

EXHIBIT LIST

EXAMINER: *Michael E. Stogner*

CASE NUMBER: *8157*

HEARING DATE: *4/25/84*

| APPLICANT | | | OPPOSITION | | |
|-----------|---|----------|------------|-------------|----------|
| No. | Description | Admitted | No. | Description | Admitted |
| <i>1</i> | <i>Land Plat of proposed unit</i> | <i>✓</i> | | | |
| <i>2</i> | <i>Structural Map</i> | <i>✓</i> | | | |
| <i>3</i> | <i>X' section A-A'</i> | <i>✓</i> | | | |
| <i>4</i> | <i>Unit Agreement 'A' - Platt 'B' Ownership Lease</i> | | | | |
| <i>5</i> | <i>Unit Operating Agreements "A"</i> | | | | |
| <i>6</i> | <i>Letter from Buca</i> | | | | |
| <i>7</i> | <i>Form of Lease 342-U</i> | | | | |

Case No. 8157 Date of Hearing April 25, 1984

APPLICANT: Harvey E. Yates Company OPPOSITION:

No: Qualified Sworn Qualified Sworn

1) Name: Anthony Thompson

Position: Geophysicist

Midland TX

2) Name: Robert Bell

Position: Pet. Geophysicist

Altoona

3) Name: _____

Position: _____

No. Qualified Sworn

1) Name: _____

Position: _____

2) Name: _____

Position: _____

3) Name: _____

Position: _____

For a unit agreement, Lea Cty, N.M.
Goodrich Unit Area comprising 1600
acres, State and Fee lands in
T-15S, R-35E.

CASE #: 8157

DATE FILED April 13, 1984
(called in 3/24/84)

APPLICANT

Name: Harvey E. Yates Company

1. Representative: Chad Dickerson
2. Position: Representative
3. Address: ~~300 American Home Building~~ Box 1933
~~P.O. Drawer 239~~ Roswell, NM 88201
~~Artesia, NM 88211-0239~~
4. Telephone: ~~746-3508~~ 623-6601
5. ATTORNEY: Chad Dickerson
6. Address: 300 American Home Building
P.O. Drawer 239
Artesia, NM 88211-0239
7. Telephone: 746-3508

OPPOSITION

Name: _____

1. Representative: _____
2. Position: _____
3. Address: _____

4. Telephone: _____
5. ATTORNEY: _____
6. Address: _____

7. Telephone: _____

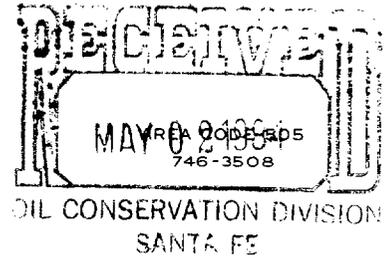
INTERVENOR (if any) :

or

INTERESTED PARTY (IES):

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER
ELIZABETH LOSEE
REBECCA DICKERSON

LAW OFFICES
LOSEE, CARSON & DICKERSON, P. A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239



April 26, 1984

Mr. Michael E. Stogner, Examiner
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8157
Goodrich Unit Agreement

Dear Mr. Stogner:

Enclosed, for your review, please find three copies of a proposed Order for entry in the captioned case in accordance with the Examiner Hearing of April 25, 1984.

Please call if there are any problems in connection with this matter.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.


Chad Dickerson

CD:pvm
Enclosures

cc w/enclosure: Mr. Robert H. Bell

(1) That the Goodrich 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, his 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, and all expansions or contractions of the unit area, 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; 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.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

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. 8157

Order No. R- _____

APPLICATION OF HARVEY E. YATES
COMPANY FOR A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 25, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of _____, 1984, 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 case and the subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks approval of the Goodrich Unit Agreement covering 1,600 acres, more or less, of State and fee lands described as follows:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, N.M.P.M.

Section 1: S/2
Section 2: S/2
Section 11: E/2
Section 12: All

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, 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:

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. 8157

Order No. R-_____

APPLICATION OF HARVEY E. YATES
COMPANY FOR A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 25, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of _____, 1984, 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 case and the subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks approval of the Goodrich Unit Agreement covering 1,600 acres, more or less, of State and fee lands described as follows:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, N.M.P.M.

Section 1: S/2
Section 2: S/2
Section 11: E/2
Section 12: All

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, 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 Goodrich 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, his 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, and all expansions or contractions of the unit area, 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; 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.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

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. 8157
Order No. R-_____

APPLICATION OF HARVEY E. YATES
COMPANY FOR A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 25, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of _____, 1984, 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 case and the subject matter thereof.

(2) That the applicant, Harvey E. Yates Company, seeks approval of the Goodrich Unit Agreement covering 1,600 acres, more or less, of State and fee lands described as follows:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, N.M.P.M.

Section 1: S/2
Section 2: S/2
Section 11: E/2
Section 12: All

(3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, 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 Goodrich 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, his 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, and all expansions or contractions of the unit area, 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; 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.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

State of New Mexico

#8157



JIM BACA
COMMISSIONER

Commissioner of Public Lands

May 4, 1984

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

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: Goodrich Unit Area
Lea County, New Mexico

ATTENTION: Mr. Robert H. Bell

Gentlemen:

The Commissioner of Public Lands has this date granted final approval to the Goodrich Unit Agreement, Lea County, New Mexico. Our approval is given with the understanding that State of New Mexico Tract No. 4 is not fully committed. The effective date of your agreement May 4, 1984, being the same date as approved.

Enclosed are five (5) Certificates of Approval.

Your filing fee in the amount of \$120.00 has been received.

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

State of New Mexico



JIM BACA
COMMISSIONER



8157

Commissioner of Public Lands

June 11, 1984

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

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: HEYCO'S Goodrich Unit
Ratification and Joinders
Lea County, New Mexico

ATTENTION: Ms. Melissa Randle

Gentlemen:

This office is in receipt of your letter of May 24, 1984, together with five Ratifications and Joinder of Unit Agreement for royalty owners for inclusion to the Goodrich Unit under the subsequent Joinder provision of the Unit Agreement. These Ratifications and Joinders have been executed by Kenneth G. Cone, Clifford Cone, Tom R. Cone, Robert Verne Heard and Erbin E. Jones.

These Ratifications and Joinders have been accepted and filed in our unit file. Enclosed is a copy of your Ratifications reflecting the date received in this office.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

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

JB/FOP/pm

encls.

cc: OCD-Santa Fe, New Mexico

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

August 1, 1984

#8157

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

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

Re: HEYCO'S Goodrich Unit
Joinders of Unit Agreement
Lea County, New Mexico

ATTENTION: Ms. Melissa Randle

Gentlemen:

This office is in receipt of your letter of July 12, 1984, together with 6 copies of executed oil and gas lessors within the unit and one ratification and joinder from Douglas Cone.

These Ratifications and Joinders have been accepted and filed in our unit files. Enclosed is a copy of your Ratifications reflecting the date received in this office.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

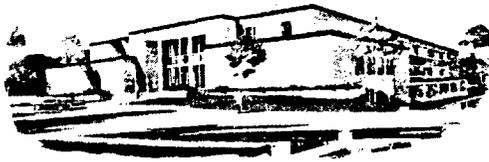
BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico

State of New Mexico

#8157



JIM BACA
COMMISSIONER

Commissioner of Public Lands

August 13, 1985

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

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: Goodrich Unit
Commercial Determination and
1985-1986 Plan of Development
Lea County, New Mexico

ATTENTION: Mr. Robert H. Bell

Gentlemen:

This office is in receipt of your letter of July 17, 1985, wherein as operator of the Goodrich Unit you have determined that the Unit Well No. 1 is capable of commercial production as set forth in the Unit Agreement.

According to the data submitted the Commissioner of Public Lands concurs with your commercial determination of the Unit Well No. 1.

The Commissioner of Public Lands has also this date approved your 1985-1986 Plan of Development for the Goodrich Unit Area. Such plan proposes to presently wait on production information in order to evaluate the No. 1 well and make a decision on further development of the unit. Your plan of development covers the period of June 3, 1985 to June 3, 1986. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

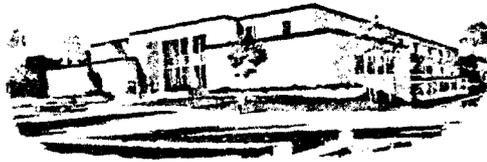
BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico

State of New Mexico

#8157



Commissioner of Public Lands

JIM BACA
COMMISSIONER

June 5, 1986

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

Harvey E. Yates Company
ATTENTION: Mr. Robert H. Bell
P. O. Box 1933
Roswell, New Mexico 88201

Re: 1986 Plan of Development
Goodrich Unit
T-15S, R-35E, N.M.P.M.

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Goodrich Unit Area, Lea County, New Mexico. Such plan advises that the Goodrich Unit Com Well No. 1 is presently shut-in, pending the successful negotiations of an additional gas contract and are currently waiting on production information in an attempt to evaluate this well in order to determine what further development will take place in the unit.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

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

Very truly yours,

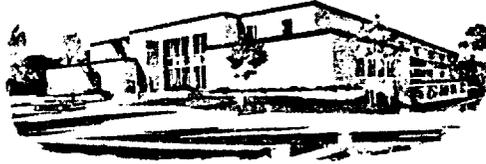
JIM BACA
COMMISSIONER OF PUBLIC LANDS

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

JB/FOP/pm
encls.
cc: OCD-Santa Fe, New Mexico

State of New Mexico

8157



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

SLO REF NO OG-775

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

May 9, 1988

Harvey E. Yates Company
Attn: Ms. Rosemary T. Avery
P. O. Box 1933
Roswell, New Mexico 88202-1933

Re: 1988 Plan of Development
Goodrich Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

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

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

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

WRH/FOP/pm
encls.
cc: OCD
BLM

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO OG-799

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

June 6, 1988

Harvey E. Yates Company
Attn: Ms. Rosemary T. Avery
P. O. Box 1933
Roswell, New Mexico 88202-1933

Re: 1988 Plan of Development
Goodrich Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

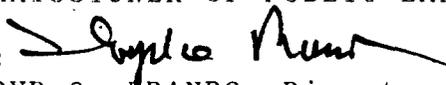
Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

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

Very truly yours,

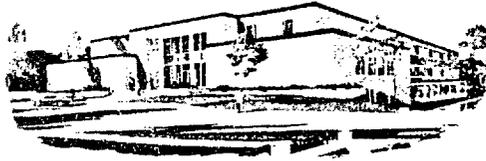
W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

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

WRH/FOP/pm
encls.
cc: OCD
BLM

State of New Mexico

8157



SLO REF NO. OG-622

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

December 7, 1987

Harvey E. Yates Company
ATTENTION: Mr. Robert H. Bell
P. O. Box 1933
Roswell, New Mexico 88201

Re: Goodrich Unit
1987 Plan of Development
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1987 Plan of Development for the Goodrich Unit Area, Lea County, New Mexico. Such plan calls for no drilling at this time.

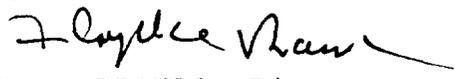
Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

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

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

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

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

State of New Mexico



#8157

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

March 14, 1989

Harvey E. Yates Company
Attn: Mr. Larry L. Brooks
P. O. Box 1933
Roswell, New Mexico 88202-1933

Re: Goodrich Unit Agreement
1989 Plan of Development
Lea County, New Mexico

Gentlemen:

This office is in receipt of your 1989 Plan of Development for the Goodrich Unit Area dated February 15, 1989. We regret to inform you that this Plan of Development can not be approved as submitted.

Section 9, of the above captioned unit agreement states that "notwithstanding any of the provisions of this agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries embracing lands of the State of New Mexico shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this Agreement unless at the expiration of five years (5) after the first day of the month following the effective date of this Agreement diligent drilling operations are in progress on said tracts."

The Goodrich Unit Agreement was approved effective as of May 4, 1984 and the automatic elimination will occur on May 4, 1989. Please submit an amended 1989 Plan of Development addressing the automatic elimination and any development contemplated for the unit area. It is our interpretation of the automatic elimination clause, that if you are not drilling on the unit area on or before May 4, 1989, the unit agreement will be automatically contracted.

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

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

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

WRH/FOP/pm
encls.
cc: OCD

O.C.D.

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

August 30, 1989

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933

#8157

ATTN: Larry L. Brooks

RE: Goodrich Unit
Lea County, New Mexico
Automatic Elimination

Gentlemen:

According to Section 9 of the Unit Agreement, "Notwithstanding any of the provisions of this Agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries embracing lands of the State of New Mexico shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this Agreement unless at the expiration of five (5) years after the first day of the month following the effective date of this Agreement diligent drilling operations are in progress on said tracts".

Our records show that the only development within the Goodrich Unit is the No. 1 well in the SE/4, Section 11, T-15-S, R-35-E. The proration unit for this well is the E/2 of Section 11 which includes State lands held by State Lease LG-4086-1. The unit has contracted under provisions of the automatic elimination clause to include the SW/4 Section 2, E/2 Section 11 and the W/2 and W/2E/2 Section 12, T-15-S, R-35-E.

All State lands have been eliminated from the Unit except for those held in the above described proration unit. This contraction is effective June 1, 1989. Please advise all interested parties.

Please submit revised Exhibits "A" and "B" to the Unit Agreement that reflect the contraction of the Unit to this office. If you have any questions, please contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

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

WHR/FOP/SMH

Unit Name Goodrich Unit (Contracted)
 Operator HEYCO
 County Lea County, NM

| DATE | OCC CASE NO. | EFFECTIVE DATE | TOTAL ACREAGE | STATE | FEDERAL | INDIAN-FEE | SEGREGATION CLAUSE | TERM |
|------------------------------|---------------|----------------|---------------|--------|---------|---------------|--------------------|----------------------------|
| APPROVED CPL: May 4, 1989 | OCC ORDER NO. | May 4, 1989 | 960.00 | 160.00 | -0- | -0- 800.00 | Strict | 2 years & so long as |

After automatic elimination

UNIT AREA (after automatic elimination)

T-15-S, R-35-E

Section 2: SW/4
 Section 11: E/2
 Section 12: W/2, W/2E/2

ALL STATE LAND ELIMINATED FROM UNIT EXCEPT
 NE/4 Section 11, T-15-S, R-35-E as per
 AUTOMATIC ELIMINATION EFFECTIVE 6/1/89

Unit Name GOODRICH UNIT (Contracted)
 Operator HEYCO
 County Lea County, NM

| STATE TRACT NO. | LEASE NO. | INSTI-TUTION | SEC. | TWP. | RGE. | SUBSECTION | RATIFIED DATE | ACRES | ACREAGE NOT RATIFIED | LESSEE |
|-------------------|-----------|--|------|------|------|------------|---------------|--------|----------------------|----------------|
| 5, 1, 2, 3, 4, 6, | IG-4086-1 | Mil. In. | 11 | 15S | 35E | NE/4 | 5/3/84 | 160.00 | | TCC-Gulf Coast |
| | | Eliminated as per Automatic Elimination effective 6/1/89 | | | | | | | | |

02D

Unit Name Goodrich Unit
 Operator Harvey E. Yates Company
 County Lea

| DATE | OCC CASE NO. | EFFECTIVE DATE | TOTAL ACREAGE | STATE | FEDERAL | INDIAN-FEE | SEGREGATION CLAUSE | TERM |
|--|------------------------------|----------------|---------------|--------|---------|------------|--------------------|-------------------------|
| APPROVED | 8157 OCC ORDER NO. R-7513 | May 4, 1984 | 1600.00 | 800.00 | -0- | -0- | 800.00 Strict | 2 years & so long as |
| CPL: May 4, 1984 (40.00 ac. not committed) | | | | | | | | |

UNIT AREA

TOWNSHIP 15 SOUTH, RANGE 35 EAST

- Section 1: S/2
- Section 2: S/2
- Section 11: E/2
- Section 12: A11

Unit Name Goodrich Unit
 Operator Harvey E. Yates Company
 County IFA

| STATE TRACT NO. | LEASE NO. | INSTI-TUTION | SEC. | TWP. | RGE. | SUBSECTION | RATIFIED DATE | ACRES | ACREAGE NOT RATIFIED | LESSEE |
|-----------------|-----------|--------------|------|------|------|-------------------|---------------|--------|----------------------|---------------------|
| 1 | V-271 | Mll Inst. | 1 | 15S | 35E | SE/4 | 5/2/84 | 160.00 | | Murphy Minerals |
| 2 | LG-4085 | Mll Inst. | 1 | 15S | 35E | SW/4 | 5/3/84 | 160.00 | | Tenneco Oil Co. |
| 3 | V-686 | C. S. | 2 | 15S | 35E | NW/4SE/4, S/2SE/4 | 4/6/84 | 120.00 | | Harvey E. Yates Co. |
| 4 | E-2431 | C. S. | 2 | 15S | 35E | NE/4SE/4 | | | 40.00 | Gulf Oil Corp. |
| 5 | LG-4086 | Mll. Inst. | 11 | 15S | 35E | NE/4 | 5/3/84 | 160.00 | | Tenneco Oil Co. |
| 6 | V-1028 | Mll. Inst. | 12 | 15S | 35E | E/2E/2 | 4/6/84 | 160.00 | | Harvey E. Yates Co. |