

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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S. P. YATES  
CHAIRMAN OF THE BOARD  
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EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
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TREASURER

May 1, 1989

TO: WORKING INTEREST OWNERS  
ADDRESSEE LIST ATTACHED

Re: Drover State Unit  
Township 13 South, Range 32 East, NMPM  
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation proposes the formation of the captioned 4,880.00 acre state unit. Location of the initial test well is 990' FSL and 990' FEL of Section 20, Township 13 South, Range 32 East. Approximate Authority for Expenditure costs for the 11,500' Mississippian test are \$393,200 dry hole and \$637,000 completed. We respectfully invite you to join and drill with us.

Enclosed for your review are the following instruments covering the unit and well:

1. Operating Agreement
2. Unit Agreement
3. Seven copies of Ratification and Joinder
4. Two copies of AFE.

If this is satisfactory to you and meets with your approval, please execute and return six (6) copies of the Ratification and Joinder and one (1) copy of the AFE to our office at your earliest convenience. The date for the hearing will be set in June before the New Mexico Oil Conservation Division. You will be notified of the exact date.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Cy Cowan  
Associate Landman

CC/bp  
Enclosures

YATES PETROLEUM CORPORATION  
Case No. 9690  
6/21/89 Examiner Hearing  
Exhibit No. 5