EXHIBIT A
YATES OA

# A.A.P.L. FORM 610-1977 MODEL FORM OPERATING AGREEMENT

## OPERATING AGREEMENT

DATED

January 1 , 19 87 ,

OPERATOR	YATES PETROLEUM CORPORATION
CONTRACT AREA_	All lands owned by parties but not covered by another
	Operating Agreement
COUNTY OWN WARDS	M OFSTATE OF

COPYRIGHT 1977 - ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM LANDMEN
APPROVED FORM. A.A.P.L. NO. 610 - 1977 REVISED
MAY BE ORDERED DIRECTLY FROM THE PUBLISHER:
KRAFTBILT PRODUCTS, BOX 800, TULSA, 74]01

Capy to: Speaker - Itomani

## EXHIBIT A

### YATES OA

## A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1977

ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JANUARY 1, 1987, BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR", AND YATES DRILLING COMPANY, ET AL, "NON-OPERATORS", COVERING ALL LANDS OWNED BY PARTIES BUT NOT COVERED BY ANOTHER OPERATING AGREEMENT.

ARTICLE XVI.

MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

OPERATOR

YATES PETROLEUM CORPORATION

Atworney-in-Fact

NON-OPERATORS

YATES DRILLING COMPANY

. \_\_\_\_\_\_

STATE OF NEW MEXICO )
: SS
COUNTY OF EDDY )

The foregoing instrument was acknowledged before me this 26 day of 1987, by A.P. Vates

Attorney-In-Fact for YATES PETROLEUM CORPORATION, a New Mexico corporation, on behalf of said corporation.

My commission expires:
Thank 1, 1990

Missam & Storlow Notary Public

STATE OF NEW MEXICO

COUNTY OF EDDY

The foregoing instrument was acknowledged before me this 26 day of 1987, by Dendon Typeter day of Attorney-in-Fact for YATES DRILLING COMPANY, a New Mexico corporation, on behalf of said corporation.

SS

My commission expires:

Trasel 1, 1990

Misiam & Storlow Notary Public

- 15 -

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ATTACHED TO AND MADE A PART OF OPERATING AGREEMENT DATED JANUARY 1, 1987, BETWEEN YATES PETROLEUM CORPORATION, "OPERATOR" AND YATES DRILLING COMPANY, ET AL, "NON-OPERATOR", COVERING ALL LANDS OWNED BY PARTIES BUT NOT COVERED BY ANOTHER OPERATING AGREEMENT.

## EXHUBIT "A"

- L 1. Lands Subject to Agreement:
  - All lands owned by the parties but not covered by another Operating Agreement
  - 2. Depth Restriction:

None

- 3. Drilling Units for the Wells:
  - Proration Unit as established by the governing regulatory agency
- II. Percentage Interests of Parties Under the Agreement:

Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation S.P. Yates John A. Yates Estate of Martin Yates, III Lillie M. Yates Los Chicos Weed Oil & Gas, a partnership By-Qil Trail Mountain, Inc. Estate of Lillie M. Yates Sharbro Oil Ltd. Co. Frank W. Yates, Jr. Estate of Peggy A. Yates John A. Yates, Jr. Sacramento Partners Limited Partnership Estelle H. Yates Peyton Yates Marico Exploration, Inc. Richard Yates Mary Yates Davis

Interests as they appear of record

III. Leasehold Interest of Each Party:

S.P. and Estelle H. Yates 1976 Trust

All Leases owned by the parties but not covered by another Operating Agreement

Trust Q created under the Last Will and Testament of Peggy A. Yates, deceased.

IV. Addresses of Parties to Which Notices Should Be Sent:

Yates Petroleum Corporation Myco Industries, Inc. Sharbro Industries, Inc. John A. Yates John A. Yates, Jr. Estelle H. Yates Lillie M. Yates Estate of Peggy A. Yates Weed Oil & Gas, a partnership Trail Mountain, Inc. Marico Exploration, Inc. Mary Yates Davis

105 South Fourth Street Artesia, New Mexico 88210 Yates Drilling Company
Abo Petroleum Corporation
S.P. Yates
Frank W. Yates, Jr.
Peyton Yates
Estate of Martin Yates, III,
Estate of Lillie M. Yates
Los Chicos
By-Oil
Sacramento Partners Limited Partnership
Richard Yates
S.P. and Estelle H. Yates 1976 Trust

Trust Q created under the Last Will & Testament of Peggy A. Yates, dec.

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