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January 28, 1991

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Ms. Mary Lou Ormseth

Re: Salt Creek Unit
Chaves County, New Mexico

Gentlemen:

On behalf of Yates Petroleum Corporation, application is hereby made for designation of the Salt Creek Unit, Chaves County, New Mexico, as logically subject to unit development. This exploratory unit consists of federal, state and fee lands. Submitted herewith are the following:

1. Copy of the Unit Agreement, with Exhibits "A" and "B".
2. Copy of the Unit Operating Agreement.

We understand that the Yates Petroleum Corporation Geology Department has previously submitted its exhibits illustrating the geological justification for this unit to Jerry Dutchover of your office. We are enclosing a copy of the written geological explanation for this unit and an additional copy of Exhibit "A" to the Unit Agreement.

This application is set for hearing before the New Mexico Oil Conservation Division on February 7, 1991, and request has been made to the Commissioner of Public Lands of the State of New Mexico for preliminary approval of the unit. Several of the leases have an expiration date of March 1, 1991, and Yates Petroleum Corporation intends to commence drilling operations in SW/4 Section 21, Township 6 South, Range 21 East, N.M.P.M., prior to March 1, 1991. Your early review of this proposed unit will be appreciated. Please contact me if you have any questions or requirements.

YATES PETROLEUM CORPORATION
Case No. 10225
02/07/91 Examiner Hearing
Exhibit No. 4

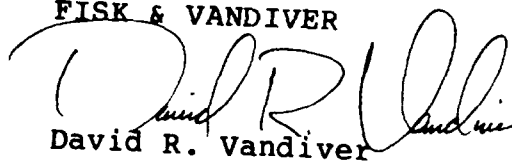
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Thank you for your cooperation in this matter.

Very truly yours,

FISK & VANDIVER

A handwritten signature in dark ink, appearing to read "David R. Vandiver", is written over the typed name. The signature is stylized with large, flowing loops.

David R. Vandiver

DRV:pvw
Enclosures

cc: Ccmmissioner of Public Lands
Mr. Rob Bullock