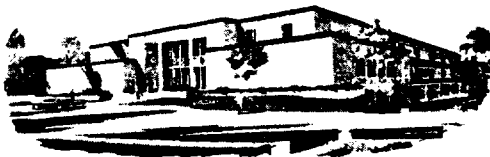


State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



Commissioner of Public Lands

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

August 17, 1989

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

#9135

ATTN: Kathy Colbert

RE: Termination of Panther Hill Unit  
Chaves County, New Mexico

Gentlemen:

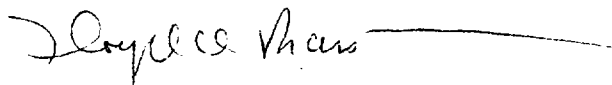
On July 6, 1988 you requested a six month extension until January 25, 1989 to begin drilling a third unit well in the Panther Hill Unit. This extension was granted by both the Commissioner of Public Lands and the Bureau of Land Management.

Because the third well was not drilled, the Panther Hill Unit has expired under its own terms, effective January 25, 1989. The termination of this Unit was confirmed by Kathy Colbert of Yates Petroleum Corporation. Please advise all interested parties of this termination.

If you have any questions, please do not hesitate to call on us.

Very truly yours,

W.R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD D. PRANDO, Director  
Oil and Gas Division  
(505) 827-5749

cc: OCD - Santa Fe, New Mexico  
BLM - Roswell, New Mexico  
Oil and Gas Accounting Division  
Royalty Management

**TERM**  
EFFECTIVE D/  
APPROVAL

UNIT NAME: PANTHER HILL UNIT  
 OPERATOR: YATES PETROLEUM CORPORATION  
 COUNTY: CHAVES

DATE APPROVED	OCC	CASE ORDER NO.	NO. 9135 R-8449	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	FEE	SEGREGATION CLAUSE	TERM
CPL: JUNE 8, 1987				6/8/87	10,666.23	7,950.31	515.92	2,200.00	MODIFIED	5 YRS & SO LONG
OCD: MAY 29, 1987										
BIM: JUNE 12, 1987										AS

UNIT AREA

TOWNSHIP 8 SOUTH, RANGE 23 EAST, N.M.P.M.

- ✓ Sec. 24: ✓ N/2, N/2SW/4, SE/4SW/4, SE/4 ✓ 2 A
- ✓ Sec. 25: ✓ N/2, N/2S/2, SW/4SW/4 ✓ 1

TOWNSHIP 8 SOUTH, RANGE 24 EAST

- ✓ Section 16: ✓ All ✓
- ✓ Section 17: ✓ All ✓
- ✓ Section 18: ✓ Lots 1-12, E/2 (All) ✓
- ✓ Section 19: ✓ Lots 1-12, E/2 (All)
- ✓ Section 21: ✓ All *also Sec 20* *E/2, S 1/2 NW 1/4, SW 1/4*
- Section 22: All
- ✓ Section 23: ✓ All
- ✓ Section 27: ✓ All
- ✓ Section 28: ✓ All
- ✓ Section 29: ✓ All
- ✓ Section 30: ✓ Lots 1-12, E/2 (All)
- ✓ Section 31: ✓ Lots 1-12, E/2 (All)
- ✓ Section 32: All

UNIT NAME: PANTHER HILL UNIT  
 OPERATOR: YATES PETROLEUM CORP.  
 COUNTY: CHAVES

**TERMINATED**  
 EFFECTIVE DATE 1-25-84  
 APPROVAL DATE 8-17-89

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACREAGE NOT RATIFIED	LESSEE
							DATE	ACRES		
2	LG-4355 ✓	C.S.	16	8S	24E ✓	A11				
		C.S.	30	8S	24E ✓	Lot 10	4/29/87	676.90		MARALO, INC.
3	LG-4356 ✓	IRG	17	8S	24E ✓	E/2, NW/4, N/2SW/4, SW/4SW/4				
		IRG.	18	8S	24E ✓	LOTS 3, 7, 9, 10, E/2E/2				
		IRG.	28	8S	24E ✓	W/2NW/4, E/2SW/4, SW/4SW/4, SE/4				
4	LG-4357 ✓	IRG.	19	8S	24E ✓	LOTS 3 THRU 12, S/2NE/4, SE/4	4/24/87	1,267.96		YATES PETROLEUM CORPORATION
		IRG.	20	8S	24E ✓	E2, S/2NW/4, SW/4				
5	LG-4358 ✓	IRG.	21	8S	24E ✓	A11	4/24/87	1,185.68		YATES PETROLEUM CORPORATION
		IRG.	23	8S	24E ✓	N/2, N/2S/2				
6	LG-4359 ✓	IRG.	27	8S	24E ✓	E/2, SE/4NW/4, SW/4	4/24/87	1,120.00		YATES PETROLEUM CORPORATION
		IRG.	29	8S	24E ✓	N/2, SW/4, NW/4SE/4				
7	LG-4360 ✓	IRG.	30	8S	24E ✓	LOTS 1 THRU 6, 8, 9, 12, N/2NE/4, SW/4NE/4, S/2SE/4	4/24/87	1,040.00		YATES PETROLEUM CORPORATION
		IRG.	31	8S	24E ✓	LOTS 3 THRU 12, S/2NE/4, SE/4				
8	LG-4361 ✓	IRG.	32	8S	24E ✓	SE/4NE/4, S/2	4/24/87	1,179.77		YATES PETROLEUM CORPORATION
		IRG.	24	8S	23E ✓	N/2, N/2SW/4, SE/4SW/4, SE/4				
9	LG-6685 ✓	IRG.	25	8S	23E ✓	N/2, N/2S/2, SW/4SW/4	4/24/87	1,120.00		YATES PETROLEUM CORPORATION