



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:
Bittersweet Unit
3180 (065)

Fisk and Vandiver
Seventh and Mahone, Suite E
Artesia, NM 88210

JAN 29 1990

Gentlemen:

Your application of January 19, 1990, filed with the BLM on behalf of Yates Petroleum Corporation, requests the designation of the Bittersweet Unit area, embracing 1400.00 acres, more or less, Chaves 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, Bittersweet Unit, Chaves County New Mexico, is hereby designated as a logical unit area. This designation is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated should provide for a well to test the Ordovician formation, or to a depth of 6500 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 Bureau of Land Management and shown in red on the enclosed Form of Agreement.

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.

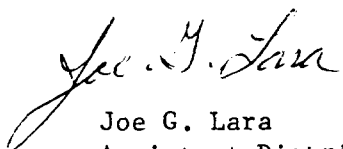
In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that 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.

YATES PETROLEUM CORPORATION
Case No. 9859
02/07/90 Examiner Hearing
Exhibit No. 5

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,

A handwritten signature in cursive script, appearing to read "Joe G. Lara". The signature is written in dark ink and is positioned above the printed name.

Joe G. Lara
Assistant District Manager,
Minerals

Enclosures