

FISK & VANDIVER

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

JOHN FISK
DAVID R. VANDIVER
HARRY T. NUTTER

FAX
(505) 746-4208

December 19, 1990

HAND-DELIVERED

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Mr. Clyde Langdale

Re: West Sombrero State Unit
Lea County, New Mexico

Gentlemen:

On behalf of Yates Petroleum Corporation, application is hereby made for preliminary approval of the West Sombrero State Unit, Lea County, New Mexico. This exploratory unit consists entirely of state lands. Submitted herewith are the following:

1. Two copies of the draft Unit Agreement, with Exhibits "A" and "B".
2. Draft of the Unit Operating Agreement.
3. Geological Explanation in duplicate, with maps.

On behalf of the Applicant, it is hereby alleged:

- A. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
- B. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit 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 unit area.
- D. That such unit agreement is in other respects for the best interest of the trust.

YATES PETROLEUM CORPORATION
Case No. 10188
12/19/90 Examiner Hearing
Exhibit No. 4

Commissioner of Public Lands

December 19, 1990

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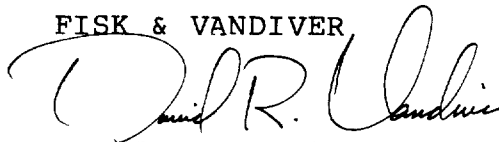
Our check in the amount of \$90, representing \$30 for each section or fractional part thereof, is also enclosed.

This application is set for hearing before the New Mexico Oil Conservation Division on December 19, 1990. State Lease V-1767 has an expiration date of February 1, 1991, and Yates Petroleum Corporation intends to commence drilling operations prior to February 1, 1991. Your early review of this proposed unit will be appreciated. Please contact me if you have any questions or requirements.

Thank you for your cooperation in this matter.

Very truly yours,

FISK & VANDIVER

A handwritten signature in cursive script, appearing to read "David R. Vandiver", written over the typed name below.

David R. Vandiver

DRV:pvw
Enclosures

cc: Yates Petroleum Corporation