

FISK, VANDIVER & CATRON

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E

ARTESIA, NEW MEXICO 88210

(505) 746-9841

JOHN FISK
DAVID R. VANDIVER
JAMES W. CATRON

RECEIVED

FAX

(505) 746-4208

July 20, 1989

JUL 24 1989

OIL CONSERVATION DIV.
SANTA FE

Energy, Minerals and Natural
Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Catranach

Re: Case No. 9688
~~Order No. R-8955~~
Application of Yates Petroleum Corporation
Desana Unit Agreement
Eddy County, New Mexico

Gentlemen:

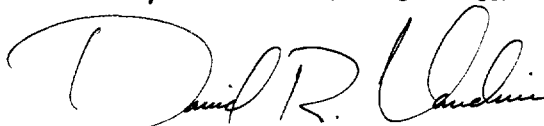
I am enclosing an executed counterpart of the Unit Agreement for the Development and Operation of the Desana Unit Area, Eddy County, New Mexico, for filing with the Division, as required by Order No. R-8955 in Case No. 9688. Also enclosed are copies of the Certification-Determination by the Bureau of Land Management and Certificate of Approval by the Commissioner of Public Lands of the State of New Mexico approving this Unit Agreement, both of which are dated June 28, 1989.

Please contact me if you require anything further in connection with this matter.

Thank you.

Very truly yours,

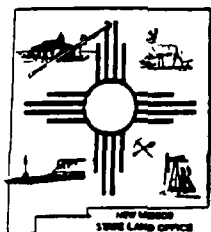
FISK, VANDIVER & CATRON



David R. Vandiver

DRV:nt

xc: Mr. Rob Bullock



State of New Mexico
Commissioner of Public Lands

#9688

W. R. Humphries
COMMISSIONER

April 30, 1990

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

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

ATTN: Ms. Janet Richardson

RE: Desana Unit
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Desana Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5746

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

June 28, 1989

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

#9688

ATTN: Rob Bullock

RE: Approval of Desana Unit
Eddy County, New Mexico

Gentlemen:

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Desana Unit Agreement, Eddy County, New Mexico. This agreement will be effective upon approval by the Bureau of Land Management. It is our understanding that all tracts are committed at this time.

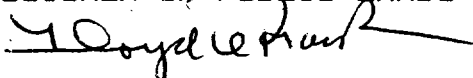
Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management. Enclosed are five (5) Certificates of Approval.

Your filing fee in the amount of ninety dollars (\$90.00) was received.

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) 827-5749

WRH/FOP/SMH
enclosures
cc: OCD - Santa Fe, New Mexico
BLM - Roswell, New Mexico

Unit Name Desana Unit
Operator Yates Petroleum Corporation
County Eddy County, New Mexico

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.							
June 28, 1989	Case No.: 9688 Order No.: R-8955	June 28, 1989	1280.00	1120.00	160.00	0.00	Modified	5 year

UNIT AREA

T-18-S, R-24-E

All tracts are committed

Section 8: S/2
Section 17: All
Section 18: E/2

DESANA UNIT

REPORT TO DEPARTMENTS

EFFECTIVE DATE: June 28, 1989
APPROVAL DATE: June 28, 1989

BENEFICIAR

Tract No.	Description	No. of Acres	Serial No. & Expiration Date of Lease	Basic		Lessee of Record	Overriding		Working Interest Owner & Percentage	
				Royalty Owner & Percentage	Royalty		Percentage	Royalty		
1.	T18S-R24E Sec. 18: N½SE¼ Eddy County, New Mexico	80.00	NM 76934 9-1-93	1/8		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	- 10% - 30% - 30% - 30%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	10% 30% 30% 30%
2.	T18S-R24E Sec. 17: N½SW¼ Eddy County, New Mexico	80.00	Open Federal							
TOTAL FEDERAL ACREAGE - 160.00										
3.	T18S-R24E Sec. 18: NE¼, SW¼SE¼ Eddy County, New Mexico	200.00	State of NM VB-278 10-1-93	3/16		Yates Petroleum Corporation		None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	C.S. 40% 20% 20% 20%
4.	T18S-R24E Sec. 18: SE¼SE¼ Eddy County, New Mexico	40.00	State of NM V-1111-2 7-1-89	1/6		Yates Petroleum Corporation		3.125%	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	C.S. 70% 10% 10% 10%

DESANA UNIT

REPORT TO DEPARTMENTS

EFFECTIVE DATE: June 28, 1989
APPROVAL DATE: June 28, 1989

BENEFICIARY

Tract No.	Description	No. of Acres	Serial No. & Expiration Date of Lease	Basic		Lessee of Record	Overriding		Working Interest Owner & Percentage	C.S.
				Royalty Owner & Percentage	Royalty Percentage		Royalty Percentage	Royalty Percentage		
5.	T18S-R24E Sec. 17: N½, SE½, S½SW½ Eddy County, New Mexico	560.00	State of NM V-1152 -2 8-1-89	1/6		Yates Petroleum Corporation	3.125%		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	70% 10% 10% 10% 70% 10% 10% 10%
6.	T18S-R24E Sec. 8: S½ Eddy County, New Mexico	320.00	State of NM LG-7117 10-1-89	1/8		Amoco Production Company	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	70% 10% 10% 10%
TOTAL STATE ACREAGE - 1,120.00										

RECAPITULATION		
1,120.00 Acres of State of New Mexico Lands	-	87.5%
160.00 Acres of Federal Lands	-	12.5%
1,280.00 Acres	-	100.0%

FISK, VANDIVER & CATRON

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E

ARTESIA, NEW MEXICO 88210

(505) 746-9841

JOHN FISK
DAVID R. VANDIVER
JAMES W. CATRON

CASE FILE - 9688

FAX
(505) 746-4208

June 22, 1989

RECEIVED

JUN 27 1989

OIL CONSERVATION DIV.
SANTA FE

Mr. David Catanach, Examiner
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Case No. 9688
Examiner Hearing of June 21, 1989
Desana Unit Agreement
Eddy County, New Mexico

Gentlemen:

Enclosed of your information is a copy of letter dated June 20, 1989, from the Bureau of Land Management designating the Desana Unit as a logical unit area.

Please let me know you need anything further in connection with this matter.

Very truly yours,

FISK, VANDIVER & CATRON

David R. Vandiver
David R. Vandiver

DRV:pvw
Enclosure

cc w/enclosure: Mr. Rob Bullock



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P.O. Box 1397

Roswell, New Mexico 88202-1397



IN REPLY
REFER TO:

Desana Unit
3180 (065)

JUN 20 1989

Fisk, Vandiver & Catron
Seventh & Mahone, Suite E
Artesia, NM 88210

Gentlemen:

Your application of June 13, 1989, filed with the Bureau of Land Management (BLM) on behalf of Yates Petroleum Corporation, requests the designation of the Desana Unit area, embracing 1,280.00 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended, for all formations.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Yates Petroleum Corporation, Desana Unit, Eddy 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 Morrow formation, or to a depth of 8500 feet. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications requested in your application and the corrections applied as requested by the BLM.

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 for preliminary approval.

In the absence of any type of land requiring special provisions or 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 BLM 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 reprint of the aforementioned form.

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

Sincerely,

Joe M. Lara
For

Francis R. Cherry, Jr.
District Manager

May 18, 1989

RECEIVED

MAY 22 1989

**OIL CONSERVATION DIV.
SANTA FE**

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Desana Unit
Eddy County, New Mexico

Case 9688

Gentlemen:

Enclosed for filing, please find three copies of the Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Desana Unit Area, Eddy County, New Mexico. Also enclosed is an extra copy of the application which we would appreciate your returning to us in the enclosed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on June 21, 1989.

Thank you.

Very truly yours,

DICKERSON, FISK & VANDIVER


David R. Vandiver

DRV:nt
Enclosures

xc w/enclosure: Mr. Rob Bullock

9688



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 26, 1993

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

Attn: Ms. Mecca Mauritsen

Re: Termination of Desana State Unit
Eddy County, New Mexico

Dear Ms. Mauritsen:

Reference is made to our letter of April 2, 1992, wherein the latest copies of Exhibits "A" and "B" to the Desana Unit, Eddy County, New Mexico were requested.

On April 26, 1993, Mr. Mike Burch of your office responded to our letter and advised that the Desana Unit Well No. 1 "has been plugged and the unit is no longer held together." Mr. Burch also attached a copy of NMOCD Form C-103 which advises that the Desana Unit Well No. 1 was plugged and abandoned on November 10, 1992.

In view of the above, please be advised that the Desana Unit has been terminated effective November 10, 1992. Please advise all interested parties of this action.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL, JR.
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director

Oil/Gas and Minerals Division
(505) 827-5744

RBP/FOP/pm

cc: Reader File
BLM-Roswell Attn: Mr. Gary Gourley
OCD-Santa Fe ✓
TRD-Santa Fe

Unit Name Desana Unit
Operator Yates Petroleum Corporation
County Eddy County, New Mexico

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
June 28, 1989	Case No.: 9688 Order No.: R-8955	June 28, 1989	1280.00	1120.00	160.00	0.00	Modified	5 years

UNIT AREA

T-18-S, R-24-E

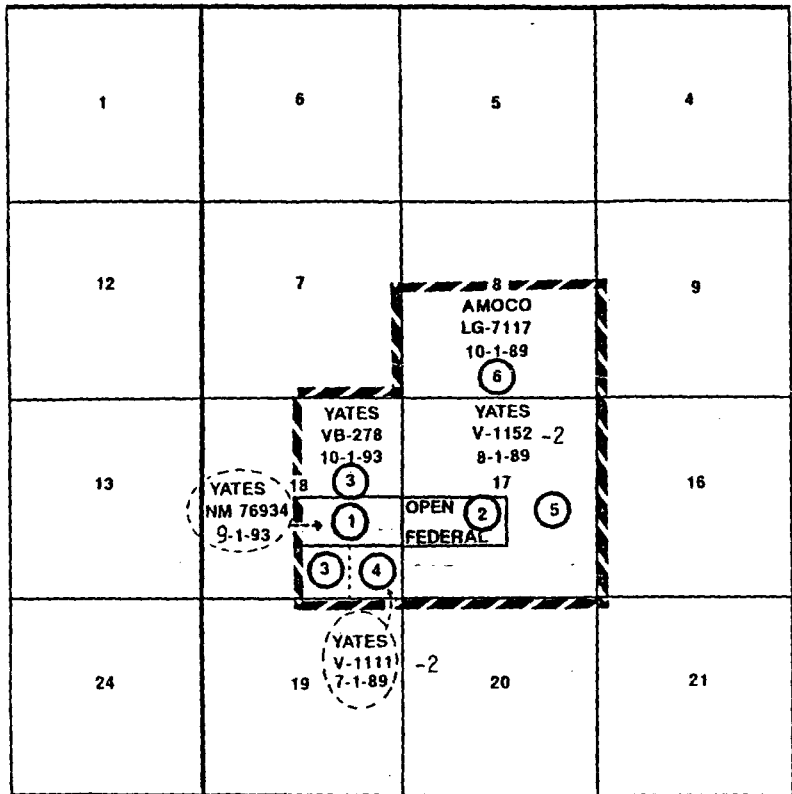
All tracts are committed

Section 8: S/2
Section 17: All
Section 18: E/2

TERMINATED
EFFECTIVE DATE 11/10/92
APPROVAL DATE 5/25/93

EXHIBIT "A"

R24E



T
18
S

YATES PETROLEUM

DESANA UNIT

EDDY COUNTY, NEW MEXICO



1,120.00 ACRES OF STATE OF NEW MEXICO LANDS 87.5%



160.00 ACRES OF FEDERAL LANDS 12.5%

1,280.00 ACRES TOTAL 100.0%

DESANA UNIT
REPORT TO DEPARTMENTS

EFFECTIVE DATE: June 28, 1989
APPROVAL DATE: June 28, 1989

BENEFICIARY

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2.	T18S-R24E Sec. 17: N1/2SW1/4 Eddy County, New Mexico	80.00	Open Federal				
<p>TERMINATED 11/01/97 EFFECTIVE DATE 5/25/93 APPROVAL DATE</p>							
TOTAL FEDERAL ACREAGE - 160.00							

3.	T18S-R24E Sec. 18: NE1/4, SW1/2SE1/4 Eddy County, New Mexico	200.00	State of NM VB-278 10-1-93	3/16	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	C.S. 40% 20% 20% 20%
4.	T18S-R24E Sec. 18: SE1/2SE1/4 Eddy County, New Mexico	40.00	State of NM V-1111-2 7-1-89	1/6	Yates Petroleum Corporation	3.125%	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	C.S. 70% 10% 10% 10%

DESANA UNIT

REPORT TO DEPARTMENTS

EFFECTIVE DATE: June 28, 1989
APPROVAL DATE: June 28, 1989

BENEFICIARY

Tract No.	Description	No. of Acres	Serial No. & Expiration Date of Lease	Basic		Leasee of Record	Overriding		Working Interest Owner & Percentage
				Royalty Owner & Percentage			Royalty Percentage		
5.	T18S-R24E Sec. 17: N $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Eddy County, New Mexico	560.00	State of NM V-1152 -2 8-1-89	1/6		Yates Petroleum Corporation	3.125%		Yates Petroleum Corporation 70% Yates Drilling Company 10% Abo Petroleum Corporation 10% Mycro Industries, Inc. 10%
6.	T18S-R24E Sec. 8: S $\frac{1}{4}$ Eddy County, New Mexico	320.00	State of NM LG-7117 10-1-89	1/8		Amoco Production Company	None		Yates Petroleum Corporation 70% Yates Drilling Company 10% Abo Petroleum Corporation 10% Mycro Industries, Inc. 10%

TOTAL STATE ACREAGE - 1,120.00

RECAPITULATION

1,120.00 Acres of State of New Mexico Lands -	87.5%
160.00 Acres of Federal Lands -	12.5%
1,280.00 Acres -	100.0%

TERMINATED

EFFECTIVE DATE 11/10/92
APPROVAL DATE 5/15/93