]  
Notary Public  
Harolyn Chatham

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SUNNY SIDE STATE UNIT, County of Chaves, State of New Mexico, dated February 4, 1988, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 31<sup>st</sup> day of March, 1988.

SAMEDAN OIL CORPORATION

By George L. DeMare  
Title Division General Manager

Address: 10 Desta Drive  
Midland, Texas 79705

1
2 <i>gen</i>
3
4
5

STATE OF TEXAS                    )  
  :    ss  
COUNTY OF (Midland)            )

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March, 1988, by George L. DeMare, Division General Manager for SAMEDAN OIL CORPORATION, a Delaware corporation, on behalf of said corporation.

My commission expires:  
11-19-90

Harolyn Chatham  
Notary Public  
Harolyn Chatham

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SUNNY SIDE STATE UNIT, County of Chaves, State of New Mexico, dated February 4, 1988, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 4th day of April, 1988.

MARSH OPERATING COMPANY

By William W. Cline  
Attorney-in-Fact

Address: P. O. 1746  
Amarillo, Texas 79105

STATE OF TEXAS                    )  
  : ss  
COUNTY OF POTTER            )

The foregoing instrument was acknowledged before me this 4th day of April, 1988, by William W. Cline, Attorney-in-Fact for Marsh Operating Company, a Texas partnership.

My commission expires:  
5/31/91

Doris L. White  
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SUNNY SIDE STATE UNIT, County of Chaves, State of New Mexico, dated February 4, 1988, in form approved on behalf of the Secretary of the Interior and the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement as fully as though the undersigned had executed the original agreement.

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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 4th day of April, 1988.

MARSH OPERATING COMPANY

By William W. Cline  
Attorney-in-Fact

Address: P. O. 1746  
Amarillo, Texas 79105

STATE OF TEXAS                    )  
  : ss  
COUNTY OF POTTER            )

The foregoing instrument was acknowledged before me this 4th day of April, 1988, by William W. Cline, Attorney-in-Fact for Marsh Operating Company, a Texas partnership.

My commission expires:  
5/31/91

Doris L. White  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

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This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 4th day of April, 1988.

MARSH OPERATING COMPANY

By William W. Cline  
Attorney-in-Fact

Address: P. O. 1746  
Amarillo, Texas 79105

STATE OF TEXAS )  
 : ss  
COUNTY OF POTTER )

The foregoing instrument was acknowledged before me this 4th day of April, 1988, by William W. Cline, Attorney-in-Fact for Marsh Operating Company, a Texas partnership.

My commission expires:

5/31/91

Doris L. White  
Notary Public

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

May 25, 1989

# 9317

RECEIVED

MAY 25 1989

OIL CONSERVATION DIV.  
SANTA FE

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. William LeMay

Re: Sunny Side State Unit  
Chaves County, New Mexico

Gentlemen:

Enclosed for your files is an executed Ratification and Joinder from Yates Petroleum Corporation covering Tracts 19, 20, and 21 in the captioned unit. Also enclosed are revised pages to the Agreements, which will reflect revised ownership of said tracts due to the Subsequent Joinder.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H. Colbert  
Landman

KHC:blf

Enclosures

CONSENT AND RATIFICATION

UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

FOR THE SUNNY SIDE STATE UNIT

CHAVES, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement and Unit Operating Agreement for the development and operation of the Sunny Side State Unit embracing lands situated in Chaves County, New Mexico, which said Agreement is dated February 4, 1988, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold interests being committed to said Unit Agreement and Unit Operating Agreement do hereby consent to said Unit Agreement and Unit Operating Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned has executed the original of said Unit Agreement and Unit Operating Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgements.

YATES PETROLEUM CORPORATION

By

*John A. Yates*  
Title *Attorney-in-Fact*

105 South Fourth Street

Artesia, New Mexico

STATE OF NEW MEXICO     )  
  : ss  
COUNTY OF EDDY            )

The foregoing instrument was acknowledged before me this *2<sup>nd</sup>* day of *April*, 1989, by *John A. Yates*, *Attorney-in-Fact* for YATES PETROLEUM CORPORATION, a New Mexico corporation, on behalf of said corporation.

My commission expires:  
*March 1, 1990*

*Trivium S. Kollow*  
Notary Public

EXHIBIT A-2  
 To Unit Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
18.T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
19.T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
20.T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
21.T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
22.T10S-R26E Sec. 8: A11	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Mycro Industries, Inc. -25.0%
23.T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
24.T10S-R26E Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

Revised 3/23/88  
 Revised 5/10/89

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
18. T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
19. T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
20. T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
21. T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
22. T10S-R26E Sec. 8: A11	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Mycro Industries, Inc. -25.0%
23. T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
24. T10S-R26E Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

Revised 3/23/88  
 Revised 5/10/89

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MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986

OIL CONSERVATION DIVISION  
RECEIVED

'89 NOV 16 AM 9 05



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

November 15, 1989

New Mexico Oil & Gas Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87503-2088

Attention: William J. LeMay

RE: Sunnyside State Unit  
Chaves County, New Mexico

Gentlemen:

The exhibits to the captioned unit have been revised several times since its approval. We feel these revised pages have already been furnished to you, however, we want to make sure your files are complete.

Accordingly, enclosed are the following copies:


- 1) Exhibit B to the Unit Agreement
- 2) Exhibits A-1 and A-2 to the Unit Operating Agreement.

Please substitute these into your copies.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

  
Kathy H. Colbert  
Landman

KHC/cp

Enclosures

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
1.	T10S-R26E Sec. 1: Lots 3,4, S/2NW/4, S/2	480.27	LG-5229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
2.	T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
3.	T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SE/4 NW/4NW/4, SW/4, SW/4SE/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
4.	T10S-R26E Sec. 10: N/2, NW/4SW/4, S/2SW/4, SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5% Apache Corporation -50.0%
5.	T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
6.	T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4,	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%



EXHIBIT B  
To Unit Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract #	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
1. T10S-R26E Sec. 1: Lots 3,4, S/2N/4, S/2	480.27	LG-52229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
2. T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, NW/4NW/4, SW/4, SW/4SE/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
4. T10S-R26E Sec. 10: N/2, NW/4SW/4, S/2SW/4, SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
5. T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
6. T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4, SE/4SW/4	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # Book Land Descriptive	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
7. T10S-R26E Sec. 14: SW/ N/2 SW/ N/2 SW/ S/2	360.00	LG-5236 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
8. T10S-R26E Sec. 15: All	640.00	LG-5237 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
9. T10S-R26E Sec: 16: N/2 W/2 SE/	560.00	LG-5238 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
10. T10S-R26E Sec. 24: N/2 SW/ SW/ W/2	360.00	LG-5239 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
11. T10S-R27E Sec. 6: Lot 4,5 S/2 SE/ E/2 SE/	636.39	LG-5241 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
12. T10S-R26E Sec. 12: N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
13. T10S-R26E Sec. 1: Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
14. T10S-R26E Sec. 2: S/2	320.00	LG-7422-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
15. T10S-R26E Sec. 3: S/2	320.00	LG-7423-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
16. T10S-R26E Sec. 10: NE/4SW/4	40.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
17. T10S-R26E Sec. 4: SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	State of NM 12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%
16a T10S-R26E Sec. 9: N1/4SE, S1/4SW, NW/4	200.00	IG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation -100.0%

11: NESW

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
12.T10S-R26E Sec. 12: N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
1.T10S-R26E Sec. 1: Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
14.T10S-R26E Sec. 2: S/2	320.00	LG-7422-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycro Industries, Inc. -12.5%
.T10S-R26E Sec. 3: S/2	320.00	LG-7423-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycro Industries, Inc. -12.5%
T10S-R26E Sec. 9: N/2SE/4, SE/4SE/4, NW/4NE/4	240.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycro Industries, Inc. -12.5%
Sec 10: NE/4SW/4 Sec. 11: NE/4SW/4						
.T10S-R26E Sec. 4: SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	State of NM 12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
8.T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
19.T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
10.T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
1.T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
2.T10S-R26E Sec. 8: All	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Mycro Industries, Inc. -25.0%
3.T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
1.T10S-R26E Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

Revised 3/23/88  
 Revised 5/10/89

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
18. T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
1 T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-1 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Texaco Producing Inc. - 100%
2. T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-1 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Texaco Producing Inc. - 100%
2. T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-1 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Texaco Producing Inc. - 100%
2. T10S-R26E Sec. 8: A11	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Myco Industries, Inc. -25.0%
2. T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
2. T10S-R26E Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract Land D	Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
25. T10	R26E Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Apache Corporation - 100%
26. T10	R26E Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
27. T10S-R26E	Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
28. T10S-R26E	Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
29. T10S-R26E	Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%

TOTAL 8,836.81 Acres State Lands 100.00%

RECAPITULATION

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED FEBRUARY 4, 1988, BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR", AND YATES PETROLEUM CORPORATION, "NON-OPERATORS, COVERING LANDS IN TOWNSHIP 10 SOUTH, RANGES 26 & 27 EAST, CHAVES COUNTY, NEW MEXICO.

SUNNY SIDE UNIT OPERATING AGREEMENT  
EXHIBIT A-1

NAME	ACRES	% OF UNIT	TEST WELL		INITIAL		SUBSEQUENT WELLS
			TEST WELL PARTICIPATING ACRES	TEST WELL PARTICIPATING PERCENTAGE	TEST WELL BPO	TEST WELL APO	
Yates Petroleum Corporation	1839.1125	20.811950%	1839.1125	21.098459	22.016226	22.016226	
Yates Drilling Company	1239.1125	14.022170	1239.1125	14.215206	14.215206	14.215206	
Abo Petroleum Corporation	1239.1125	14.022170	1239.1125	14.215206	14.215206	14.215206	
Myco Industries, Inc.	1239.1125	14.022170	1239.1125	14.215206	14.215206	14.215206	
Apache Corporation	2680.3400	30.331534	2680.3400	30.749093	30.749093	30.749093	
Marsh Operating	320.0000	3.621216	320.0000	3.671067	3.671067	3.671067	
Elk Oil Company	80.0200	0.905530	80.0200	0.917996	0.917996	0.917996	
Samedan Oil Corporation	80.0000	0.905304	80.0000	0.917767	F/O	F/O	
Chevron USA, Inc.	120.0000	1.357956	-	-	-	-	
	<u>8836.8100</u>	<u>100.0000000%</u>	<u>8716.8100</u>	<u>100.0000000%</u>	<u>100.0000000%</u>	<u>100.0000000%</u>	

Yates Petroleum Corporation	1839.1125	20.811950					21.098459
Yates Drilling Company	1239.1125	14.022170					14.215206
Abo Petroleum Corporation	1239.1125	14.022170					14.215206
Myco Industries, Inc.	1239.1125	14.022170					14.215206
Terra Resources	2680.3400	30.331534					30.749093
Marsh Operating	320.0000	3.621216					3.671067
Elk Oil Company	80.0200	0.905530					0.917996
Samedan Oil Corporation	80.0000	0.905304					0.917767
Chevron USA, Inc.	120.0000	1.357956					-
	<u>8836.8100</u>	<u>100.0000000%</u>					<u>100.0000000%</u>

Revised 3/29/88  
Revised 7/ 5/88  
Revised 7/29/88  
Revised 8/17/88





EXHIBIT A-2  
 To Unit Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
1. T10S-R26E Sec. 1: Lots 3,4, S/2NW/4, S/2	480.27	LG-5229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
1. T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
1. T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SE/4 NW/4NW/4, SW/4, SW/4SE/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
1. T10S-R26E Sec. 10: N/2, NW/4SW/4, S/2SW/4, SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycos Industries, Inc. -12.5%
5. T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
6. T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4, SE/4SW/4	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%

EXHIBIT A-2  
 To Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
7. T10S-R26E Sec. 14: SW/4NE/4, N/2NW/4, SW/4NW/4, N/2SW/4, SW/4SW/4, S/2SE/4	360.00	LG-5236 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
8. T10S-R26E Sec. 15: All	640.00	LG-5237 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
9. T10S-R26E Sec: 16: N/2, W/2SW/4, SE/4	560.00	LG-5238 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
10. T10S-R26E Sec. 24: N/2NW/4, SW/4NW/4, SW/4, W/2SE/4	360.00	LG-5239 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%
11. T10S-R27E Sec. 6: Lots 1,2,3, 4,5,6,7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4	636.39	LG-5241 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Myco Industries, Inc. -25%

EXHIBIT A-2  
 To Unit Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
18. T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
19. T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
20. T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
21. T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
22. T10S-R26E Sec. 8: A11	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Mycro Industries, Inc. -25.0%
23. T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
24. T10S-R26E Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

Revised 3/23/88  
 Revised 5/10/89

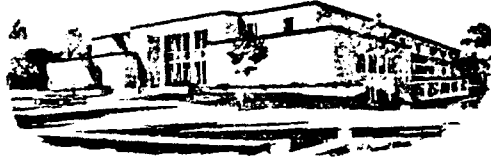
EXHIBIT A-2  
 To Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
25.T10S-R26E	Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Apache Corporation - 100%
26.T10S-R26E	Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
27.T10S-R26E	Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
28.T10S-R26E	Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
29.T10S-R26E	Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%

TOTAL 8,836.81 Acres State Lands 100.00%

RECAPITULATION

State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

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

May 19, 1989

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

ATTN: Kathy H. Colbert

RE: Subsequent Joinder  
Tracts Nos. 19, 20, and 21  
Sunnyside State Unit  
Chaves County, New Mexico

Gentlemen:


We have received your letter dated April 25, 1989 wherein you request that Tracts Nos. 19, 20, and 21 be approved as subsequent joinder under the Sunnyside State Unit. We have also received the appropriate Ratification and Joinders and Exhibits in your letters of April 25, 1989 and May 10, 1989, respectively.

The Commissioner of Public Lands has this date approved the above captioned Subsequent Joinder to the Sunny Side State Unit. The effective date for this Subsequent Joinder is June 1, 1989 provided that you have filed "...with the Division of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement..." ( see Section 23 Unit Agreement).

If we can be of further help, please do not hesitate to call on us.

Very truly yours,

W.R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5749

cc: OCD - Santa Fe, New Mexico  
BLM - Roswell, New Mexico  
Oil and Gas Accounting Department  
Royalty Management

Unit Name SUNNY SIDE STATE UNIT - EXPLORATORY  
 Operator YATES PETROLEUM CORPORATION  
 County CHAVES COUNTY, NEW MEXICO

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACREAGE NOT RATIFIED	LESSEE
							DATE	ACRES		
1	LG-5229-1	C. S.	1	10S	26E	Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$	3/15/88	480.27		Apache Corporation
2	LG-5231	C. S.	4	10S	26E	N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$	2/26/88	200.00		Yates Petroleum Corp.
3	LG-5232	C. S.	5	10S	26E	Lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$	2/26/88	600.06		Yates Petroleum Corp.
4	LG-5233	C. S.	10	10S	26E	N $\frac{1}{2}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$	2/26/88	600.00		Yates Petroleum Corp.
5	LG-5234	C. S.	11	10S	26E	NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$	2/26/88	320.00		Yates Petroleum Corp.
6	LG-5235-1	C. S.	13	10S	26E	SE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ W $\frac{1}{2}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$	3/15/88	520.00		Apache Corporation
7	LG-5236	C. S.	14	10S	26E	SWNE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ 2/26/88	2/26/88	360.00		Yates Petroleum Corp.
8	LG-5237	C. S.	15	10S	26E	All	2/26/88	640.00		Yates Petroleum Corp.
9	LG-5238	C. S.	16	10S	26E	N $\frac{1}{2}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$	2/26/88	560.00		Yates Petroleum Corp.
10	LG-5239	C. S.	24	10S	26E	N $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$	2/26/88	360.00		Yates Petroleum Corp.
11	LG-5241	C. S.	6	10S	27E	Lots 1, 2, 3, 4, 5, 6, 7, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ 2/26/88	3/15/88	636.39		Yates Petroleum Corp.
12	LG-5412-1	C. S.	12	10S	26E	N $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$	3/15/88	120.00		Apache Corporation
13	LG-7421-2	C. S.	1	10S	26E	Lot 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$	3/15/88	80.07		Apache Corporation
14	LG-7422-1	C. S.	2	10S	26E	S $\frac{1}{2}$	3/15/88	320.00		Apache Corporation
15	LG-7423-1	C. S.	3	10S	26E	S $\frac{1}{2}$	3/15/88	320.00		Apache Corporation
16	LG-7424-1	C. S.	9	10S	26E	N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$				
			10	10S	26E					
			11	10S	26E					
17	LG-7999	C. S.	4	10S	26E	SE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$	3/15/88	240.00	120.00	Apache Corporation
18	LG-8000	C. S.	16	10S	26E	E $\frac{1}{2}$ SW $\frac{1}{4}$	3/31/88	80.00		Chevron USA Inc.
19	LH-1858-2	C. S.	9	10S	26E	Subsequent Joinder 5-1-88	4/2/89	120.00		Samedan Oil Corp.
20	LH-1859-2	C. S.	11	10S	26E	S $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sub. Joinder 6-1-89	4/2/89	280.00		Yates Petroleum Corp.
21	LG-1860-2	C. S.	14	10S	26E	NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sub. Join 6-1-89	4/2/89	200.00		Yates Petroleum Corp.
22	LH-2612	C. S.	8	10S	26E	N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ Sub. Join 6-1-89	2/26/88	640.00		Yates Petroleum Corp.
23	LH-2613-1	C. S.	9	10S	26E	All	3/15/88	120.00		Apache Corporation
24	V-2331	C. S.	1	10S	26E	E $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$	3/15/88	80.02		Elk Oil Company
25	V-2332	C. S.	12	10S	26E	Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$	3/15/88	520.00		Apache Corporation
26	V-2333	C. S.	13	10S	26E	E $\frac{1}{2}$ , SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$	4/22/88	120.00		W. W. Cline
27	V-2334	C. S.	14	10S	26E	SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ S. J. 5-1-88	4/22/88	80.00		W. W. Cline
28	V-2336	C. S.	28	10S	26E	SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$	4/22/88	40.00		W. W. Cline
29	VB-113	C. S.	5	10S	26E	NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ S. J. 5-1-88	4/22/88	80.00		W. W. Cline

871 6. 81 120.00

Committed Not Committed

Unit Name SUNNY SIDE STATE UNIT - EXPLORATORY  
 Operator YATES PETROLEUM CORPORATION  
 County CHAVES

DATE	OCC CASE NO.	9317	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIA
APPROVED	OCC ORDER NO.	P-8612	March 30, 1988	8,836.81		-0-	-0-
OCD: MARCH 11, 1988							
COMMISSIONER: March 30, 1988							

UNIT AREA

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 1:	All
Section 2:	S/2
Section 3:	S/2
Section 4:	S/2
Section 5:	S/2, NE/4NE/4, S/2NE/4
Section 8:	All
Section 9:	All
Section 10:	All
Section 11:	All
Section 12:	All
Section 13:	All
Section 14:	All
Section 15:	All
Section 16:	All
Section 24:	W/2, W/2SE/4

Commitment status (5/10/89)

8716.81	Acres Committed
120.00	Acres Not Committed
8836.81	Acres Total

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
 Section 6: All



State of New Mexico

#9317



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

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

October 18, 1990

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attn: Janet Richardson

Re: Sunnyside State Unit  
Chaves County, New Mexico  
1990 Plan of Development

Dear Ms. Richardson:

The Commissioner of Public Lands this date approved the 1990 Plan of Development for the Sunnyside State Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development may exist. You will be contacted at a later date regarding these possibilities.

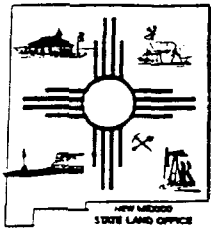
If we may be of further help, please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES

BY: *Floyd O. Prando*  
Floyd O. Prando, Director  
Oil, Gas & Minerals Division

cc: OCD  
Unit Corresp.  
Unit POD



State of New Mexico  
Commissioner of Public Lands

W. R. Humphries  
COMMISSIONER

Advisory Board

George Clark  
Chairman

Kristin Conniff  
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

April 16, 1990

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

ATTN: Ms. Janet Richardson

RE: Commercial Well Determination  
Sunnyside State Unit #2

Gentlemen:

We received your letter, dated March 26, 1990, and enclosed information regarding your determination that the above captioned well is a commercial well in the Foor Ranch Pre Permian Gas Pool.

Please be advised that the Commissioner of Public Lands concurs with your determination that this well is commercial.

According to Section 9 of the Unit Agreement, a Plan of Development for the Sunnyside State Unit must be submitted prior to the expiration of six months after a commercial well is completed. The No. 2 well was completed on May 13, 1989 so the expiration of this six month term was November 13, 1990. Please submit a Plan of Development for this unit within thirty days.

If you have any questions, please contact Susan Howarth at (505) 827-5791.

Very truly yours,

W. R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5749

#4511

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

February 23, 1990

Energy & Minerals Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mr. William LeMay

Re: ~~State Unit~~  
Chaves County, New Mexico

Dear Mr. LeMay:

In order to satisfy a new requirement by our attorney, we have revised one tract on the Exhibits for the captioned unit. Unit Tract 29 contains a 3/16 royalty rather than the 1/6 royalty shown and we have revised the Exhibits accordingly.

We have enclosed the revised pages for your files and request that your please substitute same.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

*Mecca Mauritsen*

Mecca Mauritsen  
Land Analyst

/mm

Enclosures

EXHIBIT B  
 10 Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty % Ownership	Lessee of Record	Overriding Royalty	Working Interest Owner
25. T10S-R26E Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Apache Corporation - 100%
26. T10S-R26E Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
27. T10S-R26E Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
28. T10S-R26E Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
29. T10S-R26E Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 18.75%	W. W. Cline	None	Marsh Operating - 100%

TOTAL 8,836.81 Acres State Lands 100.00%

RECAPITULATION

EXHIBIT A-2  
 To Unit Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
25. T10S-R26E Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Apache Corporation - 100%
26. T10S-R26E Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
27. T10S-R26E Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
28. T10S-R26E Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
29. T10S-R26E Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 18.75%	W. W. Cline	None	Marsh Operating - 100%
TOTAL			8,836.81 Acres State Lands		100.00%	

RECAPITULATION

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

OIL CONSERVATION DIVISION  
RECEIVED

'89 NOV 27 AM 10 02

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

November 22, 1989

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: ~~Summit State Bank~~  
Chaves County, New Mexico

Gentlemen:


At the request of our attorney, during his curative division order work, we have again made revisions to the Exhibits in the Agreements covering the captioned. You will note name changes and overrides are now reflected in the pages.

Accordingly, we have enclosed said revised pages for your files and ask you to substitute same.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

  
Kathy H. Colbert  
Landman

KHC:blf

Enclosures

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED FEBRUARY 4, 1988 BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR", AND YATES DRILLING COMPANY, ET AL AS "NON-OPERATORS" COVERING LANDS IN TOWNSHIP 10 SOUTH, RANGES 26 & 27 EAST, CHAVES COUNTY, NEW MEXICO.

EXHIBIT "A"

I. 1. Lands Subject to Agreement:

Township 10 South, Range 26 East, NMPM

Section 1: All  
Section 2: S/2  
Section 3: S/2  
Section 4: S/2  
Section 5: S/2, NE/4NE/4, S/2NE/4  
Section 8: All  
Section 9: All  
Section 10: All  
Section 11: All  
Section 12: All  
Section 13: All  
Section 14: All  
Section 15: All  
Section 16: All  
Section 24: W/2, W/2SE/4

Township 10 South, Range 27 East, NMPM

Section 6: All  
Containing 8,836.81 acres, m/l  
Chaves County, New Mexico

2. Depth Restriction: None

3. Drilling Unit for First Well:

Proration Unit as established by the New Mexico Oil Conservation Division

II. Percentage Interests of Parties Under the Agreement:

See Page 2 of Exhibit A

III. Addresses of Parties to Which Notices Should be Sent:

Pacific Enterprises Oil  
Company (USA)  
P. O. Box 3083  
Midland, Texas 79702-3083  
ATTN John E. Lodge

Samedan Oil Corporation  
10 Desta Drive  
Midland, Texas 79705  
ATTN Jack E. Anderson

Texaco Producing Inc.  
P. O. Box 2100  
Denver, Colorado 80201  
ATTN W. S. Lane

Marsh Operating  
P. O. Box 1746  
Amarillo, Texas 79105  
ATTN W.W. Cline

Elk Oil Company  
Security Nat'l Bank Bldg.  
Roswell, New Mexico 88201  
ATTN Joseph J. Kelly

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 South Fourth Street  
Artesia, New Mexico 88210  
ATTN Kathy H. Colbert

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED FEBRUARY 4, 1988, BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR", AND Y COMPANY ET AL, "NON-OPERATORS, COVERING LANDS IN TOWNSHIP 10 SOUTH, RANGES 26 & 27 EAST, CHAVES COUNTY, NEW MEXICO.

SUNNY SIDE UNIT OPERATING AGREEMENT  
EXHIBIT A-1

NAME	ACRES	% OF UNIT	TEST WELL PARTICIPATING ACRES		TEST WELL PARTICIPATING PERCENTAGE		INITIAL TEST WELL BPO		INITIAL TEST WELL APO		SUBSEQUENT WELLS
			TEST WELL PARTICIPATING ACRES	TEST WELL PARTICIPATING PERCENTAGE	TEST WELL PARTICIPATING PERCENTAGE	TEST WELL PARTICIPATING PERCENTAGE	TEST WELL BPO	TEST WELL APO	TEST WELL APO	TEST WELL APO	
Yates Petroleum Corporation	1839.1125	20.811950%	1839.1125	21.098459	22.016226	22.016226					21.098459
Yates Drilling Company	1239.1125	14.022170	1239.1125	14.215206	14.215206	14.215206					14.215206
Abo Petroleum Corporation	1239.1125	14.022170	1239.1125	14.215206	14.215206	14.215206					14.215206
Myco Industries, Inc.	1239.1125	14.022170	1239.1125	14.215206	14.215206	14.215206					14.215206
Pacific Enterprises Oil Company (USA)	2680.3400	30.331534	2680.3400	30.749093	30.749093	30.749093					30.749093
Marsh Operating	320.0000	3.621216	320.0000	3.671067	3.671067	3.671067					3.671067
Elk Oil Company	80.0200	0.905530	80.0200	0.917996	0.917996	0.917996					0.917996
Samedan Oil Corporation	80.0000	0.905304	80.0000	0.917767	F/O	F/O					0.917767
Chevron USA, Inc.	120.0000	1.357956	-	-	-	-					-
	<u>8836.8100</u>	<u>100.000000%</u>	<u>8716.8100</u>	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>					<u>100.000000%</u>
Yates Petroleum Corporation	1839.1125	20.811950									21.098459
Yates Drilling Company	1239.1125	14.022170									14.215206
Abo Petroleum Corporation	1239.1125	14.022170									14.215206
Myco Industries, Inc.	1239.1125	14.022170									14.215206
Pacific Enterprises Oil Company (USA)	2680.3400	30.331534									30.749093
Marsh Operating	320.0000	3.621216									3.671067
Elk Oil Company	80.0200	0.905530									0.917996
Samedan Oil Corporation	80.0000	0.905304									0.917767
Chevron USA, Inc.	120.0000	1.357956									-
	<u>8836.8100</u>	<u>100.000000%</u>									<u>100.000000%</u>

Revised 3/29/88  
Revised 7/ 5/88  
Revised 7/29/88  
Revised 8/17/88  
Revised 11-21-89



EXHIBIT B  
To Unit Operating Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
. T10S-R26E Sec. 1: Lots 3,4, S/2 S/2NW/4, S/2	480.27	LG-52229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA) - 100%
. T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. -25% -25% -25%
. T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SE/4 NW/4NW/4, SW/4, SW/4SE/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. -25% -25% -25%
. T10S-R26E Sec. 10: N/2, NW/4SW/4, S/2SW/4, SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. Apache Corporation -12.5% -12.5% -12.5% -50.0%
. T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc. - 25% - 25% - 25%
. T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4, SE/4SW/4	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA) - 100%

EXHIBIT B  
To Unit Operating Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
. T10S-R26E Sec. 14: SW/4NE/4, N/2NW/4, SW/4NW/4, N/2SW/4, SW/4SW/4, S/2SE/4	360.00	LG-5236 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
. T10S-R26E Sec. 15: All	640.00	LG-5237 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
. T10S-R26E Sec. 16: N/2, W/2SW/4, SE/4	560.00	LG-5238 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
0. T10S-R26E Sec. 24: N/2NW/4, SW/4NW/4, SW/4, W/2SE/4	360.00	LG-5239 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
1. T10S-R27E Sec. 6: Lots 1,2,3, 4,5,6,7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4	636.39	LG-5241 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%

EXHIBIT B  
To Unit Operating Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
2. T10S-R26E Sec. 12: N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)
3. T10S-R26E Sec. 1: Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	State of NM 12.5%	Apache Corporation	Robert L. Thornton - 1.90% Donald R. Curry - .20% Deidva P. Thornton - 1.90%	Pacific Enterprises Oil Company (USA)
4. T10S-R26E Sec. 2: S/2	320.00	LG-7422-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
5. T10S-R26E Sec. 3: S/2	320.00	LG-7423-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
6. T10S-R26E Sec. 10: NE/4SW/4	40.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
7. T10S-R26E Sec. 4: SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	State of NM 12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%

EXHIBIT B  
 To Unit Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
6aT10S-R26E Sec. 9: N4SE, SESE, NWNE NESW 11:	200.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA) - 100%
8.T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
9.T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
10.T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
21.T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
22.T10S-R26E Sec. 8: A11	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation -25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Myco Industries, Inc. -25.0%
23.T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company - 100%

Revised 3/29/88  
 Revised 5/10/89  
 Revised 11-21-89

EXHIBIT B  
 To Unit Operating Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owne
24.T10S-R26E	Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company
25.T10S-R26E	Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Pacific Enterprises Oil Company
26.T10S-R26E	Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating
27.T10S-R26E	Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating
28.T10S-R26E	Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating
29.T10S-R26E	Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating

Revised 11-21-89

TOTAL 8,836.81 Acres State Lands 100.00%

RECAPITULATION

EXHIBIT B  
To Unit Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
1.	T10S-R26E Sec. 1: Lots 3,4, S/2NW/4, S/2	480.27	LG-5229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)
2.	T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
3.	T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SE/4 NW/4NW/4, SW/4, SW/4SE/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.
4.	T10S-R26 Sec. 10: N/2, NW/4SW/4, S/2SW/4, SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5% Apache Corporation -50.0%
5.	T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Myco Industries, Inc. - 25%
U.	T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4, SE/4SW/4	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)

EXHIBIT B  
To Unit Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract # Tract Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
7. T10S-R26E Sec. 14: SW/4NE/4, N/2NW/4, SW/4NW/4, N/2SW/4, SW/4SW/4, S/2SE/4	360.00	LG-5236 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
T10S-R26E Sec. 15: A11	640.00	LG-5237 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
9. T10S-R26E Sec: 16: N/2, W/2SW/4, SE/4	560.00	LG-5238 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
10. T10S-R26E Sec. 24: N/2NW/4, SW/4NW/4, SW/4, W/2SE/4	360.00	LG-5239 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%
11. T10S-R27E Sec. 6: Lots 1,2,3, 4,5,6,7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4	636.39	LG-5241 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycro Industries, Inc. - 25%

EXHIBIT B  
To Unit Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty % Ownership	Lessee of Record	Overriding Royalty	Working Interest Owner
12.T10S-R26E	Sec. 12: N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)
13.T10S-R26E	Sec. 1: Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	State of NM 12.5%	Apache Corporation	Robert L. Thornton - 1.90% Donald R. Curry - .20% Deidva P. Thornton - 1.90%	Pacific Enterprises Oil Company (USA)
14.T10S-R26E	Sec. 2: S/2	320.00	LG-7422-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
15.T10S-R26E	Sec. 3: S/2	320.00	LG-7423-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
16.T10S-R26E	Sec. 10: NE/4SW/4	40.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Myco Industries, Inc. -12.5%
17.T10S-R26E	Sec. 4: SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	State of NM 12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%



EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessees of Record	Overriding Royalty	Working Interest Owner
* 16aT10S-R26E							
Sec. 9:	N½SE, SESE, NWNE	200.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA) - 100%
11:	NESSW						
18.T10S-R26E							
Sec. 16:	E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
19.T10S-R26E							
Sec. 9:	S/2NE/4, NE/4NE/4	120.00	LH-1858-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
20.T10S-R26E							
Sec. 11:	NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
21.T10S-R26E							
Sec. 14:	N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
22.T10S-R26E							
Sec. 8:	A11	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation -25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Myco Industries, Inc. -25.0%
23.T10S-R26E							
Sec. 9:	E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company - 100%

Revised 3/29/88  
 Revised 5/10/89  
 Revised 11-21-89

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty % Ownership	Lessee of Record	Overriding Royalty	Working Interest Owner
24. T10S-R26E	Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company
25. T10S-R26E	Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Pacific Enterprises Oil Company
26. T10S-R26E	Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating
27. T10S-R26E	Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating
28. T10S-R26E	Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating
29. T10S-R26E	Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating

Revised 11-21-89

RECAPITULATION

TOTAL      8,836.81 Acres State Lands      100.00%



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

9317

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

March 30, 1993

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

Attn: Ms. Kathy Porter

Re: Voluntary Termination of Sunnyside State Unit  
Chaves County, New Mexico

Dear Ms. Porter:

This office is in receipt of your letter of March 24, 1993, together with ratifications and a "Request for Termination" of the Sunnyside State Unit, Chaves County, New Mexico.

Please be advised that the Sunnyside State Unit has this date been terminated effective March 30, 1993. The Sunnyside State Com Well No. 2 has also been simultaneously approved effective March 30, 1993.

Please advise 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,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
OCD-Santa Fe



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

March 30, 1993

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

Attn: Ms. Kathy Porter

Re: Voluntary Termination of Sunnyside State Unit  
Chaves County, New Mexico

Dear Ms. Porter:

This office is in receipt of your letter of March 24, 1993, together with ratifications and a "Request for Termination" of the Sunnyside State Unit, Chaves County, New Mexico.

Please be advised that the Sunnyside State Unit has this date been terminated effective March 30, 1993. The Sunnyside State Com Well No. 2 has also been simultaneously approved effective March 30, 1993.

Please advise 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,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Jami Bailey for F. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
OCD-Santa Fe

Terminated  
 EFFECTIVE DATE 3/30/89  
 APPROVAL DATE 3/30/83

Unit Name SUNNY SIDE STATE UNIT - EXPLORATORY  
 Operator YATES PETROLEUM CORPORATION  
 County CHAVES

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-8612	March 30, 1988	8,836.81	8,836.81	-0-	-0-	Strict	5 Years & so long as

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
 Section 1: All  
 Section 2: S/2  
 Section 3: S/2  
 Section 4: S/2  
 Section 5: S/2, NE/4NE/4, S/2NE/4  
 Section 8: All  
 Section 9: All  
 Section 10: All  
 Section 11: All  
 Section 12: All  
 Section 13: All  
 Section 14: All  
 Section 15: All  
 Section 16: All  
 Section 24: W/2, W/2SE/4

Commitment status (5/10/89)  
 8716.81 Acres Committed  
 120.00 Acres Not Committed  
 8836.81 Acres Total

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
 Section 6: All

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

TERMINATED  
 EFFECTIVE DATE 3/30/93  
 APPROVAL DATE 3/30/93

Tract #	Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
T10S-R26E Sec. 1:	Lots 3,4, S/2NW/4, S/2	480.27	LG-52229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)
T10S-R26E Sec. 4:	N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
T10S-R26E Sec. 5:	Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SE/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
T10S-R26E Sec. 9:	NW/4NW/4, SW/4, SW/4SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. Apache Corporation
T10S-R26E Sec. 11:	NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
T10S-R26E Sec. 13:	SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4, SE/4SW/4	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)

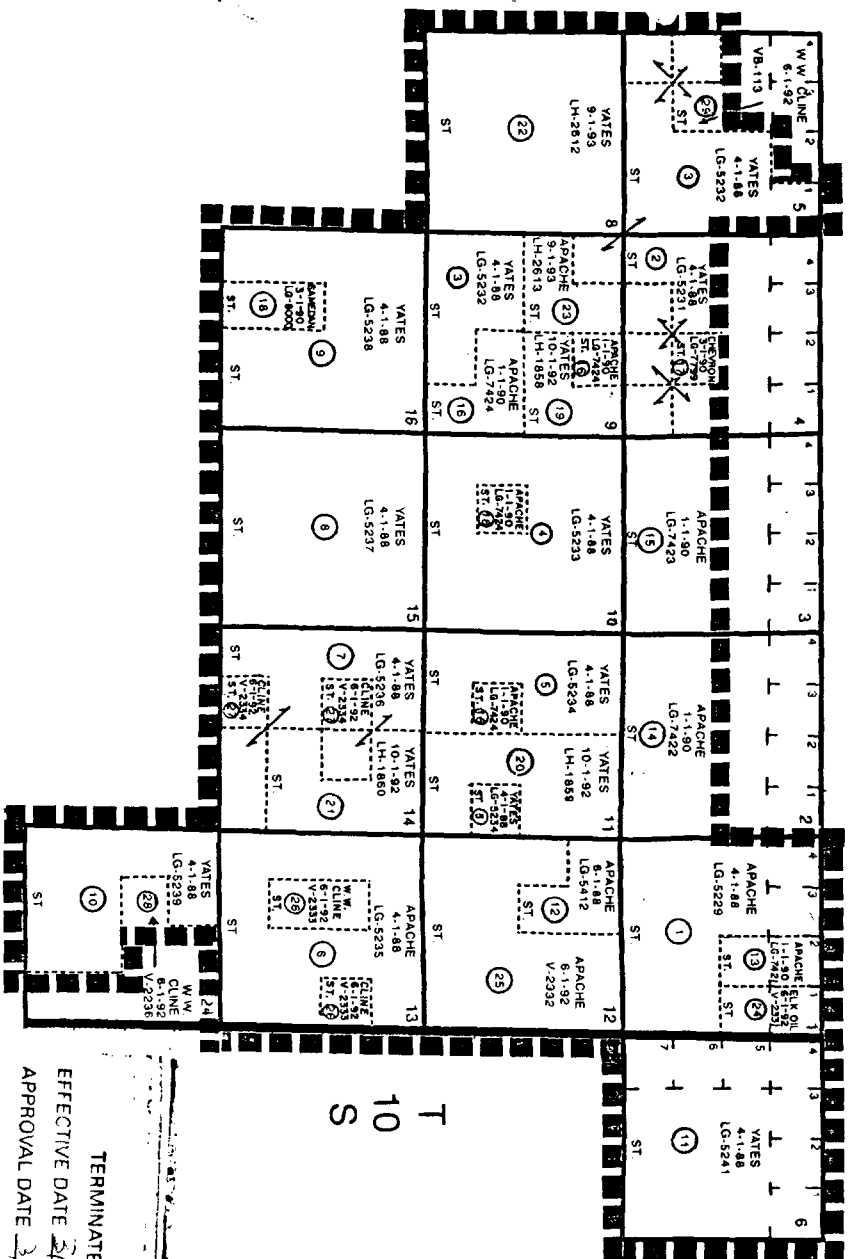
EXHIBIT B  
To Unit Agreement  
SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
7. T10S-R26E Sec. 14: SW/4NE/4, N/2NW/4, SW/4NW/4, N/2SW/4, SW/4SW/4, S/2SE/4	360.00	IG-5236 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycos Industries, Inc. - 25%
3. T10S-R26E Sec. 15: All	640.00	IG-5237 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycos Industries, Inc. - 25%
9. T10S-R26E Sec. 16: N/2, W/2SW/4, SE/4	560.00	IG-5238 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycos Industries, Inc. - 25%
10. T10S-R26E Sec. 24: N/2NW/4, SW/4NW/4, SW/4, W/2SE/4	360.00	IG-5239 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycos Industries, Inc. - 25%
11. T10S-R27E Sec. 6: Lots 1,2,3, 4,5,6,7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4	636.39	IG-5241 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25% Yates Drilling Company - 25% Abo Petroleum Corporation - 25% Mycos Industries, Inc. - 25%

EXHIBIT B  
To Unit Agreement  
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Chaves County, New Mexico

Tract #	Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
12.	T10S-R26E Sec. 12: N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA)
1	T10S-R26E Sec. 1: Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	State of NM 12.5%	Apache Corporation	Robert L. Thornton - 1.90% Donald R. Curry - .20% Deidva P. Thornton - 1.90%	Pacific Enterprises Oil Company (USA)
14.	T10S-R26E Sec. 2: S/2	320.00	LG-7422-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.
15.	T10S-R26E Sec. 3: S/2	320.00	LG-7423-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.
16.	T10S-R26E Sec. 10: NE/4SW/4	40.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation-12.5% Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.
17.	T10S-R26E Sec. 4: SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	State of NM 12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%





R26E

R27E

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- STATE LANDS 8836.81 ACRES 100%
- TRACT NUMBER
- UNIT OUTLINE

SUNNY SIDE STATE UNIT  
CHAVES COUNTY, NEW MEXICO

EXHIBIT "A"  
YATES PETROLEUM CORPORATION  
105 S. 4TH  
ARTESIA, NEW MEXICO

TERMINATED  
EFFECTIVE DATE 3/32/42  
APPROVAL DATE 3/32/42

EXHIBIT B  
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Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessees of Record	Overriding Royalty	Working Interest Owner
.T10S-R26E Sec. 9: N1/2SE, SESE, NWNE 11: NESW	200.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company (USA) - 100%
.T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
.T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
.T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
.T10S-R26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-1 10/1/92	State of NM 12.5%	Yates Petroleum Corporation	12.5%	Yates Petroleum Corporation -100%
.T10S-R26E Sec. 8: All	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Mycro Industries, Inc. -25.0%
.T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Pacific Enterprises Oil Company - 100%

Revised 3/29/88  
Revised 5/10/89  
Revised 11-21-89

EXHIBIT B  
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 Chaves County, New Mexico

Act #	nd Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessees of Record	Overriding Royalty	Working Interest Owner	
.T10S-R26E Sec. 1:	Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company	- 100%
.T10S-R26E c. 12:	E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Pacific Enterprises Oil Company	- 100%
.T10S-R26E Sec. 13:	SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating	- 100%
.T10S-R26E Sec. 14:	SE/4RW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating	- 100%
.T10S-R26E Sec. 24:	SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating	- 100%
.T10S-R26E Sec. 5:	NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating	- 100%

*Revised 06/27/90*

TOTAL 8,836.81 Acres State Lands 100.00%

Record 11-21-89

RECAPITULATION

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
5.T10S-R26E Sec. 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Apache Corporation - 100%
5.T10S-R26E Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
7.T10S-R26E Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
8.T10S-R26E Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
9.T10S-R26E Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 18.75%	W. W. Cline	None	Marsh Operating - 100%

RECAPITULATION

TOTAL      8,836.81 Acres State Lands      100.00%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

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Tract # and Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
T10S-R26E Sec. 1: Lots 3,4, S/2	480.27	LG-5229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-5231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SW/4	600.06	LG-5232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
T10S-R26E Sec. 9: NW/4NW/4, SW/4, SW/4SE/4	600.00	LG-5233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycos Industries, Inc. -12.5% Apache Corporation -50.0%
T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-5234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4	520.00	LG-5235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty %	Lessee of Record	Overriding Royalty	Working Interest Owner
T10S-R26E Sec. 1: Lots 3,4, S/2NW/4, S/2	480.27	LG-52229-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
T10S-R26E Sec. 4: N/2SW/4, SW/4SW/4, NE/4SE/4, SW/4SE/4	200.00	LG-52231 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation -25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
T10S-R26E Sec. 5: Lot 1, S/2NE/4, NW/4SW/4, SE/4SW/4, SE/4 NW/4NW/4, SW/4, SW/4SE/4	600.06	LG-52232 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation -25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
T10S-R26E Sec. 10: N/2, NW/4SW/4, S/2SW/4, SE/4	600.00	LG-52233 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycos Industries, Inc. -12.5%
T10S-R26E Sec. 11: NW/4, W/2SW/4, SE/4SW/4, NE/4SE/4	320.00	LG-52234 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation -25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
T10S-R26E Sec. 13: SE/4, SW/4NE/4, N/2NE/4, W/2W/2, NE/4NW/4, SE/4SW/4	520.00	LG-52235-1 4/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%

EXHIBIT B  
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SUNNY SIDE STATE UNIT  
Chaves County, New Mexico

Tract # Block Descriptive	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessees of Record	Overriding Royalty	Working Interest Owner
7. T10S-R26E Sec. 14: SW/ N/2 SW/ N/2 SW/ S/2	360.00	E/4, /4, W/4, /4, W/4, /4	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
8. T10S-R26E Sec. 15: All	640.00	LG-5237 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
9. T10S-R26E Sec. 16: N/2 W/2 SE/	560.00	LG-5238 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
10. T10S-R26E Sec. 24: N/2 SW/ SW/ W/2	360.00	LG-5239 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%
11. T10S-R27E Sec. 6: Lot 4,5 S/2 SE/ E/2 SE/	636.39	LG-5241 4/1/88	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25% Yates Drilling Company -25% Abo Petroleum Corporation -25% Mycos Industries, Inc. -25%

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 SUNNY SIDE STATE UNIT  
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Tract #	Description	No of Acres	Serial No. & Exp. Date	Basic Royalty % Ownership	Lessee of Record	Overriding Royalty	Working Interest Owner
T10S-R26E Sec. 12:	N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	12.5%	Apache Corporation	None	Apache Corporation - 100%
T10S-R26E Sec. 1:	Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	12.5%	Apache Corporation	None	Apache Corporation - 100%
T10S-R26E Sec. 2:	S/2	320.00	LG-7422-1 1/1/90	12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycos Industries, Inc. -12.5%
T10S-R26E Sec. 3:	S/2	320.00	LG-7423-1 1/1/90	12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycos Industries, Inc. -12.5%
T10S-R26E Sec. 10:	NE/4SW/4	40.00	LG-7424-1 1/1/90	12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycos Industries, Inc. -12.5%
T10S-R26E Sec. 4:	SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%
T10S-R26E Sec. 9:	N/2SE, S/2SW, None	200.00	LG-7424-1 1/1/90	12.5%	State of NM Apache Corporation	None	Apache Corporation -100.0%



EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract # and Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
2.T10S-R26E Sec. 12: N/2NW/4, SE/4NW/4	120.00	LG-5412-1 6/1/88	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
10S-R26E Sec. 1: Lot 2, SW/4NE/4	80.07	LG-7421-2 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
4.T10S-R26E Sec. 2: S/2	320.00	LG-7422-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycro Industries, Inc. -12.5%
5.T10S-R26E Sec. 3: S/2	320.00	LG-7423-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycro Industries, Inc. -12.5%
10S-R26E Sec. 9: N/2SE/4, SE/4SE/4, NW/4NE/4	240.00	LG-7424-1 1/1/90	State of NM 12.5%	Apache Corporation	None	Apache Corporation Yates Petroleum Corporation -12.5% Yates Drilling Company -12.5% Abo Petroleum Corporation -12.5% Mycro Industries, Inc. -12.5%
Sec. 10: NE/4SW/4 Sec. 11: NE/4SW/4						
7.T10S-R26E Sec. 4: SE/4SE/4, SE/4SW/4, NW/4SE/4	120.00	LG-7999 3/1/90	State of NM 12.5%	Chevron USA Inc.	None	Chevron USA Inc. - 100%

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty & Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
18.T10S-R26E Sec. 16: E/2SW/4	80.00	LG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
19.T10S-R26E Sec. 9: S/2NE/4, NE/4NE/4	120.00	LH-1858-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
20.T10S-R26E Sec. 11: NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
21.T10S-F26E Sec. 14: N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-2 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Yates Petroleum Corporation-100%
22.T10S-R26E Sec. 8: All	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation-25.0% Yates Drilling Company -25.0% Abo Petroleum Corporation -25.0% Mycro Industries, Inc. -25.0%
23.T10S-R26E Sec. 9: E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
24.T10S-R26E Sec. 1: Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

Revised 3/23/88  
 Revised 5/10/89

EXHIBIT B  
 To Unit Agreement  
 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract #	Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
1. T10S-R26E Sec. 16:	E/2SW/4	80.00	IG-8000 3/1/90	State of NM 12.5%	Samedan Oil Corporation	None	Samedan Oil Corporation - 100%
T10S-R26E Sec. 9:	S/2NE/4, NE/4NE/4	120.00	LH-1858-1 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Texaco Producing Inc. - 100%
1. T10S-R26E Sec. 11:	NE/4, W/2SE/4, SE/4SE/4	280.00	LH-1859-1 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Texaco Producing Inc. - 100%
1. T10S-R26E Sec. 14:	N/2NE/4, SE/4NE/4, N/2SE/4	200.00	LH-1860-1 10/1/92	State of NM 12.5%	Texaco Producing Inc.	None	Texaco Producing Inc. - 100%
2. T10S-R26E Sec. 8:	All	640.00	LH-2612 9-1-93	State of NM 12.5%	Yates Petroleum Corporation	None	Yates Petroleum Corporation - 25.0% Yates Drilling Company - 25.0% Abo Petroleum Corporation - 25.0% Myc Industries, Inc. - 25.0%
3. T10S-R26E Sec. 9:	E/2NW/4, SW/4NW/4	120.00	LH-2613-1 9/1/93	State of NM 12.5%	Apache Corporation	None	Apache Corporation - 100%
4. T10S-R26E Sec. 1:	Lot 1, SE/4NE/4	80.02	V-2331 6/1/92	State of NM 16.67%	Elk Oil Company	None	Elk Oil Company - 100%

EXHIBIT B  
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 SUNNY SIDE STATE UNIT  
 Chaves County, New Mexico

Tract Land Description	No of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessees of Record	Overriding Royalty	Working Interest Owner
25. T10 R26E Sec 12: E/2, SW/4, SW/4NW/4	520.00	V-2332 6/1/92	State of NM 16.67%	Apache Corporation	None	Apache Corporation - 100%
26. T10S R26E Sec. 13: SE/4NW/4, SE/4NE/4, NE/4SW/4	120.00	V-2333 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
27. T10S-R26E Sec. 14: SE/4NW/4, SE/4SW/4	80.00	V-2334 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
28. T10S-R26E Sec. 24: SE/4NW/4	40.00	V-2336 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%
29. T10S-126E Sec. 5: NE/4SW/4, SW/4SW/4	80.00	VB-113 6/1/92	State of NM 16.67%	W. W. Cline	None	Marsh Operating - 100%

TOTAL 8,836.81 Acres State Lands 100.00%

RECAPITULATION