

14-08-0001-16920
3180 (065)

JAN 30 1986

Yates Petroleum Corporation
Attention: Janet Richardson
207 South Fourth Street
Artesia, New Mexico 88210

Re: Automatic Elimination
Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

Your letter of January 16, 1986, accompanied by revised Exhibits "A" and "B", correctly describes the lands automatically eliminated from the Willow Creek Unit, Chaves County, New Mexico, pursuant to Section 2(e) of the Unit Agreement. The lands so eliminated contain 25,723.21 acres covering all legal subdivisions, no part of which are included in the initial Abo participating area. The resultant unit area contains 157.64 acres. The original unit area contained 25,880.85 acres.

Federal lands remaining within the contracted unit area are embraced in the following leases:

*NM - 22846

*Indicates lease which covers lands within the contracted area as well as lands eliminated from the unit area.

The following Federal leases are entirely eliminated from the unit area:

NM-11320	NM-14992
NM-11955	NM-16783
NM-12686	NM-17036
NM-13399	NM-19828
NM-20336	NM-22845
NM-22846	NM-26869
NM-27060	NM-29205
NM-32850	NM-33663
NM-36407	NM-37599
NM-57595	

Also eliminated is an 80 acre unleased Federal tract located in T. 4 S., R. 25 E., N.M.P.M., which is the NE1/4, Sec. 11 and the NE1/4, Sec. 14.

The initial Abo participating area was effective November 24, 1980. Since unit drilling operations to defer automatic elimination were not in progress on November 24, 1985, the automatic contraction provision of Section 2(e) became effective as of November 24, 1985.

We hereby concur in your description of the lands automatically eliminated from the Willow Creek Unit, effective as of November 24, 1985. You will have satisfactorily complied with the requirement of Section 2(e) provided you promptly notify all parties in interest

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

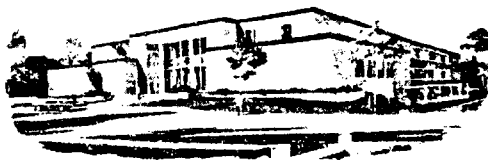
Francis R. Cherry, Jr.
District Manager

Enclosures

cc:
Commissioner of Public Lands, Santa Fe
NMOCB, Santa Fe

State of New Mexico

#6641



JIM BACA
COMMISSIONER

Commissioner of Public Lands

January 30, 1986

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery User
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

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

Re: Willow Creek Unit
Automatic Elimination
Chaves County, New Mexico

ATTENTION: Ms. Janet Richardson

Gentlemen:

The Commissioner of Public Lands has this date accepted your revised Exhibits "A" and "B" to the Willow Creek Unit area showing those lands remaining within the Unit and those which were automatically eliminated from the unit as of November 24, 1985.

Please note that on Tract No. 21 of your Schedule showing all lands and leases eliminated, the correct State lease No. should be L-5242-2 as noted.

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

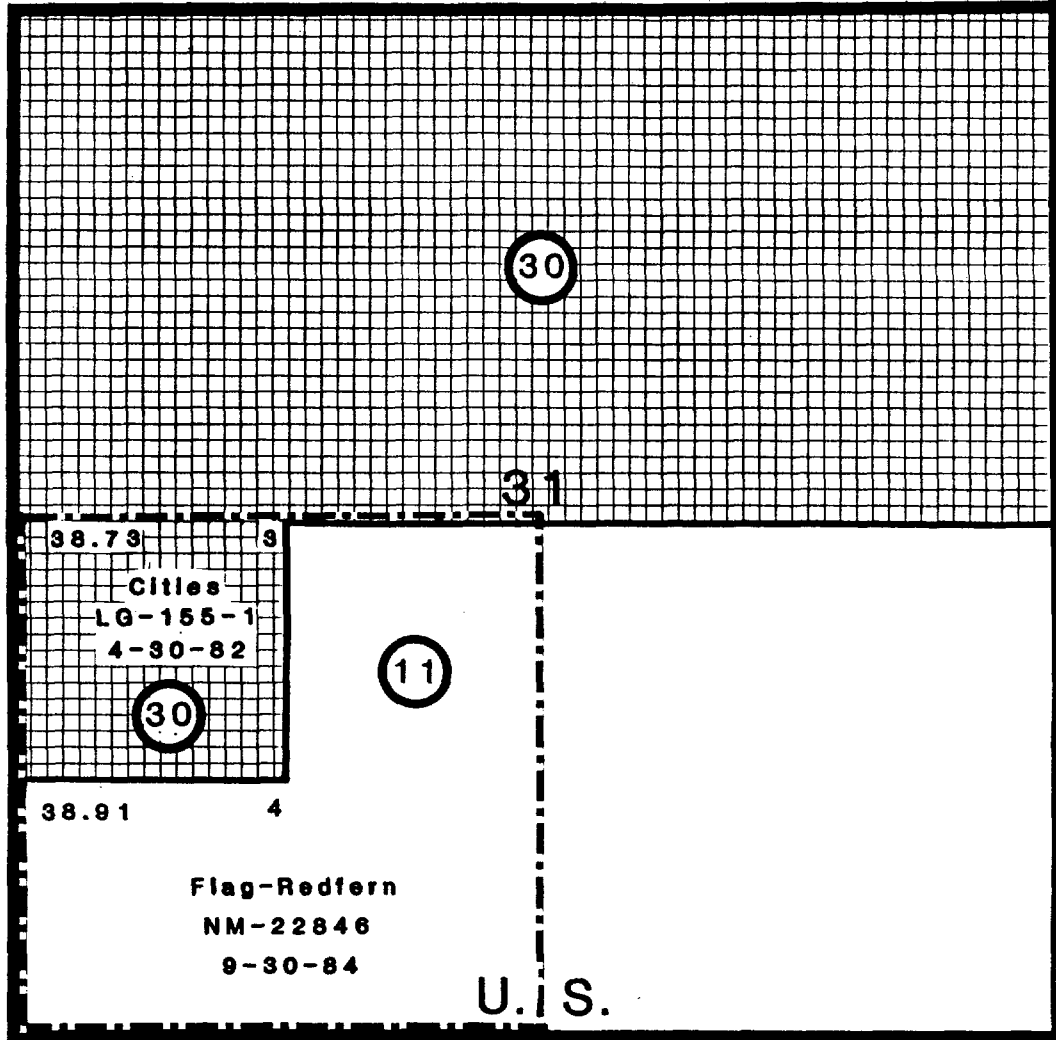
Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico



Unit Outline



Tract Number



Federal Lands

118.91 acres, 75.43%



State of NM Lands

38.73 acres, 24.57%

Exhibit "A"
Willow Creek Unit Area
 Chaves County, New Mexico
 after
 Automatic Elimination
 11-24-85

Schedule Showing All Lands and Leases Remaining
Within the Willow Creek Unit Area
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
11.	<u>T-4-S, R25-E, N.M.P.M.</u> Section 31: Lot, 4, E $\frac{1}{2}$ SW/4	118.91	NM-22846 9-30-84	USA 12.5	Flag Redfern Oil Co. All	None	Flag Redfern Oil Co. All
Total: 118.91 Acres Federal Land							
30	<u>T-4-W, R-25-E, N.M.P.M.</u> Section 31: Lot 3	38.73	LG-155-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
Total: 38.73 Acres State of New Mexico Lands							

WILLOW CREEK UNIT AREA

EXHIBIT "B"

Schedule Showing All Lands and Leases Eliminated From
Within the Willow Creek Unit Area
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
Federal Lands							
1.	T-4-S, R-25-E N.M.P.M. Sec. 1: All 12: N ¹ / ₄ NW ¹ / ₄ , E ¹ / ₂ SW ¹ / ₄ , SE ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄	1,001.00	NM-11320 2/29/80	U.S.A 12.5	Cities Service Co. All	C.E. Strange George Globe	1.5 All Cities Service Co.
2.	T-4-S, R-25-E N.M.P.M. Section 9: S/2 10: All 17: All	1,600.00	NM-11955 6-30-80	U.S.A. 12.5	Cities Service Co. All	Audelia Deluna C.F. Strange	1.5 All Cities Service Co.
3.	T-4-S, R-25-E, N.M.P.M. Section 11: SE ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄	80.00	NM-12686 11-30-80	U.S.A. 12.5	Public Lands Expl. Inc.* All	Est. F.J. Bradshaw Pauline & James Hayes	4.5 Public Lands Explor. Inc. All
4.	T-5-S, R-25-E, N.M.P.M. Section 1: Lots 1,2, S ¹ / ₄ NE ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄	240.06	NM-13399 3-31-81	U.S.A. 12.5	El Paso Nat. Gas Co.** All	Pauline & James Hayes	3.0 All El Paso Nat. Gas Co.

* Public Lands Exploration, Inc.
**El Paso Natural Gas Company

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
5.	T-4-S, R-25-E, N.M.P.M. Section 7: NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 14: W $\frac{1}{2}$ NW $\frac{1}{4}$	160.00	NM-14992 2-28-82	U.S.A. 12.5	Public Lands Explor., Inc. All	Est. F.J. Bradshaw 4.5	Public Lands Explor. Inc. All
6.	T-5-S, R-25-E, N.M.P.M. Section 3: Lots 1,2,3,4, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	320.76	NM-16783 9-30-82	U.S.A. 12.5	John M. Beard All	None	John M. Beard All
7.	T-4-S, R-25-E, N.M.P.M. Section 11: NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 24: E $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ Section 25: All	1,040.00	NM-17036 11-30-82	U.S.A. 12.5	Read & Stevens, Inc. All	James & Jane Satel 1.0 Sherman & Hazel Nelson 0.75 Jcn & Anita Nelson 0.75	Read & Stevens, Inc. All
8.	T-4-S, R-25-E, N.M.P.M. Section 12: W $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 14: W $\frac{1}{2}$ SW $\frac{1}{4}$	200.00	NM-19828 12-31-84	U.S.A. 12.5	Clifford Cone All	None	Clifford Cone All
9.	T-4-S, R-25-E, N.M.P.M. Section 3: Lots 1,2, SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 4: All Section 5: All Section 6: Lots 1,2,6,7, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ Section 7: W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 18: Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$	2,513.60	NM-20336 4-30-84	U.S.A. 12.5	Public Lands Explor. Inc. All	J.R. & Colleen Pickett 3.0	Public Lands Explor. Inc. All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
10.	T-4-S, R-25-E, N.M.P.M. Section 14: SE $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	NM-22845 9-30-84	U.S.A. 12.5	William B. Blakemore All	None	William B. Blakemore All
11.	T-4-S, R-25-E, N.M.P.M. Section 31: SE/4	160.00	NM-22846 9-30-84	U.S.A. 12.5	Flag Redfern Oil Co. All	None	Flag Redfern Oil Co. All
12.	T-5-S, R-25-E, N.M.P.M. Section 11: NW $\frac{1}{4}$	160.00	NM-26869 11-30-85	U.S.A. 12.5	Abo Petr. Corp. All	Martin R. Yates 3.0	Abo Petr. Corp. All
13.	T-4-S, R-25-E, N.M.P.M. Section 9: N $\frac{1}{4}$ Section 8: All	960.00	NM-27060 12-31-86	U.S.A. 12.5	Yates Petr. Corp. 25.0 Yates Drilling Co. 25.0 Abo Petr. Co. 25.0 Mycro Ind., Inc. 25.0	C.E. Strange, Jr. 1.5 C.E. Strange 1.5	Same Lessee of Record
14.	T-4-S, R-25-E, N.M.P.M. Section 11: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	NM-29205 1-31-87	U.S.A. 12.5	Marjorie F. Gallen All	None	Marjorie F. Gallen All
15.	T-4-S, R-25-E, N.M.P.M. Section 2: Lots 1, 2, 3, 4, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 14: E $\frac{1}{2}$ E $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 24: NE $\frac{1}{4}$ Section 26: SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	882.04	NM-32850 6-30-88	U.S.A. 12.5	Public Lands Explor., Inc. All	James D. Rupp 1.00 John & Patricia Moses 1.00 Houston Oil & Minerals 2.00	Public Lands Explor. Inc. All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
16.	T-5-W, R-25-E, N.M.P.M. Section 3: SW $\frac{1}{4}$, S $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$	320.00	NM-33663 7-31-88	U.S.A. 12.5	Public Lands Explor. Inc. All	Dennis W. Laurence 1.0 Marvin L. McGabey 4.0	Public Lands Explor. Inc. All
17.	T-5-S, R-25-E, N.M.P.M. Section 10: NE $\frac{1}{4}$	160.00	NM-36407 4-31-89	U.S.A. 12.5	Public Lands Explor. Inc. All	Louise & James Walker 5.0	Public Lands Explor. Inc. All
18.	T-4-S, R-25-E, N.M.P.M. Section 13: All	640.00	NM-37599 8-31-89	U.S.A. 12.5	Paul Keelin All	None	Paul Keelin All
19.	T-4-S, R-25-E, N.M.P.M. Section 11: NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 14: NE $\frac{1}{4}$ NW $\frac{1}{4}$	80.00	OPEN				
20.	T-5-S, R-25-E, N.M.P.M. Section 10: NE $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	NM-57595	U.S.A. 12.5	Michael R. Hyden dba Napa Resources Co. All	None	Michael R. Hyden dba Napa Resources Co. All

Total: 10,637.46 Acres Federal Land

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
				ROYALTY & PERCENTAGE	State of New Mexico Lands			
21.	T-4-S, R-25-E, N.M.P.M. Section 15: All Section 16: All	1,280.00	L-5242-1 2-28-81	State 12.5	Cities Service Co. All	None		Cities Service Co. All
22.	T-4-S, R-25-E, N.M.P.M. Section 21: All Section 22: All	1,280.00	L-5243-1 2-28-81	State 12.5	Cities Service Co. All	None		Cities Service Co. All
23.	T-4-S, R-25-E, N.M.P.M. Section 23: W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27: NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ N $\frac{1}{2}$ SE $\frac{1}{4}$	920.00	L-5244-1 2-28-81	State 12.5	Cities Service Co. All	None		Cities Service Co. All
24.	T-4-S, R-25-E, N.M.P.M. Section 26: S $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 36: All	1,200.00	L-5245-1 2-28-81	State 12.5	Cities Service Co. All	None		Cities Service Co. All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
25.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 34: All Section 35: All	1,280.00	L-55246-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All
26.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 1: W $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	L-4248-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All
27.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 2: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{2}$	520.48	L-55249-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All
28.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 19: All Section 20: All	1,271.84	LG-153-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
29.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 29: All	1,080.00	LG-154-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
30.	T-4-S, R-25-E, N.M.P.M. Section 30: All Section 31: Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$	949.64	LG-155-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
31.	T-4-S, R-25-E, N.M.P.M. Section 32: All Section 33: All	1,280.00	LG-156-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
32.	T-4-S, R-25-E, N.M.P.M. Section 2: SW $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	360.00	LG-6656 5-31-89	State 12.5	Yates Petroleum Corp. All	None	Yates Pet. Corp. 40. Yates Drill. Co 20. Abo Pet. Corp. 20. Martin Yates III 20.

Total: 11,501.96 Acres State of New Mexico Lands

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE			
33.	T-4-S, R-25-E, N.M.P.M.	320.00	Fee 6-21-89	Patented (Fee) Lands						
	Section 2: NW ¹ SW ⁴ , SW ⁴ NW ⁴			Terry S. Kees Yates Pet. Corp. et al*	None	Yates Pet. Corp. All				
	Section 3: N ¹ S ⁴ , SW ⁴ NE ⁴ , SE ⁴ SE ⁴			Randall C. Simmon						
				Billie D. Simmon						
				4.16						
				4.17						
				4.17						
				Total: 12.50						
34.	T-4-S, R-25-E, N.M.P.M.	160.77	Fee	Not Leased						
	Section 3: Lots 3,4, S ¹ NW ⁴			W.W. Taylor	3.125					
				Eileen T. Soper	3.125					
				John M. Turner	1.041					
				Janet E. Turner	1.042					
				Barbara T. Edmonson	1.042					
				John Mackinzie	3.125					
				Total:	12.500					
	35.			T-4-S, R-25-E, N.M.P.M.	912.24	Fee	Same as Leases of Record All			
				Section 6: Lots 3,4, 5, SE ¹ NW ⁴			Lois S. Saunders	50%		
Section 7: SE ⁴ NE ⁴ , NE ⁴ SE ⁴		Yates Pet. Corp. et al.	None							
		Carl A. Schellinger								
Section 14: NW ⁴ NE ⁴ , E ⁴ SW ⁴ , W ¹ SE ⁴		H.L. Deering	50%							
		Madison A. Winn	6.250							
Section 18: Lots 3,4, E ⁴ SW ⁴ , S ¹ ₄			3.125							
Section 24: W ¹ ₄ W ⁴			12.500							

*Yates Pet. Corp. et al refers to:

Yates Petroleum Corporation	40.0%
Yates Drilling Company	20.0%
Abo Petroleum Corporation	20.0%
Mycos Industries, Inc.	20.0%
	100.0%

Same as Leases of
Record All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
36.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 7: Lots 1,2,3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$	310.60	Fee 6-5-89 5-25-89 6-20-89	Madison A. Winn 1.562 Lois S. Saunders 1.563 Mrs. H.L. Deering 3.125 Earl E. Simon <u>6.250</u> 12.500	Yates Pet. Corp. et al 25% Carl A. Schellinger 25% Not Leased 50%	None	Same as leases of Record All
37.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 11: W $\frac{1}{2}$ NE $\frac{1}{4}$ E $\frac{1}{2}$ NW $\frac{1}{4}$	160.00	Fee 6-5-89 6-7-89 5-25-89	Madison A. Winn 0.781 Mrs. John B. Nowlin 6.250 Mrs. H.L. Deering 3.125 Lois S. Saunders 0.781 Herman N. Sloss 1.463	Yates Pet. Corp., et al 62.5 Carl A. Schellinger 25.0 Not leased 12.5	None	Same as leases of Record All
38.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 11: W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$	160.00	Fee 6-5-89 5-25-89 6-20-89 6-7-89	Madison A. Winn 1.562 Mrs. H.L. Deering 3.125 Lois S. Saunders 1.563 Mrs. John B. Nowlin <u>6.250</u> 12.500	Yates Pet. Corp., et al 75 Carl A. Schellinger 25	None	Same as leases of Record All
39.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 11: SW $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	Fee 6-21-89	Madie M. Lazenby 12.5	Carl A. Schellinger All	None	Same as leases of Records All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
40.	T-4-S, R-25-E, N.M.P.M. Section 12: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{2}$ NE $\frac{1}{4}$	160.00	Fee	Harold W. McDonald 12.5	Carl A. Shellinger All	None	Same as leases of Records All
41.	T-4-S, R-25-E, N.M.P.M. Section 23: E $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	Fee	Julia B. Readman 12.5	Not Leased		
42.	T-4-S, R-25-E, N.M.P.M. Section 23: SE $\frac{1}{4}$ NE $\frac{1}{4}$	40.00	Fee	L.C. Harris 6.25 Tenneco Oil Co. 6.25	Not Leased		
43.	T-4-S, R-25-E, N.M.P.M. Section 26: W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$	20.00	Fee	Sahara, Inc. 12.5	Not Leased		
44.	T-4-S, R-25-E, N.M.P.M. Section 26: E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$	20.00	Fee	Gessert Properties, Inc. 12.5	Not Leased		
45.	T-4-S, R-25-E, N.M.P.M. Section 27: SW $\frac{1}{2}$ NW $\frac{1}{4}$ Section 28: S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{2}$ NE $\frac{1}{4}$	160.00	Fee 6-22-89	Fay Ellen Blythe 3.125 Eliz. Ann Blythe 3.125 Est. S.W. Lodewick 4.688 Est. Alton H. Clark 1.562 12.500	Yates Pet. Corp., et al 50 Not Leased 50 None	None	Same as leases of Records All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE		BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE		OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST OWNER-PERCENTAGE
46.	T-5-S, R-25-E, N.M.P.M.	1,040.00	Fee 4-24-89	Est. S.W. Lodewick 4.6875	Public Lands Expl. 26.7%	None					Same as Leases of Records All
	Section 1: W $\frac{1}{2}$										
	Section 2: E $\frac{1}{4}$ SE $\frac{1}{4}$,										
	Section 10: W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$										
	Section 11: NE $\frac{1}{4}$			0.3347	Farris C. Hignett						
	Section 12: N $\frac{1}{2}$			0.3347	Aruthur H. Spiegel						
				0.2231	Richard W. Dammann						
				0.2231	Richard W. Dammann						
				0.0372	Laura B. Lodewick						
				0.0372	John W. Lodewick						
				0.0372	John W. Lodewick						
				0.0372	Laura B. Lodewick						
				0.0372	Richard B. Lodewick						
				0.0872	Richard B. Lodewick						
				0.1116	Eliz. A. Malone						
				0.1116	Eliz. A. Malone						
				0.1116	Ross L. Malone, Trust						
				0.1116	Ross L. Malone, Trust						
				1.5625	D.B. Davis						
				1.5625	D.B. Davis						
				2.3440	John N. Benedict						
				2.3440	John N. Benedict						
				2.3440	Thomas L. Benedict						
				2.3440	Thomas L. Benedict						
				12.5000							

Total 3,582.79 Acres Patented (Fee) Lands



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

January 16, 1986

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

Re: Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

In response to your letter of December 13, 1985 we are enclosing revised Exhibits "A" & "B" to the Willow Creek Unit showing the lands remaining within the Willow Creek Unit.

Also enclosed is a schedule showing the lands that were automatically eliminated from the unit as of November 24, 1985.

Thank you.

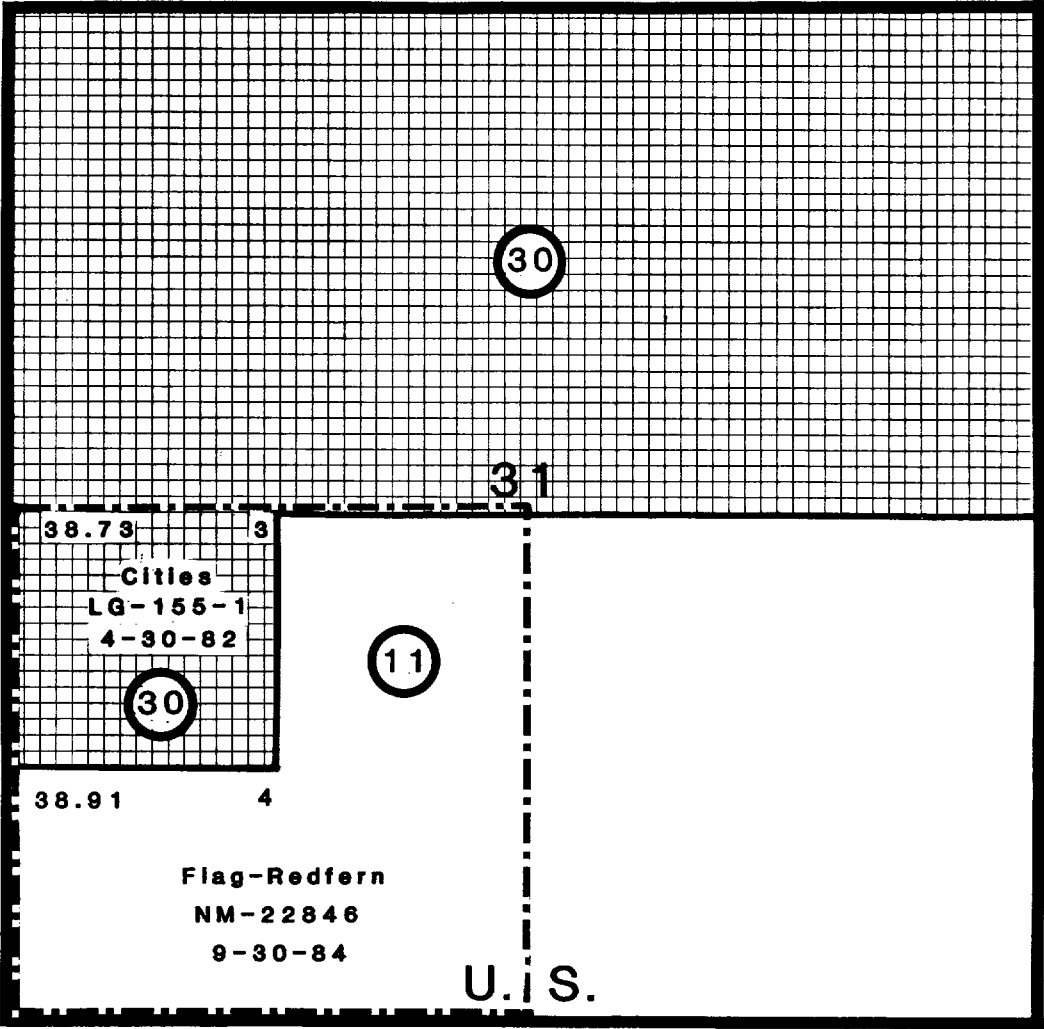
Very truly yours,

YATES PETROLEUM CORPORATION


Janet Richardson
Landman

JR/mw

Enclosures



Unit Outline



Tract Number



Federal Lands
118.91 acres, 75.43%



State of NM Lands
38.73 acres, 24.57%

Exhibit "A"
Willow Creek Unit Area
Chaves County, New Mexico
after
Automatic Elimination
11-24-85

Schedule Showing All Lands and Leases Remaining
Within the Willow Creek Unit Area
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
11.	T-4-S, R25-E, N.M.P.M. Section 31: Lot, 4, E ₁ SW/4	118.91	NM-22846 9-30-84	USA 12.5	Flag Redfern Oil Co. All	None	Flag Redfern Oil Co. All
					Total: 118.91 Acres Federal Land		
30	T-4-W, R-25-E, N.M.P.M. Section 31: Lot 3	38.73	LG-155-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
					Total: 38.73 Acres State of New Mexico Lands		

WILLOW CREEK UNIT AREA

EXHIBIT "B"

Schedule Showing All Lands and Leases Eliminated From
Within the Willow Creek Unit Area
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST OWNER-PERCENTAGE		
Federal Lands											
1.	T-4-S, R-25-E N.M.P.M. Sec. 1: All 12: N ¹ / ₂ NW ¹ / ₄ , E ¹ / ₂ SW ¹ / ₄ , SE ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄	1,001.00	NM-11320 2/29/80	U.S.A 12.5		Cities Service Co. All	C.E. Strange George Globe	1.5 1.5	Cities Service Co. All		
2.	T-4-S, R-25-E N.M.P.M. Section 9: S/2 10: All 17: All	1,600.00	NM-11955 6-30-80	U.S.A. 12.5		Cities Service Co. All	Audelia DeLuna C.E. Strange	1.5 1.5	Cities Service Co. All		
3.	T-4-S, R-25-E, N.M.P.M. Section 11: SE ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄	80.00	NM-12686 11-30-80	U.S.A. 12.5		Public Lands Expl. Inc.* All	Est. F.J. Bradshaw	4.5	Public Lands Explor Inc. All		
4.	T-5-S, R-25-E, N.M.P.M. Section 1: Lots 1,2, S ¹ / ₄ NE ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄	240.06	NM-13399 3-31-81	U.S.A. 12.5		El Paso Nat. Gas Co.** All	Pauline & James Hayes	3.0	El Paso Nat. Gas Co All		

* Public Lands Exploration, Inc.

**El Paso Natural Gas Company

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO.		BASIC		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
			AND EXP. DATE		ROYALTY & PERCENTAGE				
5.	T-4-S, R-25-E, N.M.P.M. Section 7: NE ₄ NE ₄ Section 11: NE ₄ NE ₄ Section 14: W ₂ NW ₄	160.00	NM-14992 2-28-82		U.S.A. 12.5	Public Lands Explor., Inc. All	Est. F.J. Bradshaw 4.5	Public Lands Explor. Inc. All	
6.	T-5-S, R-25-E, N.M.P.M. Section 3: Lots 1,2,3,4, S ₂ SE ₄ , SE ₄ NE ₄ , NE ₄ SE ₄	320.76	NM-16783 9-30-82		U.S.A. 12.5	John M. Beard All	None	John M. Beard All	
7.	T-4-S, R-25-E, N.M.P.M. Section 11: NW ₄ SE ₄ , SE ₂ SE ₄ Section 24: E ₂ W ₂ , SE ₄ Section 25: All	1,040.00	NM-17036 11-30-82		U.S.A. 12.5	Read & Stovens, Inc. All	James & Jane Satel 1.0 Sherman & Hazel Nelson 0.75 Jon & Anita Nelson 0.75	Read & Stevens, Inc. All	
8.	T-4-S, R-25-E, N.M.P.M. Section 12: W ₂ SW ₄ , SW ₄ NW ₄ Section 14: W ₂ SW ₄	200.00	NM-19828 12-31-84		U.S.A. 12.5	Clifford Cone All	None	Clifford Cone All	
9.	T-4-S, R-25-E, N.M.P.M. Section 3: Lots 1,2, SE ₄ NE ₄ , S ₂ SW ₄ , SW ₄ NE ₄ Section 4: All Section 5: All Section 6: Lots 1,2,6,7, E ₂ SW ₄ , SE ₄ , S ₂ NE ₄ Section 7: W ₂ E ₂ , SE ₄ SE ₄ Section 18: Lots 1,2, E ₂ NW ₄ , NE ₄	2,513.60	NM-20336 4-30-84		U.S.A. 12.5	Public Lands Explor. Inc. All	J.R. & Colleen Pickett 3.0	Public Lands Explor. Inc. All	

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	SERIAL NO. AND EXP. DATE		ACRES	BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST OWNER-PERCENTAGE
10.	T-4-S, R-25-E, N.M.P.M. Section 14: SE $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	NM-22845 9-30-84		U.S.A. 12.5		William B. Blakemore All	None		William B. Blakemore All
11.	T-4-S, R-25-E, N.M.P.M. Section 31: SE/4	160.00	NM-22846 9-30-84		U.S.A. 12.5		Flag Redfern Oil Co. All	None		Flag Redfern Oil Co. All
12.	T-5-S, R-25-E, N.M.P.M. Section 11: NW $\frac{1}{4}$	160.00	NM-26869 11-30-85		U.S.A. 12.5		Abo Petr. Corp. All	Martin R. Yates 3.0		Abo Petr. Corp. All
13.	T-4-S, R-25-E, N.M.P.M. Section 9: N $\frac{1}{2}$ Section 8: All	960.00	NM-27060 12-31-86		U.S.A. 12.5		Yates Petr. Corp. 25.0 Yates Drilling Co. 25.0 Abo Petr. Co. 25.0 Myco Ind., Inc. 25.0	C.E. Strange, Jr. 1.5 C.E. Strange 1.5		Same Lessee of Record
14.	T-4-S, R-25-E, N.M.P.M. Section 11: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	NM-29205 1-31-87		U.S.A. 12.5		Marjorie F. Gallen All	None		Marjorie F. Gallen All
15.	T-4-S, R-25-E, N.M.P.M. Section 2: Lots 1,2,3, 4, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 14: E $\frac{1}{2}$ E $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 24: NE $\frac{1}{4}$ Section 26: SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	882.04	NM-32850 6-30-88		U.S.A. 12.5		Public Lands Explor., Inc. All	James D. Rupp 1.00 John & Patricia Moses 1.00 Houston Oil & Minerals 2.00		Public Lands Explor. Inc. All

WILLOW CREEK UNIT AREA

[illegible]

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
				State of New Mexico Lands			
21.	T-4-S, R-25-E, N.M.P.M. Section 15: All Section 16: All	1,280.00	L-54242-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All
22.	T-4-S, R-25-E, N.M.P.M. Section 21: All Section 22: All	1,280.00	L-5243-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All
23.	T-4-S, R-25-E, N.M.P.M. Section 23: W $\frac{1}{2}$, W $\frac{3}{4}$ E $\frac{1}{2}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27: NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ N $\frac{1}{2}$ SE $\frac{1}{4}$	920.00	L-5244-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All
24.	T-4-S, R-25-E, N.M.P.M. Section 26: S $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 36: All	1,200.00	L-5245-1 2-28-81	State 12.5	Cities Service Co. All	None	Cities Service Co. All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	SERIAL NO. AND		ACRES	BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST OWNER-PERCENTAGE
		EXP. DATE	ROYALTY PERCENTAGE		ROYALTY PERCENTAGE			AND PERCENTAGE		
25.	T-4-S, R-25-E, N.M.P.M. Section 34: All Section 35: All	L-5246-1 2-28-81	State 12.5	1,280.00			Cities Service Co. All	None		Cities Service Co. All
26.	T-5-S, R-25-E, N.M.P.M. Section 1: W $\frac{1}{2}$ SE $\frac{1}{4}$	L-4248-1 2-28-81	State 12.5	80.00			Cities Service Co. All	None		Cities Service Co. All
27.	T-5-S, R-25-E, N.M.P.M. Section 2: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$	L-5249-1 2-28-81	State 12.5	520.48			Cities Service Co. All	None		Cities Service Co. All
28.	T-4-S, R-25-E, N.M.P.M. Section 19: All Section 20: All	LG-153-1 4-30-82	State 12.5	1,271.84			Cities Service Co. All	None		Cities Service Co. All
29.	T-4-S, R-25-E, N.M.P.M. Section 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 29: All	LG-154-1 4-30-82	State 12.5	1,080.00			Cities Service Co. All	None		Cities Service Co. All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
30.	T-4-S, R-25-E, N.N.P.M. <u>Section 30: All</u> Section 31: Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$	949.64 LG-155-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
31.	T-4-S, R-25-E, N.M.P.M. <u>Section 32: All</u> Section 33: All	1,280.00 LG-156-1 4-30-82	State 12.5	Cities Service Co. All	None	Cities Service Co. All
32.	T-4-S, R-25-E, N.M.P.M. <u>Section 2: SW$\frac{1}{4}$NE$\frac{1}{4}$</u> SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ E $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	360.00 LG-6656 5-31-89	State 12.5	Yates Petroleum Corp. All	None	Yates Pet. Corp. 40. Yates Drill. Co 20. Abo Pet. Corp. 20. Martin Yates III 20.
<hr/>						
				Total:	11,501.96 Acres State of New Mexico Lands	

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
				ROYALTY & PERCENTAGE	PERCENTAGE			
Patented (Fee) Lands								
33.	T-4-S, R-25-E, N.M.P.M.	320.00	Fee 6-21-89	Terry S. Kees	Yates Pet. Corp. et al*	None		Yates Pet. Corp. All
	Section 2: NW ¹ SW ⁴ , SW ⁴ NW ⁴			4.16	All			
	Section 3: N ¹ S ¹ , SW ⁴ NE ⁴ , SE ⁴ SE ⁴			Randall C. Simmon	4.17			
				Billie D. Simmon	4.17			
				Total: 12.50				
34.	T-4-S, R-25-E, N.M.P.M.	160.77	Fee	W.W. Taylor	3.125	Not Leased		
	Section 3: Lots 3,4, S ¹ NW ⁴			Eileen T. Soper	3.125			
				John M. Turner	1.041			
				Janet E. Turner	1.042			
				Barbara T. Edmonson	1.042			
35.	T-4-S, R-25-E, N.M.P.M.	912.24	Fee 6-5-89	Lois S. Saunders	Yates Pet. Corp. et al.	None		Same as Leases of Record All
	Section 6: Lots 3,4, 5, SE ⁴ NW ⁴			3.125	Carl A. Schellinger			
	Section 7: SE ⁴ NE ⁴ , NE ⁴ SE ⁴			H.L. Deering	50%			
	Section 14: NW ⁴ NE ⁴ , E ¹ SW ⁴ , W ² SE ⁴			6.250				
	Section 18: Lots 3,4, E ¹ SW ⁴ , SE ⁴			Madison A. Winn	3.125			
Section 24: W ² W ²	12.500							

*Yates Pet. Corp. et al refers to:
Yates Petroleum Corporation 40.0%
Yates Drilling Company 20.0%
Abo Petroleum Corporation 20.0%
Myco Industries, Inc. 20.0%
100.0%

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
36.	T-4-S, R-25-E, N.M.P.M. Section 7: Lots 1,2,3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$	310.60	Fee 6-5-89 5-25-89 6-20-89	Madison A. Winn 1.562 Lois S. Saunders 1.563 Mrs. H.L.Deering Not Leased 3.125 Earl E. Simon 6.250 <u>12.500</u>	Yates Pet. Corp. et al 25% Carl A. Schellinger 25% Not Leased 50%	None	Same as Leases of Record All
37.	T-4-S, R-25-E, N.M.P.M. Section 11: W $\frac{1}{2}$ NE $\frac{1}{4}$ E $\frac{1}{2}$ NW $\frac{1}{4}$	160.00	Fee 6-5-89 6-7-89 5-25-89	Madison A. Winn 0.781 Mrs. John B. Nowlin 6.250 Mrs. H.L. Deering 3.125 Lois S. Saunders 0.781 Herman N. Sloss 1.463	Yates Pet. Corp., et al 62.5 Carl A. Schellinger 25.0 Not leased 12.5	None	Same As Leases of Record All
38.	T-4-S, R-25-E, N.M.P.M. Section 11: W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$	160.00	Fee 6-5-89 5-25-89 6-20-89 6-7-89	Madison A. Winn 1.562 Mrs. H.L.Deering 3.125 Lois S. Saunders 1.563 Mrs. John B. Nowlin 6.250 <u>12.500</u>	Yates Pet. Corp., et al 75 Carl A. Schellinger 25	None	Same As Leases of Record All
39.	T-4-S, R-25-E, N.M.P.M. Section 11: SW $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	Fee 6-21-89	Madie M. Lazenby 12.5	Carl A. Schellinger All	None	Same as Leases ofk Records All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE		BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST OWNER-PERCENTAGE
40.	T-4-S, R-25-E, N.M.P.M. Section 12: N ¹ / ₂ NE ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ SW ¹ / ₄ NE ¹ / ₄	160.00	Fee		Harold W. McDonald 12.5		Carl A. Shellinger All	None		Same as Leases of Records All
41.	T-4-S, R-25-E, N.M.P.M. Section 23: E ¹ / ₂ SE ¹ / ₄	80.00	Fee		Julia B. Readman 12.5		Not Leased			
42.	T-4-S, R-25-E, N.M.P.M. Section 23: SE ¹ / ₂ NE ¹ / ₄	40.00	Fee		L.C. Harris 6.25 Tenneco Oil Co. 6.25		Not Leased			
43.	T-4-S, R-25-E, N.M.P.M. Section 26: W ¹ / ₂ NE ¹ / ₂ NE ¹ / ₄	20.00	Fee		Sahara, Inc. 12.5		Not Leased			
44.	T-4-S, R-25-E, N.M.P.M. Section 26: E ¹ / ₂ NF ¹ / ₂ NE ¹ / ₄	20.00	Fee		Gessort Properties, Inc. 12.5		Not Leased			
45.	T-4-S, R-25-E, N.M.P.M. Section 27: SW ¹ / ₂ NW ¹ / ₄ Section 28: S ¹ / ₂ NE ¹ / ₄ , NW ¹ / ₄ NE ¹ / ₄	160.00	Fee	6-22-89	Fay Ellen Blythe 3.125 Eliz. Ann Blythe 3.125 Est. S.W. Lodewick 4.688 Est. Alton H. Clark 1.562 12.500		Yates Pet. Corp., et al 50 Not Leased 50	None		Same as Leases of Records All

WILLOW CREEK UNIT AREA

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO.		EXP. DATE	BASIC ROYALTY & PERCENTAGE		LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER-PERCENTAGE
			AND	NO.						
46.	T-5-S, R-25-E, N.M.P.M. Section 1: W ¹ / ₂ Section 2: E ¹ / ₂ SE ¹ / ₄ , Section 10: W ¹ / ₂ NW ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ Section 11: NE ¹ / ₄ Section 12: N ¹ / ₂	1,040.00	Fee		4-24-89	Est. S.W. Lodewick Public Lands Expl.	None	Same as Leases of Records All		
						4.6875 26.7%				
						Carolyn C. Wiggin Not Leased				
						0.3347 73.3%				
						Farris C. Hignett				
						0.3347				
						Aruthur H. Spiegel				
						0.2231				
						Richard W. Dammann				
						0.2231				
						Laura B. Lodewick				
						0.0372				
						John W. Lodewick				
						0.0372				
						Laura B. Lodewick				
						0.0372				
						Richard B. Lodewick				
						0.0872				
						Eliz. A. Malone				
						0.1116				
						Ross L. Malone, Trust				
						0.1116				
						D.B. Davis				
						1.5625				
						John N. Benedict				
						2.3440				
						Thomas L. Benedict				
						2.3440				
						12.5000				
<hr/>										
Total 3,582.79 Acres Patented (Fee) Lands										

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

December 18, 1985

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

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Willow Creek Unit
Automatic Elimination
Chaves County, New Mexico

ATTENTION: Ms. Janet Richardson

Gentlemen:

Reference is made to your letter of October 28, 1985, wherein as unit operator of the Willow Creek Unit, you have notified this office as per Article 2(e) of the agreement, that the Willow Creek Unit area will be automatically eliminated effective as of November 24, 1985, and subsequently have asked for a one year extension from said effective date.

This office concurs with the Bureau of Land Management, as per their letter of December 13, 1985 and have also denied the request according to Article 2(e) of the Willow Creek Unit Agreement.

The Commissioner of Public Lands also concurs with your office and the Bureau of Land Management that both the Wylie Federal Well No. 2 located in Section 7, Township 4 South, Range 25 East and the Willow Creek Unit Well No. 4 located in Section 31, Township 4 South, Range 25 East are non-commercial wells and should not be included in the Initial Abo Participating Area, which was effective as of November 24, 1980.

Please submit a description of the lands eliminated from the unit area as per Article 2(e) of your agreement.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm

cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124

Albuquerque, New Mexico 87125

DEC 21 1979

Randolph M. Richardson
P. O. Box 819
Roswell, New Mexico 88201

Dear Mr. Richardson:

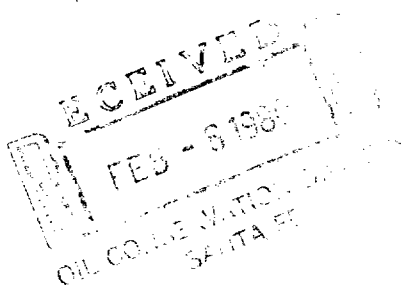
One approved copy of the Willow Creek unit agreement, with Yates Petroleum Corporation as unit operator, Chaves County, New Mexico, is enclosed. This agreement has been assigned No. 14-08-0001-18037 and is effective as of this date, the same day as approved.

You are requested to furnish the State of New Mexico and other interested principals with appropriate evidence of this approval.

Sincerely yours,

James W. Sutherland
Oil and Gas Supervisor, SRMA

Enclosure



CERTIFICATION--DETERMINATION

Pursuant to the authority vested in the Secretary of Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. secs. 181, et seq., and delegated to the Oil and Gas Supervisors of the Geological Survey (33 F.R. 5812), I do hereby:

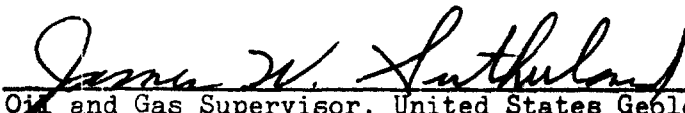
A. Approve the attached agreement for the development and operation of the Willow Creek Unit Area, State of New Mexico, County of Chaves.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

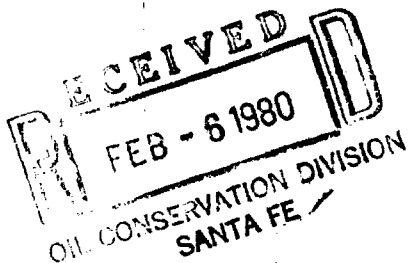
C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

DEC 21 1979

Dated _____.


Oil and Gas Supervisor, United States Geological Survey

Contract Number 14-20-0001-18037





NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

WILLOW CREEK UNIT

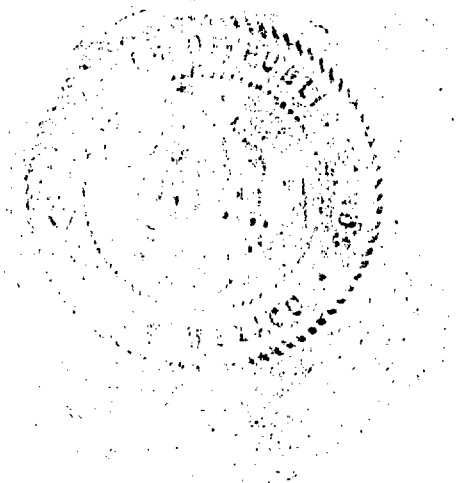
CHAVES COUNTY, NEW MEXICO


There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated August 10, 1979, which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the afore-said statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th day of December, 19 79.




COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE

WILLOW CREEK UNIT AREA

COUNTY OF CHAVES

STATE OF NEW MEXICO

NO. _____

THIS AGREEMENT, entered into as of the 10th day of August, 1979, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

W I T N E S S E T H :

WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interests in the unit area subject to this agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. Secs. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Secs. 19-10-45, 46, 47 N.M. Statutes 1978 Annotated) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interest of the State of New Mexico; and,

WHEREAS the Oil Conservation Division of the State of New Mexico Energy and Minerals Department is authorized by an Act of the Legislature (Chapters 70 and 71, New Mexico Statutes 1978, Annotated) to approve this agreement and the conservation provisions hereof; and,

WHEREAS, the parties hereto hold sufficient interests in the _____
Willow Creek Unit Area covering the land hereinafter described to give reasonably effective control of operations therein;

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions,

and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February, 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. UNIT AREA. The following described land is hereby designated and recognized as constituting the unit area:

T-4-S, R-25-E, NMPM
Section 1 thru 36; All

T-5-S, R-25-E, NMPM
Section 1 thru 3; All
Section 10; N½
Section 11; N½
Section 12; N½

Containing 25,880.85 acres,
more or less

Chaves County, New Mexico

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and indentities of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor," or when requested by the Commissioner of Public Lands of the State of New Mexico,

hereinafter referred to as "Land Commissioner," and not less than five (5) copies of the revised Exhibits shall be filed with the Supervisor and one (1) copy thereof shall be filed with the Land Commissioner, and one (1) copy with the Oil Conservation Division of the New Mexico Energy and Minerals Department, hereinafter referred to as "Division."

The above-described unit area shall, when practicable, be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director," or on demand of the Land Commissioner, after preliminary concurrence by the Director, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof, preferably, the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the Supervisor, the Land Commissioner and the State Division, and copies thereof mailed to the last known address of each working-interest owner, lessee, and lessor whose interests are affected, advising that thirty (30) days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor, the Land Commissioner, and State Division, evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with Unit Operator, together with an application in sufficient number, for approval of such expansion or contraction and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Supervisor, the Land Commissioner, and State Division, become effective as of the date prescribed in the notice thereof.

(e) All legal subdivisions of land (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary, and such lands

shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. All lands proved productive by diligent drilling operations after the aforesaid five-year period shall become participating in the same manner as during said five-year period. However, when such diligent drilling operations cease, all non-participating lands shall be automatically eliminated effective as of the 91st day thereafter. The unit operator shall within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Supervisor and the Land Commissioner and promptly notify all parties in interest.

If conditions warrant extension of the ten-year period specified in this subsection 2 (e), a single extension of not to exceed two years may be accomplished by consent of the owners of 90% of the working interests in the current non-participating unitized lands and the owners of 60% of the basic royalty interests (exclusive of the basic royalty interests of the United States) in non-participating unitized lands with approval of the Director and Land Commissioner, provided such extension application is submitted to the Director and the Land Commissioner not later than 60 days prior to the expiration of said ten-year period.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2 (e) shall not be considered automatic commitment or recommitment of such lands.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement." All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."

4. UNIT OPERATOR. YATES PETROLEUM CORPORATION
is hereby designated as Unit Operator and by signature hereto as Unit Operator

agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in the capacity and not as an owner of interest in unitized substances, and the term "working-interest owner" when used shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after notice of intention to resign has been served by Unit Operator on all working-interest owners and the Supervisor and the Land Commissioner, and until all wells then drilled hereunder are placed in a satisfactory conditions for suspension or abandonment whichever is required by the Supervisor as to Federal lands and the State Division as to State and privately owned lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but, in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working-interest owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Supervisor and the Land Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, and appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working-interest owners, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, That, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

(b) the selection shall have been approved by the Supervisor and approved by the Land Commissioner.

If no successor Unit Operator is selected and qualified as herein provided, the Director and the Land Commissioner, at their election, may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs, and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working-interest owners and the

Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working-interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working-interest owners as may be agreed upon by Unit Operator and the working-interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this unit agreement and the unit operating agreement, this unit agreement shall govern. Three true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor and one true copy with the Land Commissioner, prior to approval of this unit agreement.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if on Federal land, or by the Land Commissioner, if on State land, or by the Division if on fee land unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the BASEMENT GRANITE HAS BEEN PENETRATED AND ALL BEDS OF YOUNGER AGE HAVE BEEN TESTED, or until at a lesser depth unitized substances shall be discovered which can be produced in paying

quantities (to-wit: quantities sufficient to repay the costs of drilling, completing and producing operations, with a reasonable profit) or the Unit Operator shall, at any time, establish to the satisfaction of the Supervisor if on Federal land, or the Land Commissioner if on State land, or the Division if on Fee land that further drilling of said well would be unwarranted or impracticable; provided, however, that Unit Operator shall not, in any event, be required to drill said well to a depth in excess of 6,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six (6) months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if it be on Federal land or of the Land Commissioner if on State land, or the Division if on fee land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Land Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to commence any well provided for in this section within the time allowed, including any extension of time granted by the Supervisor and the Land Commissioner, this agreement will automatically terminate; upon failure to continue drilling diligently any well commenced hereunder, the Supervisor and the Land Commissioner may, after 15-days notice to the Unit Operator, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six (6) months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Land Commissioner, and State Division an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Land Commissioner, and State Division, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter from time to time before the expiration of any existing plan, the Unit Operator shall

submit for the approval of the Supervisor, the Land Commissioner, and State Division a plan for an additional specified period for the development and operation of the unitized land.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Land Commissioner, and State Division may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall:

(a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and

(b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Land Commissioner, and State Division.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and the Land Commissioner are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement and such as may be specifically approved by the Supervisor, the Land Commissioner, and State Division, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor, the Land Commissioner, or the State Division, the Unit Operator shall submit for approval by the Supervisor, the Land Commissioner, and State Division a schedule, based on subdivisions of the public-land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive in paying quantities; all lands in said schedule on approval of the Supervisor, the Land Commissioner, and State Division to constitute a participating area, effective

as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public-land survey as of the effective date of each initial participating area. Said schedule shall also set forth the percentage of unitized substances to be allocated as herein provided to each tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area. A separate participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the Supervisor, the Land Commissioner, and the State Division. When production from two or more participating areas, so established, is subsequently found to be from a common pool or deposit said participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the Supervisor, the Land Commissioner, and State Division. The participating area or areas so established shall be revised from time to time, subject to like approval, to include additional land then regarded as reasonably proved to be productive in paying quantities or necessary for unit operations, or to exclude land then regarded as reasonably proved not to be productive in paying quantities and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, provided, however, that a more appropriate effective date may be used if justified by the Unit Operator and approved by the Supervisor, the Land Commissioner, and State Division. No land shall be excluded from a participating area on account of depletion of the unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Supervisor, the Land Commissioner, and State Division as to the proper definition or redefinition of a participating area, or until a participating area has, or areas

have, been established as provided herein, the portion of all payments affected thereby shall be impounded in a manner mutually acceptable to the owners of working interests and the Supervisor and the Land Commissioner. Royalties due the United States shall be determined by the Supervisor for Federal lands and the Land Commissioner for the State lands and the amount thereof shall be deposited, and directed by the Supervisor and the Land Commissioner, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty of the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, the Land Commissioner, and State Division that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall, for the purposes of settlement among all parties other than working-interest owners, be allocated to the land on which the well is located unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp, and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, Land Commissioner, and State Division, or unavoidable lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land in said participating area, except that allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working-interest owners, shall be on the basis prescribed in the unit operating agreement whether in conformity with the basis of allocation herein set forth or otherwise. It is hereby

agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part of tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last-mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was last defined at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS. Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location may with the approval of the Supervisor and the Land Commissioner, and the Division as to privately owned land, at such party's sole risk, costs, and expense, drill a well to test any formation for which a participating area has not been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such a well in like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled as aforesaid by a working-interest owner results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled as aforesaid by a working-interest owner obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, such well may be operated and produced by the party drilling the same subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT. The United States and any State and any royalty owner who is entitled to take in kind a share of the substances now unitized hereunder shall hereafter be entitled to the right to take in kind its share of the unitized substances, and the Unit Operator, or the working-interest owner in case

of the operation of a well by a working-interest owner as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working-interest owners responsible therefor under existing contracts, laws, and regulations, or by the Unit Operator, on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, in conformity with a plan of operations approved by the Supervisor and the Land Commissioner, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of operations or as may otherwise be consented to by the Supervisor and the Land Commissioner as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

Royalty due on account of State lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by working-interest owners responsible therefor under existing contracts, laws, and regulations, provided that nothing herein contained shall

operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations are commenced upon the land covered thereby within the time therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby or until some portion of such land is included within a participating area.

16. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State or Federal law or regulation.

17. DRAINAGE. The Unit Operator shall take such measures as the Supervisor and Land Commissioner deem appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary, as to Federal leases and the Land Commissioner, as to State leases, shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and without limiting the generality of the foregoing,

all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms thereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of the unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and the Land Commissioner, or his duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States and State of New Mexico committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such terms so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying quantities under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with the provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities in

accordance with the provisions of the Mineral Leasing Act Revision of 1960.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal Lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) Plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided however, that any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(h) In the event the Initial Test Well is commenced prior to the expiration date of the shortest term State Lease within the Unit Area, any lease embracing lands of the State of New Mexico which is made subject to this agreement, shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof.

(i) Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto, shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however, notwithstanding any of the provisions of this agreement to the contrary any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil or gas is discovered and is capable of being produced in paying quantities from some part of the lands embraced in such lease at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the leasee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lease, the same as to all lands embraced therein, shall

remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas; said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance, or interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary and the Land Commissioner or his duly authorized representative, and shall terminate five (5) years from said effective date unless

(a) such date of expiration is extended by the Director and the Land Commissioner, or

(b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Supervisor and the Land Commissioner, or

(c) a valuable discovery of unitized substances has been made or accepted on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances are being produced in paying quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as unitized substances so discovered are being produced as aforesaid, or

ment may be terminated at any time by not less than 75 per centum, on an acreage basis, of the working-interest owners signatory hereto, with the approval of the Supervisor and the Land Commissioner; notice of any such approval to be given by the Unit Operator to all parties hereto.

21. RATE OF PROSPECTING DEVELOPMENT, AND PRODUCTION. The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any statewide voluntary conservation or allocation program, which is established, recognized, and generally adhered to by the majority of operators in such State, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico, as to the rate of prospecting and developing in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Division.

Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

22. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior and the Commissioner of Public lands and to appeal from orders issued under the regulations of said Department or Land Commissioner or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior or the Land Commissioner or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

23. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in

writing and personally delivered to the party or sent by postpaid registered or certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not. No unit obligation which is suspended under this section shall become due less than thirty (30) days after it has been determined that the suspension is no longer applicable. Determination of creditable "Unavoidable Delay" time shall be made by the unit operator subject to approval of the Supervisor and the Land Commissioner.

26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of section 202 (1) to (7) inclusive of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

27. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal and State land or leases, no payments of

funds due the United States or the State of New Mexico should be withheld, but such funds shall be deposited as directed by the Supervisor and such funds of the State of New Mexico shall be deposited as directed by the Land Commissioner, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

28. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice delivered to the Supervisor, the Land Commissioner, the State Division, and the Unit Operator prior to the approval of this agreement by the Supervisor. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working-interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a non-working interest owner must be consented to in writing by the working-interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. A non-working interest may not be committed to this unit unless the corresponding working interest is committed hereto. Joinder to the unit agreement by a working-interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, if more than one committed working-interest owner is involved, in order for the interest to be regarded as committed to this unit agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor, the Land Commissioner, and the State Division of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within sixty (60) days by the Supervisor, or the State Division; provided, however, that as to State lands all subsequent joinders must be approved by the Commissioner.

29. COUNTERPARTS. This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described unit area.

30. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working-interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If, as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operation hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

If, as the result of any such surrender or forfeiture, working interest rights become vested in the fee owner of the unitized substances, such owner may:

- (1) Accept those working-interests rights subject to this agreement and the unit operating agreement; or
- (2) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement.
- (3) Provide for the independent operation of any part of such land that are not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working-interest rights subject to this agreement and the unit operating agreement or lease, such lands as above-provided within six (6) months after the surrendered or forfeited working-interest rights become vested in the fee owner, the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of unitized working interests in accordance with their respective working interest ownerships, and such owners or working interests shall compensate the fee owner of unitized sub-

stances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made, for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interest subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within thirty (30) days. In the event no unit operating agreement is in existence and a mutually acceptable agreement between the proper parties thereto cannot be consummated, the Supervisor may prescribe such reasonable and equitable agreement as he deems warranted under the circumstances.

The exercise of any right vested in a working-interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

31. TAXES. The working-interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered, and sold from the land subject to this contract after the effective date of this agreement, or upon the proceeds derived therefrom. The working-interest owners on each tract shall and may charge the proper proportion of said taxes to the royalty owners having interests in said tract, and may currently retain and deduct sufficient of the unitized substances or derivative products, or net proceeds thereof from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or the State of New Mexico or to any lessor who has a contract with his lessor who has a contract with his lessee which requires the lessee to pay such taxes.

32. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, expressed, or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

33. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the working-interest owners, nor any of them, shall be subject to any forfeiture, termination, or expiration of any right hereunder or under any leases or contracts subject hereto,

or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that the said Unit Operator or the working-interest owners, or any of them, are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the State Division, agree that all powers and authority vested in the State Division in and by any provisions of this agreement are vested in the State Division and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

34. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in this agreement shall modify or change either the special Federal Lease stipulations relating to surface management or such special Federal Lease stipulations relating to surface and environmental protection, attached to and made a part of, Oil and Gas Leases covering lands within the Unit Area.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

ATTEST:

BY: 
Assistant Secretary

YATES PETROLEUM CORPORATION

BY: 
Vice President


Address:

13-32-33-35-36-37-38-45
UNIT OPERATOR

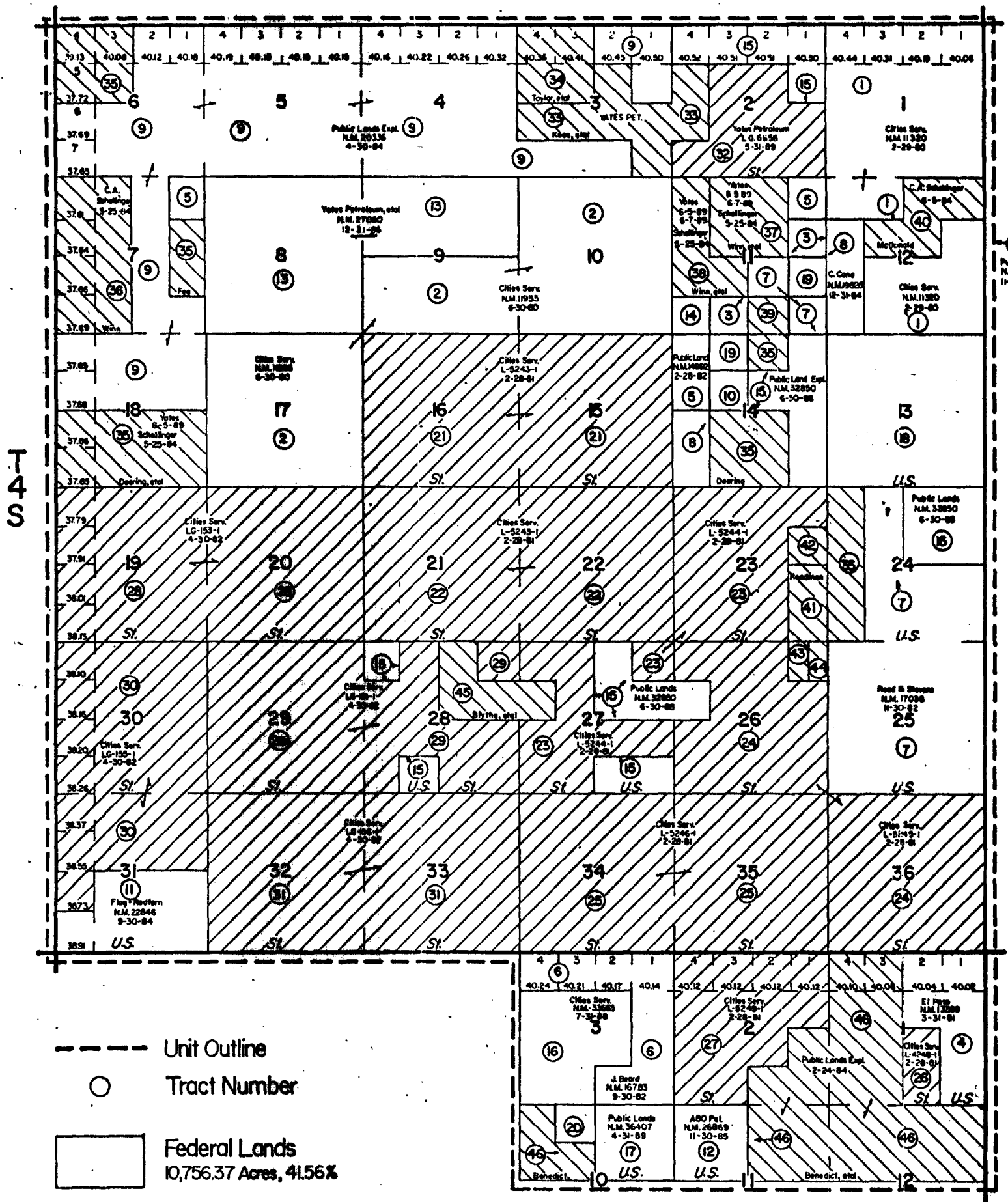
STATE OF New Mexico)
COUNTY OF Sady) ss

The foregoing instrument was acknowledged before me this 7th day of December, 197, by John A. Yates who is Vice President of Yates Petroleum Corporation, a New Mexico (State of Incorp.) corporation, for and on behalf of said Corporation.

My Commission Expires:
8-23-81


Notary Public

R-25-E



R-25-E

Exhibit "A"
Willow Creek Unit Area
 Chaves County, New Mexico

Total: 25,680.85 Acres

EXHIBIT "B"

Schedule Showing All Lands and Leases
Within the Willow Creek Unit Area
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1.	<u>T-4-S R-25-E N.M.P.M.</u> Sec. 1; All Sec. 12; NW1/4, E1/2SW1/4, SE1/4, SE1/4NE1/4	1,001.00	NM-11320 2-29-80	U.S.A. 12.5	<u>Federal Lands</u> Cities Service Co. All	C. E. Strange George Globe 1.5 1.5	Cities Service Co. All
2.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 9; SW1/4 10; All 17; All	1,600.00	NM-11955 6-30-80	U.S.A. 12.5	Cities Service Co. All	Audelia Deluna C. E. Strange 1.5 1.5	Cities Service Co. All
3.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 11; SE1/4SW1/4, SE1/4NE1/4	80.00	NM-12686 11-30-80	U.S.A. 12.5	Public Lands Expl. Inc. All	Est. F. J. Bradshaw 4.5	Public Lands Expl., Inc. * All
4.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 1; Lots 1, 2, SW1/4, E1/2SE1/4	240.06	NM-13399 3-31-81	U.S.A. 12.5	El Paso Nat. Gas Co. ** All	Pauline & James Hayes 3.0	El Paso Nat. Gas Co. ** All

*Public Lands Exploration, Inc.

**El Paso Natural Gas Company

5.	T-4-S, R-25-E, N.M.P.M. Section 7; NE NE NE Section 11; NE NE NE Section 14; W 2 NW	160.00	NM-14992 2-28-82	U.S.A. 12.5	Public Lands Explor., Inc.	All	Est. F. J. Bradshaw	4.5	Public Lands Explor., Inc.	All
6.	T-5-S, R-25-E, N.M.P.M. Section 3; Lots 1,2,3,4, S SE SE , SE NE NE , NE SE SE	320.76	NM-16783 9-30-82	U.S.A. 12.5	John M. Beard	All	None		John M. Beard	All
7.	T-4-S, R-25-E, N.M.P.M. Section 11; NW SE , SE SE Section 24; E W W , SE Section 25; All	1,040.00	NM-17036 11-30-82	U.S.A. 12.5	Read & Stevens, Inc.	All	James & Jane Satel Sherman & Hazel Nelson Jon & Anita Nelson	1.0 0.75 0.75	Read & Stevens, Inc.	All
8.	T-4-S, R-25-E, N.M.P.M. Section 12; W 2 SW , SW W NW Section 14; W 2 SW	200.00	NM-19828 12-31-83	U.S.A. 12.5	Clifford Cone	All	None		Clifford Cone	All
9.	T-4-S, R-25-E, N.M.P.M. Section 3; Lots 1,2, SE NE NE , S W SW , SW SE Section 4; All Section 5; All Section 6; Lots 1,2,6,7, E W SW , SE , S W NE Section 7; W 2 SE , SE SE Section 18; Lots 1,2; E W NW , NE	2,513.60	NM-20336 4-30-84	U.S.A. 12.5	Public Lands Explor., Inc.	All	J.R. & Colleen Pickett	3.0	Public Lands Explor., Inc.	All

10.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 14; SE1/4NW1/4	40.00	NM-22845 9-30-84	U.S.A. 12.5	William B. Blakemore	All	None		William B. Blakemore All
11.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 31; Lot 4, E1/4SW1/4, SE1/4	278.91	NM-22846 9-30-84	U.S.A. 12.5	Flag Redfern Oil Co.	All	None		Flag Redfern Oil Co. All
12.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 11; NW1/4	160.00	NM-26869 12-31-85	U.S.A. 12.5	ABO Petr. Corp.	All	Martin R. Yates	3.0	ABO Petr. Corp. All
13.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 9; NW1/4 Section 8; All	960.00	NM-27060 12-31-86	U.S.A. 12.5	Yates Petr. Corp. Yates Drilling Co. ABO Petr. Co. MYCO Industries, Inc.	25.0 25.0 25.0 25.0	C. E. Strange, Jr. C. E. Strange	1.5 1.5	Same as Lessee of Record
14.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 11; SW1/4SW1/4	40.00	NM-29205 1-31-87	U.S.A. 12.5	Marjorie F. Gallen	All	None		Marjorie F. Gallen All
15.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 2; Lots 1,2,3, 4, SE1/4NE1/4 Section 14; E1/2SE1/4, SW1/4NE1/4 Section 24; NE1/4 Section 26; SW1/4NW1/4 Section 27; W1/2NE1/4, SE1/4NE1/4, S1/2SE1/4 Section 28; NW1/4NW1/4, SE1/4SW1/4	882.04	NM-32850 6-30-88	U.S.A. 12.5	Public Lands Explor., Inc.	All	James D. Rupp John & Patricia Moses Houston Oil & Minerals	1.00 1.00 2.00	Public Lands Explor., Inc. All

16.	<u>T-5-S, R-25-E, N.M.P.M.</u> <u>Section 3; SW1/4, S1/2NW1/4, NE1/4SE1/4</u>	320.00	NM-33663 7-31-88	U.S.A. 12.5	Public Lands Explor., Inc.	All	Dennis W. Laurence Marvin L. McCabe	1.0 4.0	Public Lands Explor., Inc.	All
17.	<u>T-5-S, R-25-E, N.M.P.M.</u> <u>Section 10; NE1/4</u>	160.00	NM-36407 4-31-89	U.S.A. 12.5	Public Lands Explor., Inc.	All	Louise & James Walker	5.0	Public Lands Explor., Inc.	All
18.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 13; All</u>	640.00	NM-37599 8-31-89	U.S.A. 12.5	Paul Keelin	All	None		Paul Keelin	All
19.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 11; NE1/4SE1/4</u> <u>Section 14; NE1/4NW1/4</u>	80.00	OPEN							
20.	<u>T-5-S, R-25-E, N.M.P.M.</u> <u>Section 10; NE1/4NW1/4</u>	40.00	OPEN							

Total: 10,756.37 Acres Federal Land, 41.56% of Unit Area

State of New Mexico Lands

21.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 15; All Section 16; All	1,280.00	L-5242-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
22.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 21; All Section 22; All	1,280.00	L-5243-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Services Co.	All
23.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 23; W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27; NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	920.00	L-5244-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
24.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 26; S $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 36; All	1,200.00	L-5245-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All

25.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 34; All Section 35; All	1,280.00	L-5246-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
26.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 1; W/SEX	80.00	L-4248-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
27.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 2; Lots 1,2,3,4, SYAN¹/₂, SW¹/₄, MW¹/₂SEX	520.48	L-5249-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
28.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 19; All Section 20; All	1,271.84	LG-153-1 4-30-82	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
29.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 28; NE¹/₄NE¹/₂ , 1,080.00 NW¹/₂NW¹/₄, SW¹/₄NW¹/₄ NW¹/₂SW¹/₄, SW¹/₄ SW¹/₄SW¹/₄, SE¹/₄ Section 29; All	1,080.00	LG-154-1 4-30-82	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All

30.	<u>T-4-S, R-25-E, N.M.P.M.</u>						
	Section 30; All	988.37	IG-155-1	State	Cities Service Co.	All	None
	Section 31; Lots 1,2,3, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$		4-30-82	12.5			
							Cities Service Co. All

31.	<u>T-4-S, R-25-E, N.M.P.M.</u>						
	Section 32; All	1,280.00	IG-156-1	State	Cities Service Co.	All	None
	Section 33; All		4-30-82	12.5			
							Cities Service Co. All

32.	<u>T-4-S, R-25-E, N.M.P.M.</u>						
	Section 2; SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	360.00	IG-6656 5-31-89	State 12.5	Yates Petroleum Corp.	All	None
							Yates Petroleum Corp. 20.0
							Yates Drilling Co. 20.0
							ABO Petroleum Corp. 20.0
							Martin Yates, III 20.0

Total: 11,540.69 Acres State of New Mexico Lands, 44.59% of Unit Area

Patented (Fee) Lands

33.	<u>T-4-S, R-25-E, N.M.P.M.</u>								
	Section 2; NW $\frac{1}{4}$ SW $\frac{1}{4}$, 320.00	Fee	Terry S. Kees	4.16	Yates Pet. Corp. et al.*	All	None	Yates Pet. Corp.	All
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	6-21-89	Randall C. Simon	4.17					
	Section 3; NW $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ SE $\frac{1}{4}$		Billie D. Simon	4.17					
				12.50					

34.	<u>T-4-S, R-25-E, N.M.P.M.</u>								
	Section 3; Lots 3, 4, 160.77	Fee	W.W. Taylor	3.125	Not Leased				
	SW $\frac{1}{4}$ NW $\frac{1}{4}$		Eileen T. Soper	3.125					
			John M. Turner	1.041					
			Janet E. Turner	1.042					
			Barbara T. Edmonson	1.042					
			John Mackinzie	3.125					
				12.50					

35.	<u>T-4-S, R-25-E, N.M.P.M.</u>								
	Section 6; Lots 3, 4, 912.24	Fee	Lois S. Saunders	3.125	Yates Pet. Corp. et al.	50.0%	None	Same as Leases of	All
	5, SE $\frac{1}{4}$ NW $\frac{1}{4}$	6-5-89	Mr. H.L. Deering	6.250					
	Section 7; SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$	6-20-89	Madison A. Winn	3.125	Carl A. Schellinger	50.0%		record	
		5-25-89		12.50					
	Section 14; NW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$								
	Section 18; Lots 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$								
	Section 24; W $\frac{1}{2}$ NW $\frac{1}{2}$								

*Yates Pet. Corp. et al refers to:
Yates Petroleum Corp. 40.0%
Yates Drilling Co. 20.0%
ABO Petroleum Corp. 20.0%
MYCO Industries, Inc. 20.0%
100.0%

40.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 12; WANE, SEANE</u> <u>SWANE</u>	160.00	Fee	Harold W. McDonald	12.5	Carl A. Schellinger	All	None	Same as Leases of Records	All
41.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 23; E/SE</u>	80.00	Fee	Julia B. Readman	12.5	Not Leased				
42.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 23; SEANE</u>	40.00	Fee	L. C. Harris Tenneco Oil Co.	6.25 6.25	Not Leased				
43.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 26; WANEANE</u>	20.00	Fee	Sahara, Inc	12.5	Not Leased				
44.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 26; E/NEANE</u>	20.00	Fee	Gessert Properties, Inc.	12.5	Not Leased				

45.	T-4-S, R-25-E, N.M.P.M.	160.00	Fee						
	Section 27; SW1/4NW1/4								
	Section 28; SW1/4NE1/4		6-22-89						
				Est. Ellen Blythe	3.125	Yates Pet. Corp., et al.	50.0%	None	Same as Leases of
				Elis. Ann Blythe	3.125	Not Leased	50.0%		Records
				Est. S. W. Lodewick	4.688				
				Est. Alton H. Clark	1.562				
					12.500				

46.	T-5-S, R-25-E, N.M.P.M.	1,040.18	Fee						
	Section 1; W1/2								
	Section 2; E1/2SE1/4		4-24-89						
				Est. S. W. Lodewick	4.6875	Public Lands Expl.	26.7%	None	Same as Leases of
				Carolyn C. Wiggins	0.3347	Not Leased	73.3%		Records
				Farris C. Hignett	0.3347				
				Arthur H. Spiegel	0.2231				
				Richard W. Dammann	0.2231				
				Laura B. Lodewick	0.1116				
				John W. Lodewick	0.0372				
				Laura P. Lodewick	0.0372				
				Richard B. Lodewick	0.0372				
				Eliz. A. Malone	0.1116				
				Ross L. Malone, Trust	0.1116				
				D. B. Davis	1.5625				
				John N. Benedict	2.3440				
				Thomas L. Benedict	2.3440				
					12.5000				

Total 3,582.79 Acres Patented (Fee) Lands, 13.85% at Unit Area

Recapitulation	
10,756.37 Acres Federal Lands	41.56% of Unit
11,540.69 Acres State Lands	44.59% of Unit
3,582.79 Acres Fee Lands	13.85% of Unit
25,880.85 Acres Total Lands	100.00% of Unit

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

CITIES SERVICE COMPANY

By Mark E. Payton
MARK E. PAYTON Attorney-in-Fact

INDIVIDUAL

1-2-21 thru 31

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197__, by _____.
My Commission Expires:

Notary Public

STATE OF OKLAHOMA)
COUNTY OF TULSA)
ATTORNEY-IN-FACT) SS.

The foregoing instrument was acknowledged before me this 13th day of December, 1979, by MARK E. PAYTON, as Attorney-in-Fact of CITIES SERVICE COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

October 26, 1983

Nora Lippert
Notary Public NOBA LIPPERT

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

MESA PETROLEUM COMPANY

John B. Huckabay

INDIVIDUAL

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____.

My Commission Expires:

Notary Public

CORPORATE
STATE OF TEXAS)
COUNTY OF MIDLAND) SS.

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by John B. Huckabay, Attorney-in-Fact ~~XXXXXXXXXX~~ of Mesa Petroleum Co., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Louella H. Porter

Notary Public



CONSENT AND RATIFICATION

WILLOW CREEK UNIT AGREEMENT

CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

PUBLIC LANDS EXPLORATION, INC.

Robert P. Creson
Robert P. Creson, President

INDIVIDUAL

3-5-9-15-16-17-18-46

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____.

My Commission Expires:

Notary Public

CORPORATE

STATE OF TEXAS _____)
COUNTY OF DALLAS _____) SS.

The foregoing instrument was acknowledged before me this 6th day of December, 1979, by Robert P. Creson, President of Public Lands Exploration, Inc., a Texas corporation, on behalf of said corporation.

My Commission Expires:

September 14, 1981

Delma Organ
Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

Sharon Shawden
Assistant Secretary

ABO PETROLEUM CORPORATION

By: [Signature]

INDIVIDUAL

12-13-32-33-35-36-37-38-45

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____.

My Commission Expires:

Notary Public

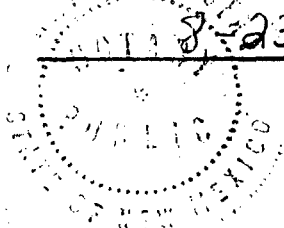
STATE OF NEW MEXICO)
COUNTY OF EDDY) SS.

CORPORATE

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by JOHN A. YATES, President of ABO PETROLEUM CORPORATION, a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

[Signature]
Notary Public



CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

Assistant Secretary

YATES DRILLING COMPANY

By:

Vice President

13-32-33-35-36-37-38-45

INDIVIDUAL

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____.

My Commission Expires:

Notary Public

STATE OF NEW MEXICO)
COUNTY OF EDDY) SS.

CORPORATE

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by S. P. Yates, Vice President of YATES DRILLING COMPANY, a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

8-23-81

CONSENT AND RATIFICATION
UNIT OPERATING AGREEMENT
FOR THE WILLOW CREEK UNIT AREA
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Operating Agreement in connection with the Unit Agreement for the development and operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledges 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 do hereby consent to said Unit Operating Agreement and ratify all the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said 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 acknowledgments.

ATTEST:

MYCO INDUSTRIES, INC.

Sharon Snowden
Assistant Secretary

By: Frank Yates

President

INDIVIDUAL

13-32-33-35-36-37-38-45

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____.

My Commission Expires:

Notary Public

CORPORATE

STATE OF NEW MEXICO)
COUNTY OF EDDY) SS.

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by FRANK YATES, President of MYCO INDUSTRIES, INC., a New Mexico corporation, on behalf of said corporation.

My Commission Expires:

8-23-81

Kathryn Collier
Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Carl A. Schellinger
Carl A. Schellinger
P.O. Box 447
Roswell, New Mexico 88201

INDIVIDUAL

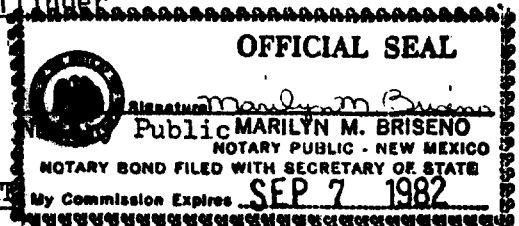
35, 36, 37, 38, 39, 40

STATE OF New Mexico)
) SS.
COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 13th day of December, 1979, by Carl A. Schellinger.

My Commission Expires:

SEP 7 1982



CORPORATE

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

This Page followed by Overriding Royalty
and Fee (patented) lands signatures.

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Geo. Globe
GEO. GLOBE

1322 19th Street

Bakersfield, CA 93301 /

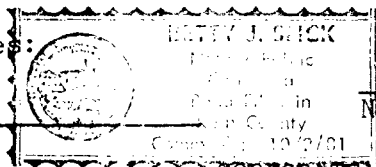
INDIVIDUAL

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

The foregoing instrument was acknowledged before me this 28th day of November, 1979, by Geo. Globe.

My Commission Expires:

Oct. 2, 1981



Betty J. Slack
Notary Public

CORPORATE

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION

WILLOW CREEK UNIT AGREEMENT

CHAVES COUNTY. NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

C. E. Strange
C. E. STRANGE

P. O. Box 6438, Incline Village, NV /
89450

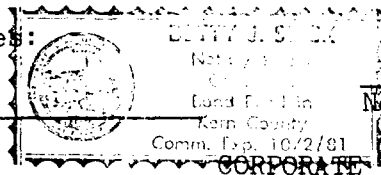
INDIVIDUAL

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

The foregoing instrument was acknowledged before me this 23rd day of November, 1979, by C. E. STRANGE.

My Commission Expires:

Oct. 2, 1981



Betty J. Luck
Notary Public

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION

WILLOW CREEK UNIT AGREEMENT

CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Audelia DeLuna
AUDELIA DeLUNA
185 Oakbank Rd.
Bakersfield, CA 93304 2

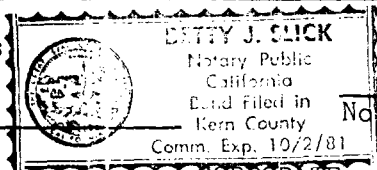
INDIVIDUAL

STATE OF CALIFORNIA)
) SS.
COUNTY OF KERN)

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by Audelia DeLuna.

My Commission Expires

Oct. 2, 1981



Betty J. Slack
Notary Public

CORPORATE

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Hazel B. Nelson
Hazel B. Nelson, Ind. Executrix
of the Estate of Sherman Nelson, Dec'd.

7

INDIVIDUAL

STATE OF Texas)
) SS.
COUNTY OF Guadalupe)

The foregoing instrument was acknowledged before me this 28th day of Nov., 1979, by Hazel B. Nelson.

My Commission Expires:

6-30-80

Marilyn Altwein
Notary Public in and For Guadalupe Co., Texas
Marilyn Altwein

CORPORATE
STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

7

Jon Nelson
Anita Nelson

INDIVIDUAL

STATE OF Texas)
COUNTY OF Guadalupe) SS.

The foregoing instrument was acknowledged before me this 28th day of Nov., 1979, by Jon and Anita Nelson.

My Commission Expires:

6-30-72 80

Marilyn Altwein
Notary Public in and for Guadalupe Co., Tx
Marilyn Altwein

CORPORATE

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197__, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

James D. Rupp

15

John Q. Moses

15

INDIVIDUAL

STATE OF COLORADO)
COUNTY OF DENVER) SS.

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by James D. Rupp and John Q. Moses

My Commission Expires:

My Commission Expires May 14, 1981

John Jeffrey Moses
Notary Public

CORPORATE
STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY. NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Marvin L. McGahey

MARVIN L. MCGAHEY
560 PETROLEUM CLUB BUILDING
DENVER, COLORADO 80202
16

INDIVIDUAL

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 29th day of November, 1979, by MARVIN L. MCGAHEY.

My Commission Expires:

October 25, 1982

Kathie D. Hemmigh
Notary Public

CORPORATE

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Louise C. Walker
Louise C. Walker

James L. Walker
James L. Walker

17

INDIVIDUAL

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 6 day of December, 1979, by Louise C. Walker and James L. Walker.

My Commission Expires:

My Commission expires Sept. 29, 1982

Joan St. Aubyn
Notary Public

CORPORATE
STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION

WILLOW CREEK UNIT AGREEMENT

CHAVES COUNTY. NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

X Mrs. John B. Nowlin

37

INDIVIDUAL

STATE OF TEXAS)
COUNTY OF DALLAS) SS.

The foregoing instrument was acknowledged before me this 28 day of NOV, 1979, by MRS. John B. Nowlin.

My Commission Expires:

4-30-81

Peggy Van Lasse
Notary Public

CORPORATE

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
WILLOW CREEK UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Madie M. McKenzie Lazenby

Nov. 26 - 1979

39

INDIVIDUAL

STATE OF California,
COUNTY OF Santa Clara) SS.

The foregoing instrument was acknowledged before me this 26th day of NOV, 1979, by MADIE MCKENZIE LAZENBY

My Commission Expires:

8.20.82

Notary Public



OFFICIAL SEAL
KATHLEEN J. DOUGLASS
NOTARY PUBLIC-CALIFORNIA
PRINCIPAL OFFICE IN
SANTA CLARA COUNTY
My Commission Expires Aug. 20, 1982

STATE OF _____)
COUNTY OF _____) SS.

CORPORATE

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION

WILLOW CREEK UNIT AGREEMENT

CHAVES COUNTY. NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Willow Creek Unit Area embracing lands situated in Chaves County, New Mexico, which said Agreement is dated the 10th day of August, 1979, and acknowledged that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty, or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Harold W. McDonald
Ione P. McDonald

40

INDIVIDUAL

STATE OF NEW MEXICO)
) SS.
COUNTY OF CURRY)

The foregoing instrument was acknowledged before me this 21 day of November, 1979, by Harold W. McDonald and Ione P. McDonald.

My Commission Expires:

October 20, 1982

Lucile Laughlin
Notary Public

CORPORATE

STATE OF _____)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 197____, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6641
Order No. R-6121

APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF THE
WILLOW CREEK UNIT AGREEMENT,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 5, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of September, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, seeks approval of the Willow Creek Unit Agreement covering 25,880.85 acres, more or less, of State, Federal and Fee lands described as follows:

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM
Sections 1 through 36: All

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM
Sections 1 through 3: All
Section 10: N/2
Section 11: N/2
Section 12: N/2

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, or changes in unit operator should be submitted to the Director of the Division for approval.

(4) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Willow Creek Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, all expansions or contractions of the unit area, and any changes in unit operator shall be submitted to the Director of the Oil Conservation Division for approval.

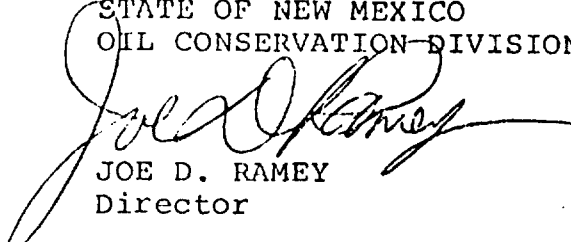
(5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

-3-
Case No. 6641
Order No. R-6121

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/

Unit Name WILLOW CREEK UNIT-EXPLORATORY
Operator YATES PETROLEUM CORPORATION
County CHAVES

DATE	OCC CASE NO.	6641	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	STATE -FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-6121							
Commissioner:	OCC:	9-24-79	12-21-79	25,880.85	11,540.69	10,756.37	3,583.79	Yes	5 yrs.
12-20-79									

UNIT AREA

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM
Sections 1 through 36: All
TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM
Sections 1 through 3: All
Section 10: N/2
Section 11: N/2
Section 12: N/2

STATE LANDS - fully committed 11,540.69
Federal Lands-2,279.73 Not Committed - 10,476.64 Committed
FEE LANDS- 1,527.37 Not Committed - 2,056.42 Committed
TOTAL ACREAGE NOT COMMITTED 3,807.10, TOTAL ACREAGE COMMITTED 22,073.75

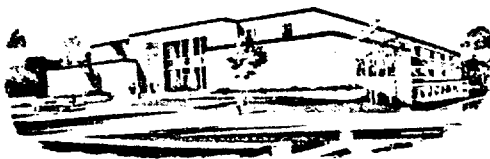
Unit Name WILLOW CREEK UNIT-EXPLORATORY
Operator YATES PETROLEUM CORPORATION
County CHAVES

STATE TRACT NO.	LEASE NO.	INST-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
21	L-5242-1 ✓	C.S. C.S.	15 16	4S 4S	25E 25E	A11 A11	12-13-79 12-13-79	1,280.00		Cities Service Co. Cities Service Co.
22	L-5243-1 ✓	C.S. C.S.	21 22	4S 4S	25E 25E	A11 A11	12-13-79 12-13-79	1,280.00		Cities Service Co. Cities Service Co.
23	L-5244-1 ✓	C.S. C.S.	23 27	4S 4S	25E 25E	W/2, W/2E/2, NE/4NE/4 NE/4NE/4, N/2NW/4, SE/4NW/4, SW/4, N/2SE/4	12-13-79 12-13-79	920.00		Cities Service Co. Cities Service Co.
24	L-5245-1 ✓	C.S. C.S.	26 36	4S 4S	25E 25E	S/2, NW/4NW/4, E/2NW/4, W/2NE/4, SE/4NE/4 A11	12-13-79 12-13-79	1,200.00		Cities Service Co. Cities Service Co.
25	L-5246-1 ✓	C.S. C.S.	34 35	4S 4S	25E 25E	A11 A11	12-13-79 12-13-79	1,280.00		Cities Service Co. Cities Service Co.
26	L-4248-1 ✓	C.S.	1	5S	25E	W/2SE/4	12-13-79	80.00		Cities Service Co.
27	L-5249-1 ✓	C.S.	2	5S	25E	Lots 1, 2, 3, 4, S/2N/2, SW/4, NW/4SE/4	12-13-79	520.48		Cities Service Co.
28	L-153-1 ✓	C.S. C.S.	19 20	4S 4S	25E 25E	A11 A11	12-13-79 12-13-79	1,271.84		Cities Service Co. Cities Service Co.
29	L-154-1 ✓	C.S. C.S.	28 29	4S 4S	25E 25E	NE/4NE/4, N/2NW/4, SW/4NW/4 N/2SW/4, SW/4, SW/4SW/4, SE/4 A11	12-13-79 12-13-79	1,080.00		Cities Service Co. Cities Service Co.
30	L-155-1 ✓	C.S. C.S.	30 31	4S 4S	25E 25E	A11 Lots 1, 2, 3, E/2NW/4, NE/4	12-13-79 12-13-79	988.37		Cities Service Co. Cities Service Co.
31	L-156-1 ✓	C.S. C.S.	32 33	4S 4S	25E 25E	A11 A11	12-13-79 12-13-79	1,280.00		Cities Service Co. Cities Service Co.
32	L-6656- ✓	C.S.	2	4S	25E	SW/4NE/4, SE/4NW/4, S/2S/2, N/2SE/4, NE/4SW/4	12-7-79	360.00		Yates Petroleum Corp.

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

October 8, 1981

664
P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Yates Petroleum Corp.
207 South Fourth Street
Artesia, New Mexico 88210

Re: Revised Plan of Development
Willow Creek Unit
Chaves County, New Mexico

ATTENTION: Mr. Robert Bullock

Gentlemen:

Your revised Plan of Development for the period beginning September 1, 1981 and ending December 31, 1982, has this date been approved by the Commissioner of Public Lands. Such plan proposes the drilling of two additional Unit wells. Our approval of the plan of development is null and void if the two wells to be drilled are not completed by December 31, 1982, as a producer or a dry hole. Our approval is also subject to like approval by the United States Geological Survey and the Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee at your earliest convenience.

Very truly yours,

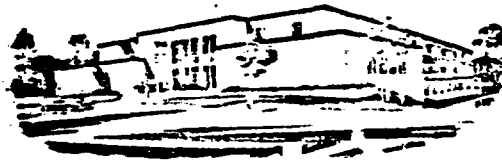
ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encl.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands

September 18, 1981

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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

Attn: Mr. Bob Bullock

6641

RE: 1981-1982
Plan of Development
Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

We are unable to approve the referenced Plan of Development. We believe that a minimum of two wells should be drilled within the Unit Area during this fifteen(15) month time period.

There are too many State Leases being held beyond the ten(10) year expiration date, also the proposed initial participating area of 160 Acres for this Unit allocates a 3/4ths interest to non-committed acreage.

It is our feeling that the reserves which you have allocated to your WCU Well No. 2 certainly justify at least two wells per year for a Unit of this size. Please submit a Revised Plan providing for at least two ABO Wells to be completed prior to 12-31-82.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D GRAHAM, Director
Oil & Gas Division
505-827-2748

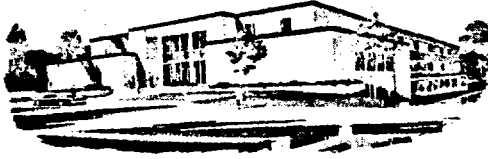
AJA/RDG/sdf
CC:

OCD-Santa Fe, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

June 1, 1981

6641
P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

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

Re: Willow Creek Unit
Commercial Determination of Willow Creek Unit # 2
Township 4 South, Range 25 East, NMPM
Section 31: SW/4
Chaves County, New Mexico

ATTENTION: Mr. Robert Bullock

Gentlemen:

Please be advised that this office concurs with your determination that the Willow Creek Unit Well # 2 is a commercial well. Also, the Commissioner of Public Lands has this date granted you a six month extension in which to comply with Section 9 of the Unit Agreement; all being subject to like approval by the United States Geological Survey.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

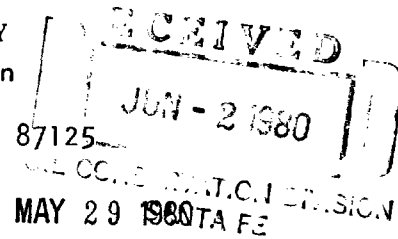
AJA/RDG/s
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125



Randolph M. Richardson
Attention: R. M. Richardson
P. O. Box 819
Roswell, New Mexico 88201

#6641

Gentlemen:

The purpose of this letter is to accept the correction to Exhibit B of the Willow Creek unit for record purposes. The correction pertains to tract 32, changing the ownership from Martin Yates III to MYCO. Copies of this correction are being distributed to the appropriate Federal offices. Enclosed is one copy of the accepted correction.

Sincerely yours,

(ORIG. SGD.) JACK WILLOCK

FOR Floyd L. Stelzer
Acting Deputy Conservation Manager
Oil and Gas

Enclosure

cc:
NMOCD, Santa Fe

RANDOLPH M. RICHARDSON

OIL AND GAS LAND AND UNIT CONSULTANT

FEDERAL - STATE - FEE

P. O. BOX 819

ROSWELL, NEW MEXICO 88201

OFFICE 505 622-8801

HOME 505 622-7985

February 5, 1980

6641
In Re: Willow Creek Unit
Chaves County, New Mexico

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

Gentlemen:

Pursuant to Order No. 6121 entered in Case No. 6641 I am enclosing one executed and approved copy of the captioned Willow Creek Unit Agreement.

The enclosed copy shows approval by the USGS and Commissioner of Public Lands.

This copy is being filed somewhat later than the 30 days specified in the Order. The Order was issued September 24, but the Unit was not approved until December 21, 1979.

Please advise if all is not in order or if you need additional information.

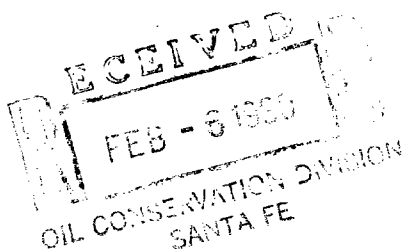
Yours truly,



R. M. Richardson

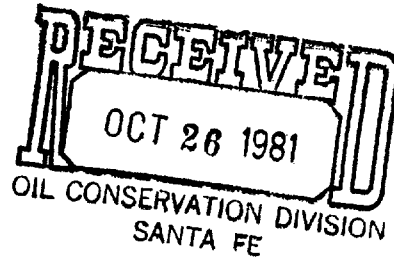
RMR:lln

Enclosure
Xerox copy to Yates Petroleum





207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

October 20, 1981

New Mexico Oil Conservation Division
P. O. Box 871
Santa Fe, New Mexico 87501
Attention: Joe Ramey

Re: MPC-Wylie Federal Well #1
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 6-T4S-R25E
Willow Creek Unit
Chaves County, New Mexico

6691

Gentlemen:

Yates Petroleum Corporation as Operator of the Willow Creek Unit acknowledges that the captioned well should be drilled as a unit well by Mesa Petroleum Corporation and therefore submit to you a Designation of Agent form which allows Mesa to act in our behalf in drilling said well.

Thank you.

Very truly yours,

Randy G. Patterson
Land Department

By: Robert Bullock

RB/tks
Enclosure

DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Geological Survey, Unit Operator under the Willow Creek Unit Agreement, Chaves County, New Mexico, No. 14-08-0001-18037, approved October 21, 1979, and hereby designates:

NAME: MESA PETROLEUM CO.
1000 Vaughn Building
ADDRESS: Midland, Texas 79701

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto, and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing Unit Well No. 3, in the NE/4SE/4 Section 6, Township 4 South, Range 25 East, N.M.P.M., Chaves County, New Mexico.

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The Unit Operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

This Designation is given only to enable the agent herein designated to drill the above specified Unit Well. Unless sooner terminated, this Designation shall terminate when there is filed in the appropriate district office of the U. S. Geological Survey a completed file of all required Federal reports pertaining to subject well. It is also understood that this Designation of Agent is limited to field operations and does not cover administrative action requiring specific authorization of the Unit Operator.

YATES PETROLEUM CORPORATION

DATE October 20, 1981

By: *Randy H. Patterson*
Unit Operator

South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125-6124

RECEIVED
OCT 19 1981
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CONSERVATION DIVISION
SANTA FE

OCT 15 1981

Yates Petroleum Corporation
Attention: Robert Bullock
207 South Fourth Street
Artesia, New Mexico 88210

6691

Gentlemen:

Your application of September 9, 1981, requesting approval of the initial Abo Participating Area for the Willow Creek Unit Agreement, Chaves County, New Mexico, No. 14-08-0001-18037, was approved on this date, subject to approval by the State of New Mexico. Under the terms in section 11 of the unit agreement the initial participating area is effective as of November 24, 1980.

The initial participating area is 160.0 acres described as the SW $\frac{1}{4}$ sec. 31, T. 4 S., R. 25 E., N.M.P.M., and is based on the completion of unit well No. 2. The well was completed in the Abo Formation in the interval of 3626 to 3714 feet.

Copies of the approved application are being distributed to the appropriate Federal offices and an approved copy is returned herewith. You are requested to furnish the State of New Mexico and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JAMES W. SHELTON

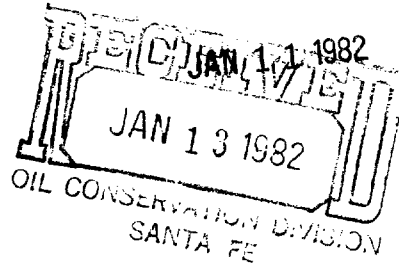
FOR Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

cc:
BLM, Santa Fe
NMOC, Santa Fe/
Comm. of Public Lands, Santa Fe
DS, Roswell (w/cv)



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125



Yates Petroleum Corporation
Attention: Robert Bullock
207 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

An approved copy of your 1982 plan of development for the Willow Creek unit area, Chaves County, New Mexico, is enclosed. Such plan, proposing the drilling of two additional unit wells was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JOE G. LARA
FOR Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosure

cc:
NMOCD, Santa Fe

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

May 12, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501
87504-1148

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

Re: Revised Exhibit "B" Schedule
Willow Creek Unit
Chaves County, New Mexico

6641

Gentlemen:

Upon reviewing our files for the above captioned unit agreement we have found that the land description for tract No. 29 should be corrected as follows.

LG-154-1 NE/4NE/4, NE/4NW/4, S/2NW/4, N/2SW/4, SW/4SW/4, SE/4 of
Section 28, Township 4 South, Range 25 East

Please submit a revised Exhibit "B" Schedule reflecting the correct land description so that our files may be correctly updated.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.
cc:

OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration

EXHIBIT "B"

Schedule Showing All Lands and Leases
Within the Willow Creek Unit Area
Chaves County, New Mexico

TRACT NO.	DESCRIPTION OF LANDS	ACRES	SERIAL NO. AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1.	T-4-S. R-25-E. N.M.P.M. Sec. 1: All Sec. 12: $\frac{1}{2}$ NW $\frac{1}{4}$, $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$	1,001.00	NM-11320 2-29-80	U.S.A. 12.5	<u>Federal Lands</u> Cities Service Co.	All C. E. Strange George Globe	1.5 1.5 Cities Service Co. All
2.	T-4-S. R-25-E. N.M.P.M. Section 9: $\frac{1}{2}$ S $\frac{1}{2}$ 10: All 17: All	1,600.00	NM-11955 6-30-80	U.S.A. 12.5	Cities Service Co.	All Audelia Deluna C. E. Strange	1.5 1.5 Cities Service Co. All
3.	T-4-S. R-25-E. N.M.P.M. Section 11: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	NM-12686 11-30-80	U.S.A. 12.5	Public Lands Expl. Inc.	All Est. F. J. Bradshaw	4.5 Public Lands Explor., Inc.*
4.	T-5-S. R-25-E. N.M.P.M. Section 1: Lots 1, 2, SW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$	240.06	NM-13399 3-31-81	U.S.A. 12.5	El Paso Nat. Gas Co.** All	Pauline & James Hayes	3.0 El Paso Nat. Gas Co.** All

*Public Lands Exploration, Inc.

**El Paso Natural Gas Company

5.	T-4-S, R-25-E, N.M.P.M. Section 7; NE1/4 NE1/4 Section 11; NE1/4 NE1/4 Section 14; W1/2 SW1/4	160.00	NM-14992 2-28-82	U.S.A. 12.5	Public Lands Explor., Inc.	All	Est. F. J. Bradshaw	4.5	Public Lands Explor., Inc.	All
6.	T-5-S, R-25-E, N.M.P.M. Section 3; Lots 1, 2, 3, 4, S1/2 SE1/4, SE1/4 NE1/4 NE1/4 SE1/4	320.76	NM-16783 9-30-82	U.S.A. 12.5	John M. Beard	All	None		John M. Beard	All
7.	T-4-S, R-25-E, N.M.P.M. Section 11; NW1/4 SE1/4 Section 24; E1/4 W1/2, SE1/4 Section 25; All	1,040.00	NM-17036 11-30-82	U.S.A. 12.5	Read & Stevens, Inc.	All	James & Jane Satel Sherman & Hazel Nelson Jon & Anita Nelson	1.0 0.75 0.75	Read & Stevens, Inc.	All
8.	T-4-S, R-25-E, N.M.P.M. Section 12; W1/2 SW1/4, SW1/4 NW1/4 Section 14; W1/2 SW1/4	200.00	NM-19828 12-31-84	U.S.A. 12.5	Clifford Cone	All	None		Clifford Cone	All
	T-4-S, R-25-E, N.M.P.M. Section 3; Lots 1, 2, SE1/4 NE1/4, S1/2 SW1/4, SW1/4 SE1/4 Section 4; All Section 5; All Section 6; Lots 1, 2, 6, 7, E1/2 SW1/4, SE1/4, S1/2 NE1/4 Section 7; W1/2 E1/2, SE1/4 SE1/4 Section 18; Lots 1, 2; E1/2 NW1/4, NE1/4	2,513.60	NM-20336 4-30-84	U.S.A. 12.5	Public Lands Explor., Inc.	All	J.R. & Colleen Pickett	3.0	Public Lands Explor., Inc.	All

10.	T-4-S, R-25-E, N.M.P.M. Section 14; SE1/4NW1/4	40.00	NM-22845 9-30-84	U.S.A. 12.5	William B. Blakemore	All	None	William B. Blakemore All	
11.	T-4-S, R-25-E, N.M.P.M. Section 31; Lot 4, E1/2SW1/4, SE1/4	278.91	NM-22846 9-30-84	U.S.A. 12.5	Flag Redfern Oil Co.	All	None	Flag Redfern Oil Co. All	
12.	T-5-S, R-25-E, N.M.P.M. Section 11; NW1/4	160.00	NM-26869 11-30-85	U.S.A. 12.5	ABO Petr. Corp.	All	Martin R. Yates	ABO Petr. Corp. All	
13.	T-4-S, R-25-E, N.M.P.M. Section 9; NW1/4 Section 8; All	960.00	NM-27060 12-31-86	U.S.A. 12.5	Yates Petr. Corp. Yates Drilling Co. ABO Petr. Co. MYCO Industries, Inc.	25.0 25.0 25.0 25.0	C. E. Strange, Jr. C. E. Strange	1.5 1.5	
14.	T-4-S, R-25-E, N.M.P.M. Section 11; SW1/4SW1/4	40.00	NM-29205 1-31-87	U.S.A. 12.5	Marjorie F. Gallen	All	None	Marjorie F. Gallen All	
15.	T-4-S, R-25-E, N.M.P.M. Section 2; Lots 1, 2, 3, 4, SE1/4NW1/4 Section 14; E1/2E1/4, SW1/4NW1/4 Section 24; NE1/4 Section 26; SW1/4NW1/4 Section 27; W1/2NE1/4, SE1/4NW1/4, S1/2SE1/4 Section 28; NW1/4NW1/4, SE1/4SW1/4	882.04	NM-32850 6-30-88	U.S.A. 12.5	Public Lands Explor., Inc.	All	James D. Rupp John & Patricia Moses Houston Oil & Minerals	1.00 1.00 2.00	Public Lands Explor., Inc. All

16.	T-5-S, R-25-E, N.M.P.M. Section 3; SW 1 / 4 , SE 1 / 4 NW 1 / 4 , NW 1 / 4 SE 1 / 4	NM-33663 7-31-88	U.S.A. 12.5	Public Lands Explor., Inc.	All	Dennis W. Laurence Marvin L. McGabey	1.0 4.0	Public Lands Explor., Inc.	All
17.	T-5-S, R-25-E, N.M.P.M. Section 10; NE 1 / 4	NM-36407 4-31-89	U.S.A. 12.5	Public Lands Explor., Inc.	All	Louise & James Walker	5.0	Public Lands Explor., Inc.	All
18.	T-4-S, R-25-E, N.M.P.M. Section 13; All	NM-37599 8-31-89	U.S.A. 12.5	Paul Keelin	All	None		Paul Keelin	All
19.	T-4-S, R-25-E, N.M.P.M. Section 11; NE 1 / 4 SE 1 / 4 Section 14; NE 1 / 4 NW 1 / 4	80.00 OPEN							
20.	T-5-S, R-25-E, N.M.P.M. Section 10; NE 1 / 4 NW 1 / 4	40.00 OPEN							
<hr/>									
Total: 10,756.37 Acres Federal Land, 41.56% of Unit Area									

State of New Mexico Lands

21.	T-4-S, R-25-E, N.M.P.M. Section 15; All Section 16; All	1,280.00	L-5242-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
22.	T-4-S, R-25-E, N.M.P.M. Section 21; All Section 22; All	1,280.00	L-5243-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Services Co.	All
23.	T-4-S, R-25-E, N.M.P.M. Section 23; W/2, W/2E/4, NE/4NE/4 Section 27; NE/4NE/4, N/2SW/4, SE/4NW/4, SW/4, N/2SE/4	920.00	L-5244-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
24.	T-4-S, R-25-E, N.M.P.M. Section 26; S/2, N/4NW/4, E/2NW/4, W/2NE/4, SE/4NE/4 Section 36; All	1,200.00	L-5245-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All

25.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 34; All Section 35; All	1,280.00	L-5246-1 2-28-81.	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
26.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 1; W/SE $\frac{1}{4}$	80.00	L-4248-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
27.	<u>T-5-S, R-25-E, N.M.P.M.</u> Section 2; Lots 1,2,3,4, S/2N $\frac{1}{2}$, SW $\frac{1}{4}$, NW/4SE $\frac{1}{4}$	520.48	L-5249-1 2-28-81	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
28.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 19; All Section 20; All	1,271.34	LG-153-1 4-30-82	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
29.	<u>T-4-S, R-25-E, N.M.P.M.</u> Section 28; NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 29; All	1,080.00	LG-154-1 4-30-82	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All

REVISED: 5/18/82

30.	T-4-S, R-25-E, N.M.P.M. Section 30; All Section 31; Lots 1, 2, 3, E/2NW/4, NE/4	988.37	IG-155-1 4-30-82	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
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31.	T-4-S, R-25-E, N.M.P.M. Section 32; All Section 33; All	1,280.00	IG-156-1 4-30-82	State 12.5	Cities Service Co.	All	None	Cities Service Co.	All
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2.	T-4-S, R-25-E, N.M.P.M. Section 2; SW/4NE/4, S/2S/4, NW/4SE/4, NE/4SW/4	360.00	IG-6656 5-31-89	State 12.5	Yates Petroleum Corp.	All	None	Yates Petroleum Corp. Yates Drilling Co. ABO Petroleum Corp. Martin Yates, III	40.0 20.0 20.0 20.0
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Total: 11,540.69 Acres State of New Mexico Lands, 44.59% of Unit Area

33. T-4-S, R-25-E, N.M.P.M.

Section 2; NW/4SW/4, 320.00

Fee

SW/4NW/4

Section 3; NW/4E, SW/4NE/4, SE/4SE/4

Patented (Fee) Lands

Terry S. Kees

4.16

Randall C. Simon

4.17

Billie D. Simon

4.17

12.50

34. T-4-S, R-25-E, N.M.P.M.

Section 5; Lots 3, 4, 160.77

Fee

SW/4NW/4

W.W. Taylor

3.125

Eileen T. Soper

3.125

John M. Turner

1.041

Janet E. Turner

1.042

Barbara T. Edmonson

1.042

John Mackinzie

3.125

12.50

35. T-4-S, R-25-E, N.M.P.M.

Section 6; Lots 3, 4, 912.24

Fee

SW/4NW/4

Section 7; SE/4NE/4, NE/4SE/4

Section 14; NW/4NE/4, E/4SW/4

W/4SE/4

Section 18; Lots 3, 4, E/4SW/4

SE/4

Section 24; W/4NW/4

Lois S. Saunders

3.125

Mr. H.L. Deering

6.250

Madison A. Winn

3.125

12.50

36. T-4-S, R-25-E, N.M.P.M.
Section 7; Lots 1, 2, 3,
4, E $\frac{1}{2}$ W $\frac{1}{2}$ 310.60 Fee

Madison A. Winn 1.562
Lois S. Saunders 1.563
Mrs. H. L. Deering 3.125
Earl E. Simon 6.290
12.500

37. T-4-S, R-25-E, N.M.P.M.
Section 11; W $\frac{1}{2}$ NEX
E $\frac{1}{2}$ W $\frac{1}{2}$ 160.00 Fee

Madison A. Winn 0.781
Mrs. John B. Nowlin 6.250
Mrs. H. L. Deering 3.125
Lois S. Saunders 0.781
Herman N. Sloss 1.463

38. T-4-S, R-25-E, N.M.P.M.
Section 11; W $\frac{1}{2}$ NEX,
N $\frac{1}{2}$ SW $\frac{1}{4}$ 160.00 Fee

Madison A. Winn 1.562
Mrs. H. L. Deering 3.125
Lois S. Saunders 1.563
Mrs. John B. Nowlin 6.250
12.500

39. T-4-S, R-25-E, N.M.P.M.
Section 11; SW $\frac{1}{4}$ SE $\frac{1}{4}$ 40.00 Fee

Madie M. Lazenby 12.50

40.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 12; NE1/4, SE1/4, SW1/4</u>	160.00	Fee	Harold W. McDonald	12.5
41.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 23; E1/2SE1/4</u>	80.00	Fee	Julia B. Readman	12.5
42.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 23; SE1/4NE1/4</u>	40.00	Fee	L. C. Harris Tenneco Oil Co.	6.25 6.25
43.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 26; W1/2SE1/4NE1/4</u>	20.00	Fee	Sahara, Inc	12.5
44.	<u>T-4-S, R-25-E, N.M.P.M.</u> <u>Section 26; E1/2NE1/4NE1/4</u>	20.00	Fee	Gessert Properties, Inc.	12.5

45. T-4-S, R-25-E, N.M.P.M.
 Section 27: ~~SW1/4 NW1/4~~ 160.00 Fee
 Section 28: ~~S1/2 E1/4 NW1/4 NE1/4~~

Fay Ellen Blythe 3.125
 Eliz. Ann Blythe 3.125
 Est. S. W. Lodewick 4.688
 Est. Alton H. Clark 1.562
12.500

46. T-5-S, R-25-E, N.M.P.M.
 Section 1: ~~W1/2 E1/2 SE1/4~~ 1,040.00 Fee
 Section 2: ~~SW1/4 SE1/4~~
 Section 10: ~~W1/2 NW1/4 SE1/4 NW1/4~~
 Section 11: ~~NE1/4~~
 Section 12: ~~W1/2~~

Est. S. W. Lodewick 4.6875
 Carolyn C. Wiggins 0.3347
 Farris C. Hignett 0.3347
 Arthur H. Spiegel 0.2231
 Richard W. Damann 0.2231
 Laura B. Lodewick 0.1116
 John W. Lodewick 0.0372
 Laura P. Lodewick 0.0372
 Richard B. Lodewick 0.0372
 Eliz. A. Malone 0.1116
 Ross L. Malone, Trust 0.1116
 D. B. Davis 1.5625
 John N. Benedict 2.3440
 Thomas L. Benedict 2.3440
12.5000

Total 3,582.79 Acres Patented (Fee) Lands, 13.85% at Unit Area



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

December 28, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Case 6641

YATES PETROLEUM CORPORATION
207 South Fourth Street
Artesia, NM 88210

ATTENTION: Janet Moreau

RE: Willow Creek Unit
Chaves County, New Mexico

Dear Ms. Moreau:

The above referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the United States Minerals Management Service.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roy E. Johnson".

Roy E. Johnson
Petroleum Geologist

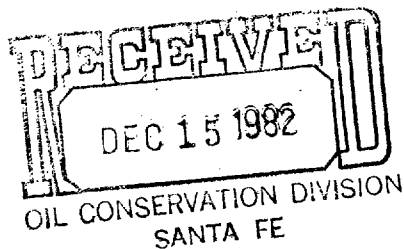
REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Minerals Management Service - Albuquerque
OCD District Office



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

December 13, 1982

Case #6641

Minerals Management Service
P. O. Box 26124
Albuquerque, New Mexico 87125

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

Re: Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation, as operator of the Willow Creek Unit, hereby submits the following Plan of Development for 1983, in triplicate:

Summary of Operations

The Willow Creek Unit Well #1 located 1980' FNL and 1980' FEL, Section 16, Township 4 South, Range 25 East, NMPM was spudded November 27, 1979, drilled to a total depth of 6,670' and completed May 23, 1980 as a dry hole.

The Willow Creek Unit Well #2, located 1980' FSL and 660' FWL, Section 31, Township 4 South, Range 25 East, was spudded June 30, 1980 and drilled to a total depth of 5,500'. Four and one-half inch casing was cemented at 5487'. The Abo interval was perforated at 3626'-3714'. This well was completed as a producer on November 24, 1980 for 576 MCFPD. A production history for 1982 is attached.

On October 15, 1981, the USGS approved the initial participating area as the SW/4 of Section 31, Township 4 South, Range 25 East, NMPM. This was also approved by the Commissioner of Public Lands on June 1, 1981.

Minerals Management Service
Commissioner of Public Lands
Oil Conservation Division
December 13, 1982
Page 2

The Willow Creek Unit #5 Well, located 660' FNL and 660' FWL of Section 12, Township 5 South, Range 25 East, NMPM, was spudded by Mesa Petroleum Co. on June 26, 1982 and drilled to a total depth of 4500'. It was completed as a dry hole on [REDACTED]

The #2 Wylie Federal Com. Well located 1980' FSL and 1980' FEL of Section 7, Township 4 South, Range 25 East, NMPM was spudded July 14, 1982 and drilled to a depth of 4350'. The Abo formation was perforated 3660'-3774'. This well was completed as a producer on November 24, 1980 for 330 MCFPD. This well is waiting on pipeline connection.

Development Planned for 1983

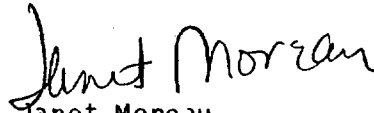
During 1983, we foresee getting the #2 Wylie Federal Com. connected to the pipeline and drilling another unit well as soon as we can properly determine the best location.

We respectfully request your approval of the above.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Janet Moreau
Landman

JM/mg

Yates Petroleum Corporation

Willow Creek Unit

2 L 31 4 25

2 D 31 4 23
(Undesignated Abot Pecos Slope Abot 6-82)

[illegible]

Yates Petroleum Corporation

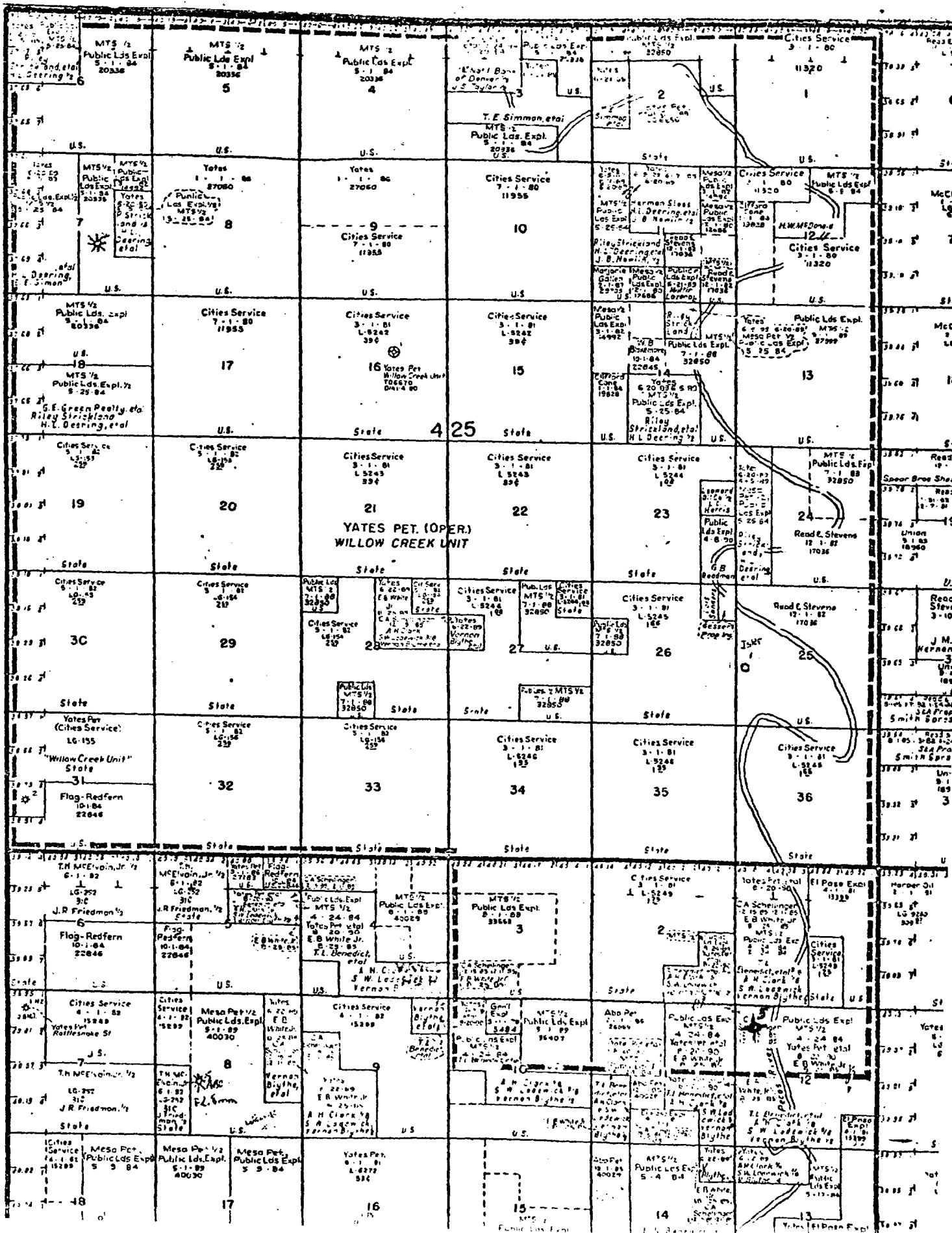
50 MCFPD

Willow Creek Unit

2 L 31 4 25

(Undesignated Abo)	Pecos	Slope	Abo

[illegible]



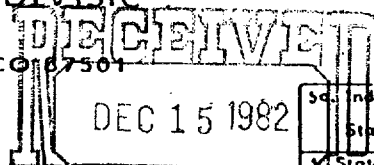
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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78



OIL CONSERVATION DIVISION

SANTA FE

30. Indicate Type of Lease
State ☐ Fee ☒
31. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" - (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER: P&A	7. Unit Agreement Name
2. Name of Operator MESA PETROLEUM CO.	8. From or Lease Name WILLOW CREEK UNIT
3. Address of Operator 1000 VAUGHN BUILDING/MIDLAND, TX 79701-4493	9. Well No. 5
4. Location of Well UNIT LETTER D 660 NORTH 660 WEST 12 5S 25E THE LINE, SECTION TOWNSHIP RANGE NMPM.	10. Field and Pool, or Wildcat WILDCAT ABO
11. Elevation (Show whether DF, RT, CR, etc.) 3671.4'	12. County CHAVES

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
FULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	
OTHER P&A <input type="checkbox"/>			

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Drilled 9 7/8" hole to 1959' and then reduced hole to 7 7/8" and drilled ahead on 6-29-82.
Drilled 7 7/8" hole to TD of 4500'. After logging, received verbal okay to P&A well.

Set 30 sxs Class "C" at 3750'
Set 30 sxs Class "C" at 3090'
Set 30 sxs Class "C" at 1590'
Set 60 sxs Class "C" at 1000'
Set 15 sxs Class "C" at surface

Installed dry hole marker. Released rig at 6:00 AM, 7-5-82. Well is P&A, 7-5-82.

XC: NMOCD (3), TLS, CEN RCDS, ACCTG, MEC, ROSWELL, REM, FILE (PARTNERS

Yates Petro

14. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED William R. Mientz TITLE DIVISION DRILLING SUPERVISOR DATE 7-7-81

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

MESA PETROLEUM CO.
PERMIAN BASIN DIVISION
DAILY DRILLING REPORT DETAIL
NOVEMBER 18, 1982

WYLIE FED COM #2 (MTS)

11/18/82

PO: FINAL REPORT

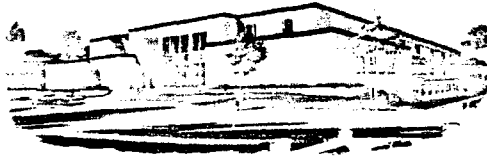
Results of potential test on 10-18-82 are as follows:

INCREMENTS	TBG PRESSURE PSI	RATE MCFFD
0	640	-
1	300	253

COMPLETION DATE:	10-18-82
FIELD:	PECOS SLOPE ABO
PROD FORM:	ABO
PROD PERF INTERVALS:	3660'---3774'
INITIAL POTENTIAL, OIL OR GAS:	CAOF = 330 MCFFD
PURCHASER OIL/GAS:	KOCH
GATHERER:	TRANSWESTERN

FINAL REPORT

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

December 22, 1982

P. O. BOX 1148
SANTA FE, N. M. 87504-1148

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

#6641

Re: ~~Willow Creek Unit~~
Chaves County, New Mexico
1983 Plan of Development

ATTENTION: Janet Moreau

Gentlemen:

The Commissioner of Public Lands has this date ~~approved~~ your 1983 Plan of Development for the Willow Creek Unit, Chaves County, New Mexico. Such plan proposes to get the No. 2 Wylie Federal Com. connected to the pipeline and the drilling of another unit well as soon as you can determine the best location. Our approval is subject to like approval by the United States Minerals Management Service and the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

Your filing fee in the amount of Ten (\$10.00) Dollars has been received.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

AJA/RDG/pm
encls.
cc:

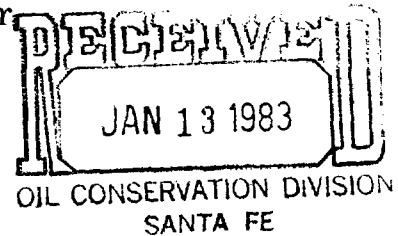
OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration



IN REPLY
REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
505 MARQUETTE AVENUE, N.W., SUITE 815
ALBUQUERQUE, NEW MEXICO 87102



JAN 12 1983

Case # 6641

Yates Petroleum Corporation
Attention: Janet Moreau
207 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

An approved copy of your 1983 plan of development for the Willow Creek unit area, Chaves County, New Mexico, is enclosed. Such plan, proposing to drill an additional unit well during 1983, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SIGNED) JAMES W. CHELTON

FOR: Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosure

cc:
Comm. of Public Lands
NMOCD



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC.-TREAS.

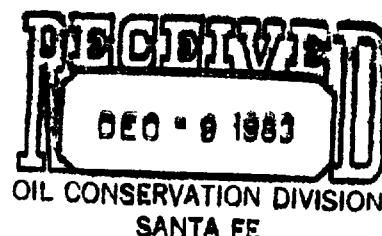
#6641

December 7, 1983

Bureau of Land Management
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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



Re: Plan of Development - 1984
Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

Yates Petroleum Corporation, as operator of the Willow Creek Unit, hereby submits the following Plan of Development for 1984, in triplicate:

SUMMARY OF OPERATIONS

The Willow Creek Unit Well #1 located 1980' FNL and 1980' FEL, Section 16, Township 4 South, Range 25 East, NMPM was spudded November 27, 1979, drilled to a total depth of 6,670' and completed May 23, 1980 as a dry hole.

The Willow Creek Unit Well #2, located 1980' FSL and 660' FWL, Section 31, Township 4 South, Range 25 East, was spudded June 30, 1980 and drilled to a total depth of 5,500'. Four and one-half inch casing was cemented at 5487'. The Abo interval was perforated at 3626'-3714'. This well was completed as a producer on November 24, 1980 for 576 MCFPD. A production history for 1982 is attached.

On October 15, 1981, the USGS approved the initial participating area as the SW/4 of Section 31, Township 4 South, Range 25 East, NMPM. This was also approved by the Commissioner of Public Lands on June 1, 1981.

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
December 7, 1983
Page 2

The Willow Creek Unit #5 well, located 660' FNL and 660' FWL of Section 12, Township 5 South, Range 25 East, NMPM, was spudded by Mesa Petroleum Co. on June 26, 1982 and drilled to a total depth of 4500'. It was completed as a dry hole on July 5, 1982.

The #2 Wylie Federal Com. Well located 1980' FSL and 1980' FEL of Section 7, Township 4 South, Range 25 East, NMPM was spudded July 14, 1982 and drilled to a depth of 4350'. The Abo formation was perforated 3660'-3774'. This well was completed as a producer on November 24, 1980 for 330 MCFPD.

The Willow Creek Unit #4 well, located 1980' FNL and 1980' FEL of Section 31, Township 4 South, Range 25 East has been proposed and accepted by all working interest owners. This well will be spudded this week.

A copy of the Willow Creek Unit map showing existing locations and wells is enclosed.

DEVELOPMENT PLANNED FOR 1984

During 1984, we will drill another unit well. The location will be determined after full evaluation of all existing unit wells.

Thank you.

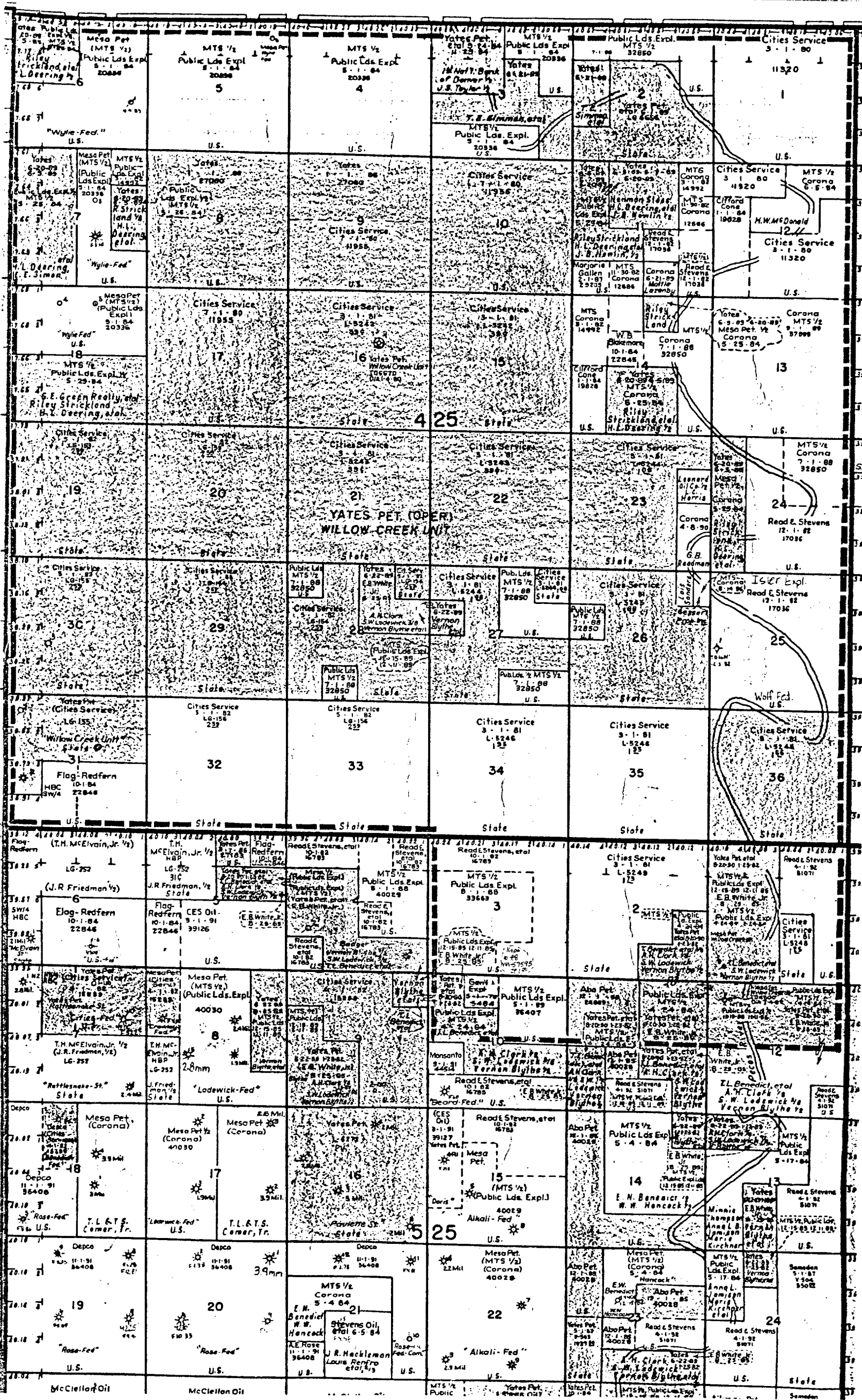
Very truly yours,

YATES PETROLEUM CORPORATION


Janet Richardson
Landman

JR/mw

Enclosure



State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

December 13, 1983

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

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

Re: Willow Creek Unit
Chaves County, New Mexico
1984 Plan of Development

ATTENTION: Ms. Janet Richardson

Gentlemen:

The Commissioner of Public Lands has this date approved your 1984 Plan of Development for the Willow Creek Unit, Chaves County, New Mexico. Such plan proposes to drill an additional unit well during 1984. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
 BLM-Roswell, New Mexico Attn: Mr. Jim Gillham
 BLM-Albuquerque, New Mexico



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY
REFER TO:

Willow Creek Unit

April 6, 1984

Yates Petroleum Corporation
Attention: Janet Richardson
207 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

Enclosed is an approved copy of your 1984 Plan of Development and Operation for the Willow Creek Unit Area, Chaves County, New Mexico, covering the period beginning January 1, 1984 and ending December 31, 1984. This plan, proposing to drill an additional unit well during 1984, was approved this date, subject to like approval by the New Mexico Commissioner of Public Lands and the New Mexico Oil Conservation Division.

Sincerely yours,

Orig. Sgd. Earl R. Cunningham

District Manager

Enclosure: (1)

cc: ✓ Commissioner of Public Lands, Santa Fe

#~~6641~~
6641



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

March 8, 1985

Bureau of Land Management
P.O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

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

RE: Plan of Development-1985
Willow Creek Unit
CHAVES COUNTY, NEW MEXICO

Gentlemen:

Yates Petroleum Corporation, as operator of the Willow Creek Unit, hereby submits the following Plan of Development for 1985, in triplicate.

SUMMARY OF OPERATIONS

The Willow Creek Unit Well #1 located 19080' FNL and 1980' FEL , Section 16, Township 4 South, Range 25 East, NMPM was spudded November 27, 1979, drilled to a total depth of 6,670' and completed May 23, 1980 as a dry hole.

The Willow Creek Unit Well #2, located 1980' FSL and 660' FWL. Section 31, Township 4 South-Range 25 East, was spudded June 30, 1980 and drilled to a total depth of 5,500'. Four and one-half inch casing was cemented at 5487'. The Abo interval was perforated at 3626'-3714'. This well was completed as a producer on November 24, 1980, for 576 MCFPD. A production history for 1984 is attached.

On October 15, 1981, the USGS approved the initial participating area as the SW/4 of Section 31, Township 4 South, Range 25 East, NMPM. This was also approved by the Commissioner of Public Lands on June 1, 1981.

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
March 8, 1985
Page 2

The Willow Creek Unit #5 Well, located 660' FNL; and 660' FWL of Section 12, Township 5 South, Range 25 East, NMPM, was spudded by Mesa Petroleum Co. on June 26, 1982 and drilled to a total depth of 4500'. It was completed as a dry hole on July 5, 1982.

The #2 Wylie Federal Com. Well located 1980' FSL and 1980' FEL of Section 7, Township 4 South, Range 25 East, NMPM was spudded July 14, 1982 and drilled to a depth of 4350'. The Abo formation was perforated 3660'-3774'. This well was completed as a producer on November 24, 1980 for 330 MCFPD.

The Willow Creek Unit #4 well, located 1980' FNL and 1980' FEL of Section 31, Township 4 South, Range 25 East, NMPM, was spudded December 18, 1983 and drilled to a depth of 5,525'. The Abo formation was perforated 3668-3809'. This well was completed as a producer on February 4, 1984 for 191 MCFPD. This well is now shut in, waiting on pipeline connection.

A copy of the Willow Creek Unit map showing existing locations and wells is enclosed.

DEVELOPMENT PLANNED FOR 1985

At this time we feel that there are still several potential locations to be drilled in this unit. However, the current gas market situation is still very bleak. We feel that the market should be sufficiently stabilized in approximately a year to merit drilling more wells in this unit.

We respectfully request a one (1) year extension before drilling any further unit wells.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Janet Richardson
Landman

JR/kg

2 L 31 4 25

(Undesignated Abot) *Leaves 1/2 p. Abot 6-82*

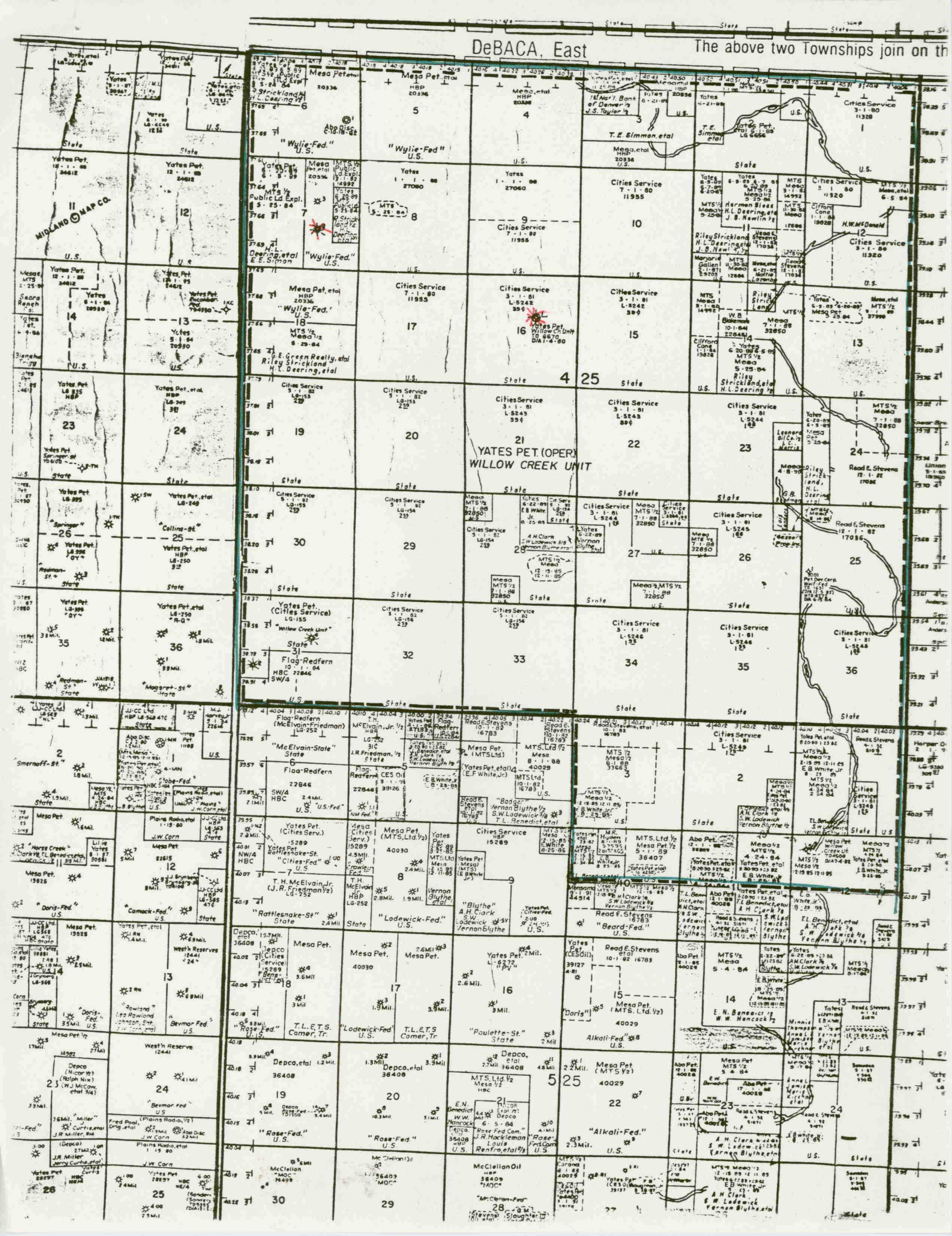
Yates Petroleum Corporation

[illegible]

(Undesignated Abc)
Pecos
Slope
Abs

Accum.	Gas Produced
100	100
200	200
300	300
400	400
500	500
600	600
700	700
800	800
900	900
1000	1000

The above two Townships join on the





TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

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

March 25, 1985

Yates Petroleum Corporation
207 South Fourth Street
Artesia, NM 88210

Attention: Janet Richardson

Re: Plan of Development-1985
Willow Creek Unit
Chaves County, New Mexico

Dear Ms. Richardson:

The above referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON
Senior Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque
OCD District Office - Artesia

State of New Mexico

#6641



JIM BACA
COMMISSIONER

Commissioner of Public Lands

May 3, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

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

Re: 1985 Plan of Development
Willow Creek Unit
Chaves County, New Mexico

ATTENTION: Ms. Janet Richardson

Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Plan of Development for the Willow Creek Unit, Chaves County, New Mexico. Such plan proposes no additional drilling due to the current gas market. This office also concurs with the Bureau of Land Management that the automatic elimination is due on November 24, 1985 in which all lands not included in a participating area will be eliminated from the unit according to Section 2 (e) of the Unit Agreement.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAMAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

14-08-0001-18037
3180 (060)

March 25, 1985

Yates Petroleum Corporation
Attn: Janet Richardson
207 South Fourth Street
Artesia, New Mexico 88210

RE: 1985 Plan of Development
Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

We are in receipt of your letter dated March 8, 1985 which describes your 1985 Plan of Development for the Willow Creek Unit, Chaves County, New Mexico.

Such plan proposing no new drilling due to the current gas market situation is approved effective as of January 1, 1985. Please be advised that automatic elimination is due November 24, 1985 in which all lands not included in a participating area will be eliminated from the unit according to Section 2(e) of the Unit Agreement. An extension of the Unit Agreement, normally not to exceed six (6) months, can only be granted whenever matters beyond the reasonable control of the unit operator prevent that party from fulfilling its obligations.

We will also need pertinent economic and reservoir data in order to make a commercial (or noncommercial) well determination for the Wylie Federal No. 2 well, located in Section 7, T. 4 S., R. 25 E. and the Willow Creek Unit No. 4 well, located in Section 31, T. 4 S., R. 25 E. A reserve-economic analysis showing a well's discounted pay-out and the estimated ultimate recovery to be realized, as Yates has submitted in the past, will be required for these determinations.

Subsequently, a participating area request should be submitted to enlarge the Initial Abo Participating Area before the November 24, 1985 Automatic Elimination date. This should consist of Exhibits "A" and "B" which describe the lands and type ownership together with appropriate geology and well logs to support the proposed participating area revision.

Should you have additional questions please feel free to call Les Babyak at (505) 622-9042.

Sincerely yours,

Orig. Sgd Francis R. Cherry, Jr.

District Manager

cc:

Commissioner of Public Lands, Santa Fe

✓NMOCD, Santa Fe

NMSO, Micrographics (943B)

POD File

RRR

BABYAK/SDS/032285/1263M

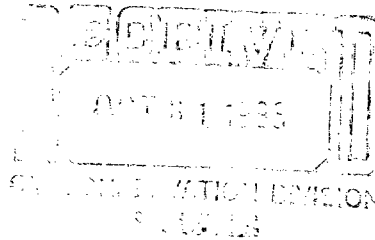


207 SOUTH FOURTH STREET
ARTES: A. NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

October 28, 1985



#6641

Bureau of Land Management
P. O. Box 1857
Roswell, New Mexico 88201
Attention: Mr. Les Babyak

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Oil Conservation Division
P. O. Box 2038
Santa Fe, New Mexico 87501

Re: Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

On November 24, 1985, automatic elimination of the Willow Creek Unit is due.

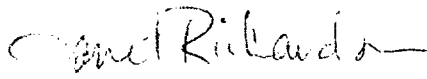
At this time, we, Yates Petroleum Corporation, as unit operator, respectfully request a one year extension for drilling on the Willow Creek Unit, due to the poor gas market situation and the general decrease in drilling Abo gas wells due to same.

Please consider this request and let us know of your decision.

Thank you.

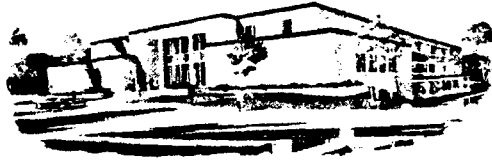
Very truly yours,

YATES PETROLEUM CORPORATION


Janet Richardson
Landman

JR/dw

State of New Mexico



#6641

JIM BACA
COMMISSIONER

Commissioner of Public Lands

May 5, 1986

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Order
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Yates Petroleum Corporation
Attention: Ms. Janet Richardson
207 South Fourth Street
Artesia, New Mexico 88210

Re: Termination of
Willow Creek Unit
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of May 2, 1986, wherein as unit operator of the Willow Creek Unit Area, you have requested that the Willow Creek Unit Agreement be terminated.

The Willow Creek Unit was automatically eliminated effective November 24, 1985 and now covers one remaining communitized spacing unit which contains two leases, only one of which is committed to the Unit.

In view of the above, the Commissioner of Public Lands has this date terminated the Willow Creek Unit Agreement effective as of this date. This action is subject to like approval by the Bureau of Land Management.

Please advise all interested parties of this action.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

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

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico
OGAD-Santa Fe, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Jerry Dutchover

14-08-0001-18027
3180 (065)

JUN 4 1986

Yates Petroleum Corporation
Attention: Janet Richardson
207 South Fourth Street
Artesia, New Mexico 88210

Re: Termination of Willow Creek Unit Agreement
Chaves County, New Mexico

Gentlemen:

This office acknowledges the termination of the Willow Creek Unit Agreement by the State of New Mexico Commissioner of Public Lands pursuant to your request. The Commissioner of Public Lands terminated the Willow Creek Unit effective as of May 5, 1986.

The Willow Creek Unit was automatically eliminated effective November 24, 1985 and currently contains one communitized spacing unit No. SCR-180 effective January 4, 1980 which contains two leases, only one of which is committed to the unit.

In view of the above, the Bureau of Land Management concurs with the termination of the unit by the Commissioner of Public Lands and hereby considers the Willow Creek Unit Agreement terminated effective as of May 5, 1986.

If you have any questions or if we can be of further assistance, please feel free to contact the Branch of Fluid Minerals.

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.
District Manager

cc:
Commissioner of Public Lands, Santa Fe
NMOCD, Santa Fe
NMSO, Micrographics (943B-4)
RRA (066)

DUTCHOVER:agc:6/3/86:typed



IN REPLY REFER TO:

United States Department of the Interior

GEOLOGICAL SURVEY
Box 25046
Denver Federal Center
Denver, Colorado 80225



SEP 05 1979

6641

Mr. Randolph M. Richardson, III
P. O. Box 819
Roswell, New Mexico 88201

Dear Mr. Richardson:

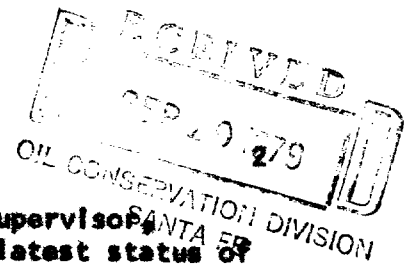
Your application of August 8, 1979, filed with the Oil and Gas Supervisor, Albuquerque, New Mexico, requests the designation of the Willow Creek unit area, embracing 25,880.85 acres, more or less, Chaves County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 30 CFR 226, the land requested as outlined on your plat marked "Exhibit 'A' Willow Creek Unit Area, Chaves County, New Mexico" is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for a well to test the Basement Granite formation, or to a depth of 6,000 feet. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications requested in your application.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office through the Oil and Gas Supervisor for preliminary approval.

In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.



When the executed agreement is transmitted to the Supervisor, Albuquerque, New Mexico, for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the 1968 reprint of the aforementioned form.

Inasmuch as this unit agreement involves State land, we are sending a copy of the letter to the New Mexico Oil Conservation Division and Commissioner of Public Lands in Santa Fe. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Acting Conservation Manager
For the Director

cc:
NMOCD, Santa Fe
Comm. of Public Lands, Santa Fe

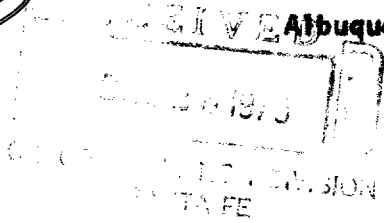


United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124

Albuquerque, New Mexico 87125



DEC 21 1979

6641

Randolph M. Richardson
P. O. Box 819
Roswell, New Mexico 88201

Dear Mr. Richardson:

One approved copy of the Willow Creek unit agreement, with Yates Petroleum Corporation as unit operator, Chaves County, New Mexico, is enclosed. This agreement has been assigned No. 14-08-0001-18037 and is effective as of this date, the same day as approved.

You are requested to furnish the State of New Mexico and other interested principals with appropriate evidence of this approval.

Sincerely yours,

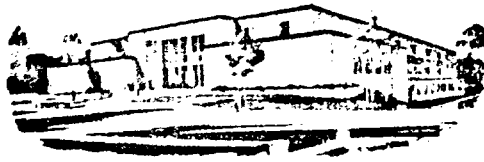
(ORIG. SGD.) JAMES W. SUTHERLAND

James W. Sutherland
Oil and Gas Supervisor, SRMA

Enclosure

cc:
BLM, Santa Fe (w/enclosure)
NMOCB, Santa Fe/
Comm. Public Lands, Santa Fe

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

December 20, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Mr. Randolph M. Richardson, III
P.O. Box 819
Roswell, New Mexico 88201

6641

Re; WILLOW CREEK UNIT
Chaves County, New Mexico

Dear Mr. Richardson:

The Commissioner of Public Lands has this date approved the Willow Creek Unit, Chaves County, New Mexico. Our approval is subject to like approval by the United States Geological Survey.

Enclosed are Five (5) Certificates of approval.

Your filing fee in the amount of Four Hundred and Twenty (\$420.00) Dollars has been received.

Please advise this office when the USGS gives their approval so that we may finish processing same.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

By: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division

AJA:RDG:lct
Enclosures

cc: OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

Other

TERMINATED
APR 5-5-86

Unit Name WILLOW CREEK UNIT-EXPLORATORY
Operator YATES PETROLEUM CORPORATION
County CHAVES

TERMINATED
APR 5-5-86

DATE	OCC CASE NO.	6641	EFFECTIVE DATE	TOTAL ACRES	STATE	FEDERAL	NONPAY-FEE	SEVERALTY	CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-6121	DATE							
Commissioner	OCC	3-24-79	12-21-79	25,820.33	11,540.69	10,756.37	3,583.79			5 yrs.
12-20-79										

UNIT AREA

TOWNSHIP 4 SOUTH, RANGE 25 EAST, N/2M
Sections 1 through 36: All
TOWNSHIP 5 SOUTH, RANGE 25 EAST, N/2M
Sections 1 through 3: All
Section 10: N/2
Section 11: N/2
Section 12: N/2

STATE LANDS - fully committed 11,540.69
Federal Lands-2,279.73 Not Committed - 10,476.64 Committed
FEE LANDS- 1,527.37 Not Committed - 2,056.42 Committed
TOTAL ACREAGE NOT COMMITTED 3,807.10, TOTAL ACREAGE COMMITTED 22,073.75

This unit was Automatically

ELIMINATED

EFFECTIVE DATE 11-24-85
APP: 1-30-86

NOTICE: Only the SW $\frac{1}{4}$ of Sec. 31-4S-25E Remains in the unit following the Automatic Elimination EFF: 11/24/85

✓ VOICED TERMINATED
EFFECTIVE DATE 5-5-86
APPROVAL DATE 5-5-86

Unit Name WILLOW CREEK UNIT-EXPLORATORY
Operator YATES PETROLEUM CORPORATION
County CHAVES

STATE TRACT NO.	LEASE NO.	INSTITUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACREAGE	LESSEE
							DATE	ACRES		
21	L-5242-1 ✓	C.S.	15	4S	25E	A11	12-13-79	1,280.00		Cities Service Co.
		C.S.	16	4S	25E	A11	12-13-79			Cities Service Co.
22	L-5243-1 ✓	C.S.	21	4S	25E	A11	12-13-79	1,280.00		Cities Service Co.
		C.S.	22	4S	25E	A11	12-13-79			Cities Service Co.
23	L-5244-1 ✓	C.S.	23	4S	25E	W/2, W/2E/2, NE/4NE/4	12-13-79	920.00		Cities Service Co.
		C.S.	27	4S	25E	NE/4NE/4, N/2NW/4, SE/4NW/4, SW/4, N/2SE/4	12-13-79			Cities Service Co.
24	L-5245-1 ✓	C.S.	26	4S	25E	S/2, NW/4NW/4, E/2NW/4, W/2NE/4, SE/4NE/4	12-13-79	1,200.00		Cities Service Co.
		C.S.	36	4S	25E	A11	12-13-79			Cities Service Co.
25	L-5246-1 ✓	C.S.	34	4S	25E	A11	12-13-79	1,280.00		Cities Service Co.
		C.S.	35	4S	25E	A11	12-13-79			Cities Service Co.
26	L-4248-1 ✓	C.S.	1	5S	25E	W/2SE/4	12-13-79	80.00		Cities Service Co.
27	L-5249-1 ✓	C.S.	2	5S	25E	Lots 1, 2, 3, 4, S/2N/2, SW/4, NW/4SE/4	12-13-79	520.48		Cities Service Co.
28	L-153-1 ✓	C.S.	19	4S	25E	A11	12-13-79	1,271.84		Cities Service Co.
		C.S.	20	4S	25E	A11	12-13-79			Cities Service Co.
29	L-154-1 ✓	C.S.	28	4S	25E	NE/4NE/4, N/2NW/4, SW/4NW/4	12-13-79	1,080.00		Cities Service Co.
		C.S.	29	4S	25E	N/2SW/4, SW/4, SW/4SW/4, SE/4 A11	12-13-79			Cities Service Co.
30	L-155-1 ✓	C.S.	30	4S	25E	A11	12-13-79	988.37		Cities Service Co.
		C.S.	31	4S	25E	Lots 1, 2, 3, E/2NW/4, NE/4	12-13-79			Cities Service Co.
31	L-156-1 ✓	C.S.	32	4S	25E	A11	12-13-79	1,280.00		Cities Service Co.
		C.S.	33	4S	25E	A11	12-13-79			Cities Service Co.
32	L-6656-1 ✓	C.S.	2	4S	25E	SW/4NE/4, SE/4NW/4, S/2S/2, N/2SE/4, NE/4SW/4	12-7-79	360.00		Yates Petroleum Corp.