



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

June 10, 1997

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

Attn: Ms. Kathy H. Porter

Re: Voluntary Termination
Alphabet Unit Agreement
Lea County, New Mexico

Dear Ms. Porter:

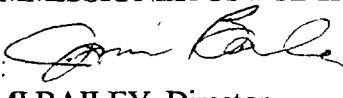
We have received your letter of May 15, 1997 wherein, as unit operator of the referenced unit, you have requested our approval to voluntarily terminate the Alphabet Unit. Also attached with your termination request are executed ratification's of over seventy-five percent of the unit working interest owners.

Pursuant to Section 17. EFFECTIVE DATE AND TERM of the unit agreement, the Alphabet Unit Agreement has this date been terminated, effective May 15, 1997.

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 POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/jb/pm

cc: Reader File; OCD-Santa Fe Attn: Roy Johnson;
TRD-Santa Fe, Attn: Valdean Severson;

UNIT NAME: ALPHABET UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

DATE	OCC CASE NO.	TOTAL	ACREAGE	STATE	FEDERAL	FEE	SEGREGATION	TERM
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EFFECTIVE	11469	1997.01	1957.01	0	40.00	STRICT	5 YEARS
2-29-96	R-10550						SO LONG AS

APPROVALS

SLO--2-29-96
OCD--2-27-96

TOWNSHIP 21 SOUTH, RANGE 34 EAST

SECTION 7: SE/4
SECTION 8: ALL
SECTION 9: NW/4
SECTION 17: ALL
SECTION 18: LOTS 3, 4, E/2SW4, SE/4, NE/4

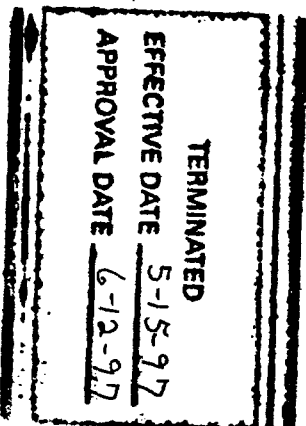
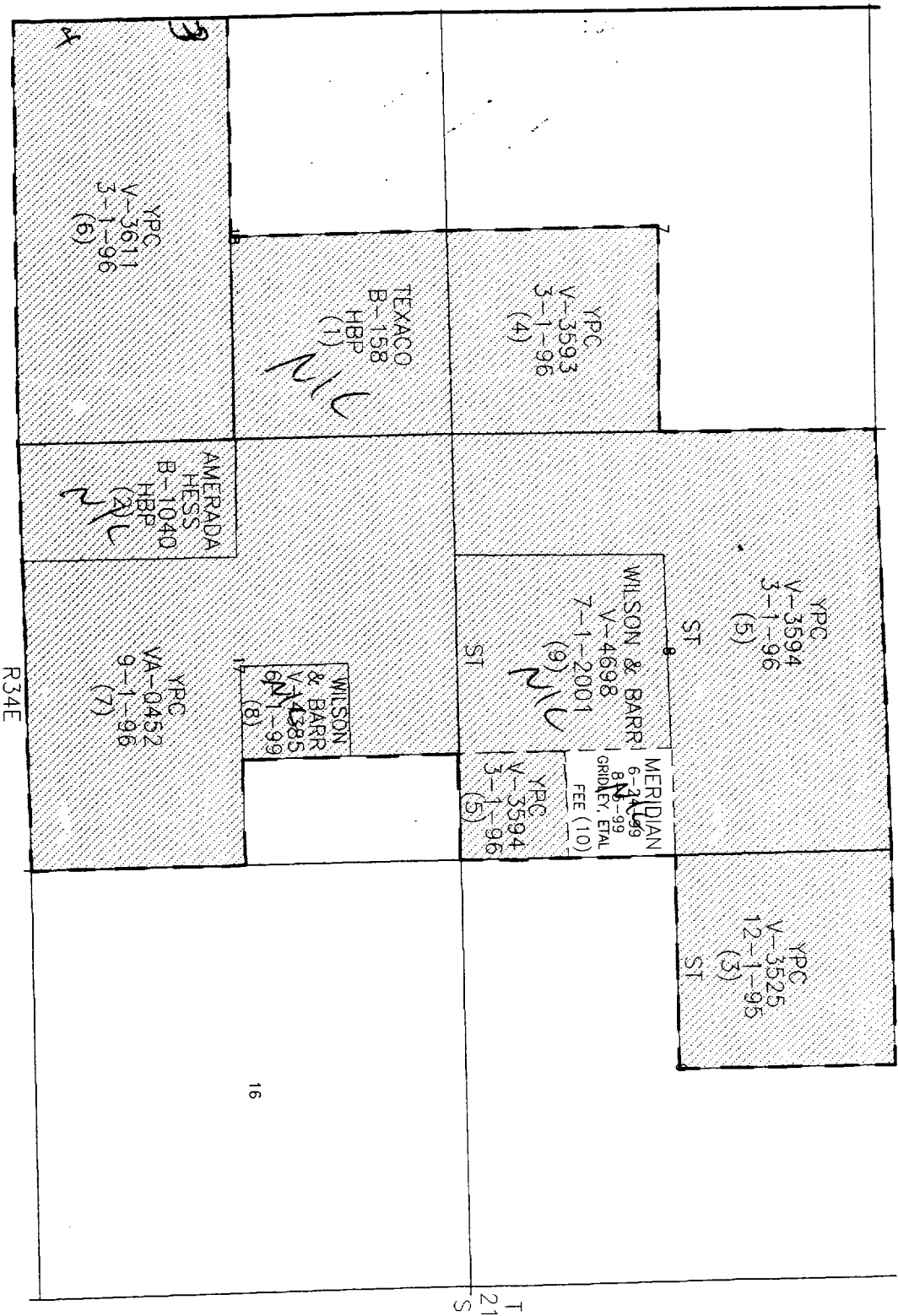


EXHIBIT A ALPHABET UNIT AGREEMENT LEA COUNTY, NEW MEXICO



Unit Outline	
(1) Tract Number	
State Land	1957.01
Fee Land	40.00
Total Unit Acres	1997.01
	97.997006%
	2.002994
	100.000000%

Yates Petroleum Corporation		
ALPHABET UNIT		
LEA COUNTY, NEW MEXICO		
K. PORTER		2/14/96
WMLPHB GPT	Scale 1:24000	

EXHIBIT "B"
ALPHABET UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

Tract #	Land Description	Number of Acres	Serial # Exp. Date	Basic Royalty & Ownership	Lessee of Record	ORR Owners	Working Interest Owners
1	Township 21 South, Range 34 East Section 18: NE/4	160.00	B-158-20 HBP	1/8th State of NM	Texaco	None	Meridian Oil 100%
2	Township 21 South, Range 34 East Section 17: W/2SW/4	80.00	B-1040-01 HBP	1/8th State of NM	Amerada Hess	None	Amerada Hess 100%
3	Township 21 South, Range 34 East Section 9: NW/4	160.00	V-3525-0 12/1/95	1/6th State of NM	Yates Petroleum Corporation	None 2-2-96 Yates Petroleum Corp. 2-2-96 Abo Petroleum Corp. 2-2-96 Myco Industries, Inc.	70% 10% 10% 10%
4	Township 21 South, Range 34 East Section 7: SE/4	160.00	V-3593-0 3/1/96	1/6th State of NM	Yates Petroleum Corporation	None 2-2-96 Yates Petroleum Corp. 2-2-96 Yates Drilling Co. 2-2-96 Abo Petroleum Corp. 2-2-96 Myco Industries, Inc.	70% 10% 10% 10% 10%
5	Township 21 South, Range 34 East Section 8: N/2, W/2SW/4, SE/4SE/4	440.00	V-3594-0 3/1/96	1/6th State of NM	Yates Petroleum Corporation	None 2-2-96 Yates Petroleum Corp. 2-2-96 Yates Drilling Co. 2-2-96 Abo Petroleum Corp. 2-2-96 Myco Industries, Inc.	70% 10% 10% 10% 10%
6	Township 21 South, Range 34 East Section 18: Lots 3, 4, E/2SW/4, SE/4	317.01	V-3611-0 3/1/96	1/6th State of NM	Yates Petroleum Corporation	None 2-2-96 Yates Petroleum Corp. 2-2-96 Yates Drilling Co. 2-2-96 Abo Petroleum Corp. 2-2-96 Myco Industries, Inc.	70% 10% 10% 10% 10%
7	Township 21 South, Range 34 East Section 17: NW, NWNE, E/2SW, SE/4	440.00	VA-0452-0 9/1/96	1/8th State of NM	Yates Petroleum Corporation	None 2-2-96 Yates Petroleum Corp. 2-2-96 Yates Drilling Co. 2-2-96 Abo Petroleum Corp. 2-2-96 Myco Industries, Inc.	70% 10% 10% 10% 10%

EXHIBIT "B"
ALPHABET UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

Tract #	Land Description	Number of Acres	Serial # Exp. Date	Basic Royalty & Ownership	Lessee of Record	ORR Owners	Working Interest Owners
8	Township 21 South, Range 34 East Section 17: SWNE	40.00 <i>N/C</i>	V-4385 - 1 6/1/99	1/6th State of NM	Wilson & Barr	3.33% Wilson & Barr	Meridian Oil 100%
9	Township 21 South, Range 34 East Section 8: E/2SW/4, W/2SE/4	160.00 <i>N/C</i>	V-4698 - 1 7/1/2001	1/6th State of NM	Wilson & Barr	3.33% Wilson & Barr	Meridian Oil 100%
10 a.	Township 21 South, Range 34 East Section 8: NESE	40.00 <i>N/C</i>	FEE 6/24/99	1/5th The Merchant Livestock Company	Meridian Oil	2.50% Wilson & Barr	Meridian Oil 100%
10 b.	Township 21 South, Range 34 East Section 8: NESE	<i>N/C</i>	FEE 8/5/99	1/5th John & Carol Bosserman	Meridian Oil	2.50% Wilson & Barr	Meridian Oil 100%

RECAPITULATION

1957.01	Acres of State Lands	97.997006 %
40.00	Acres of Fee Lands	2.002994 %
<u>1997.01</u>		<u>100.0000 %</u>



11469

RECEIVED
FEB 22 1996

RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

February 21, 1996

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

Attn: Ms. Kathy H. Porter

Re: Preliminary Approval
Proposed Alphabet Unit Agreement
Lea County, New Mexico

Dear Ms. Porter:

We have reviewed the unexecuted copy of the unit agreement which you have submitted for the proposed Alphabet Unit Area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way, and will not extend any short term leases. Also, any well commenced which penetrates its objective horizon prior to the effective date of the agreement will not be construed as the initial test well.

When submitting your agreement for final approval, please provide the following:

1. Application for final approval by the Commissioner, setting forth the tracts that have been committed and the tracts that have not been committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary, and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

Yates Petroleum Corporation
February 21, 1996
Page 2


4. Please submit two copies of the Unit Agreement.
5. On Exhibit "B", Tract Number 9, the correct lease number for this tract is V-4698.

Your filing fee in the amount of \$150.00 has been received.

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 POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/pm

cc: Reader File
OCD-Santa Fe Attn: Mr. Michael Stogner



RECEIVED
RECEIVED
'96 MAR 4 AM 8 52

RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

February 29, 1996

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Attn: Ms. Kathy H. Porter

Re: Final Approval-Alphabet Unit Agreement
Lea County, New Mexico

Dear Ms. Porter:

We have received your letter of February 27, 1996, requesting final approval of the Alphabet Unit Agreement, Lea County, New Mexico.

The Commissioner of Public Lands has this date granted final approval to the above-captioned Unit Agreement. The effective date of the Alphabet Unit Agreement is February 29, 1996. We understand that tract numbers 3 through 7 are fully committed, and that tract numbers 1, 2, 8, 9, and 10 are not committed to the unit agreement at this time.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed are five Certificates of Approval. Your filing fee in the amount of \$150.00 has been received.

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 POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *[Signature]*
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File OCD-Roy Johnson TRD-Valdean Severson Commissioner's File

CONSENTED
RECEIVED
DIVISION

NOV 1996 4 10 8 52

UNIT NAME: ALPHABET UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

DATE	OCC CASE NO.	TOTAL	ACREAGE	STATE	FEDERAL	FEE	SEGREGATION	TERM
APPROVED	OCC ORDER NO.						CLAUSE	
EFFECTIVE	11469	1997.01	1957.01	0	40.00	STRICT	5 YEARS	
2-29-96	R-10550						SO LONG AS	

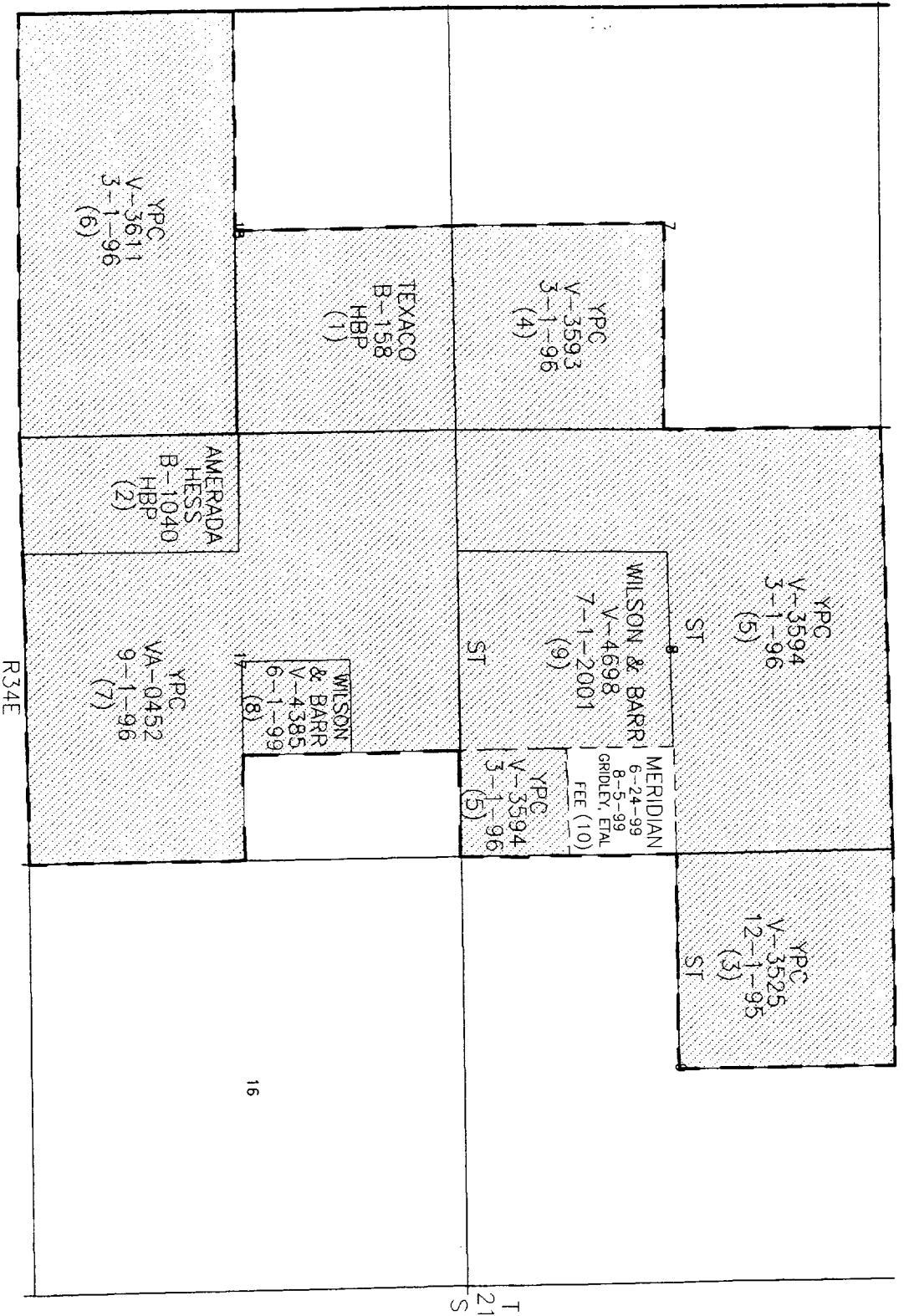
APPROVALS

SLO--2-29-96
OCD--2-27-96

TOWNSHIP 21 SOUTH, RANGE 34 EAST

SECTION 7: SE/4
SECTION 8: ALL
SECTION 9: NW/4
SECTION 17: ALL
SECTION 18: LOTS 3, 4, E/2SW4, SE/4, NE/4

EXHIBIT "A"
ALPHABET UNIT AGREEMENT
LEA COUNTY, NEW MEXICO



---	Unit Outline
(1)	Tract Number
■	State Land
□	Fee Land
Total Unit Acres	1957.01 97.997006%
	40.00 2.002994
	1997.01 100.000000%

Yates Petroleum Corporation		
ALPHABET UNIT		
LEA COUNTY, NEW MEXICO		
K. PORTER		2/14/96
WALPHABET	Scale 1:24000	

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ALPHABET UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 27, 1996

CAMPBELL, CARR & BERGE, P.A.
Attorneys At Law
Post Office Box 2208
Santa Fe, New Mexico 87504


Attn: Bill Carr

**RE: CASE NO. 11469
ORDER NO. R-10550**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,


Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
SLO- Pete Martinez

EXHIBIT "B"
ALPHABET UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

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RECAPITULATION

1957.01	Acres of State Lands	97.997006 %
40.00	Acres of Fee Lands	2.002994 %
<u>1997.01</u>		<u>100.0000 %</u>