



**YATES
PETROLEUM
CORPORATION**



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

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

July 14, 1987

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Re: Eden Valley Unit
Chaves County, New Mexico
ODC Case No. 9125, Order No. R-8447
Designation No. NM061P35-870433

Gentlemen:

Please find enclosed Page 2 of captioned Unit Agreement revised July 14, 1987 to show Township 8 South, Range 24 East, Section 4 includes the S½NE¼ also.

If you have any further questions, please contact this office.

Thank you.

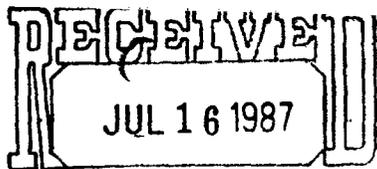
Very truly yours,

YATES PETROLEUM CORPORATION

Ken Beardemphl
Landman

KB/bp

Enclosures



Township 6 South, Range 24 East, N.M.P.M.
Oil Conservation Division
Santa Fe
Sec. : 31: All
Sec : 32: All

Township 7 South, Range 24 East, N.M.P.M.

Sections 4 through 7: All
Section 16: All
Section 17: All
Section 18: E $\frac{1}{2}$, Lots 2,3,4,5,7,8,9,10,11,12
Sections 19 through 21: All
Section 26: W $\frac{1}{2}$
Section 29: All
Section 30: All
Sections 32 through 34: All
Section 35: W $\frac{1}{2}$

Township 8 South, Range 24 East, N.M.P.M.

Section 2: W $\frac{1}{2}$
Section 3: N $\frac{1}{2}$
Section 4: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$

Containing 13,030.30 acres, more or less.

Exhibit "A" shows, in addition to the boundary of the unit area, the boundaries and identity 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 lands in the unit area. However, nothing herein or in Exhibits "A" and "B" 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 the Exhibits as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized officer, hereinafter referred to as "AO", 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 four (4) copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office, and one (1) copy thereof shall be filed with the Land Commissioner, and one (1) copy with the New Mexico Oil Conservation Division of the 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 (after preliminary concurrence by the AO), or on demand of the AO, or the Land Commissioner (after preliminary concurrence by the AO and the Land Commissioner) shall prepare a Notice of Proposed Expansion or Contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefore, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of a month subsequent to the date of notice.

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