

RECEIVED

13,091

AUG 06 2003

OIL CONSERVATION
PATRICK H. LYONS
COMMISSIONER
DIVISION
State of New Mexico
Commissioner of Public Lands
310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

August 4, 2003

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Attn: Mr. Chuck Moran

Re: Final Approval
Humidor State Exploratory Unit
Eddy County, New Mexico

Dear Mr. Moran:

This office is in receipt of your letter of July 16, 2003, requesting final approval of the Humidor State Exploratory Unit Agreement, Eddy County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Humidor State Exploratory Unit Agreement. The effective date of your agreement is August 4, 2003.

It is our understanding that all tracts are fully committed to the unit agreement.

Enclosed are (5) Certificates of Approval.

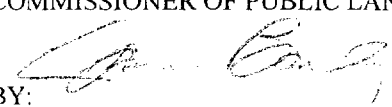
Your \$150.00 filing fee has been received.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY
Oil, Gas & Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira

UNIT NAME: HUMIDOR STATE UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: EDDY

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 08/04/2003	CASE NO. 13091 ORDER NO. R-11979	2440.00	2440.00	0	0	STRICT	5 YEARS SO LONG AS

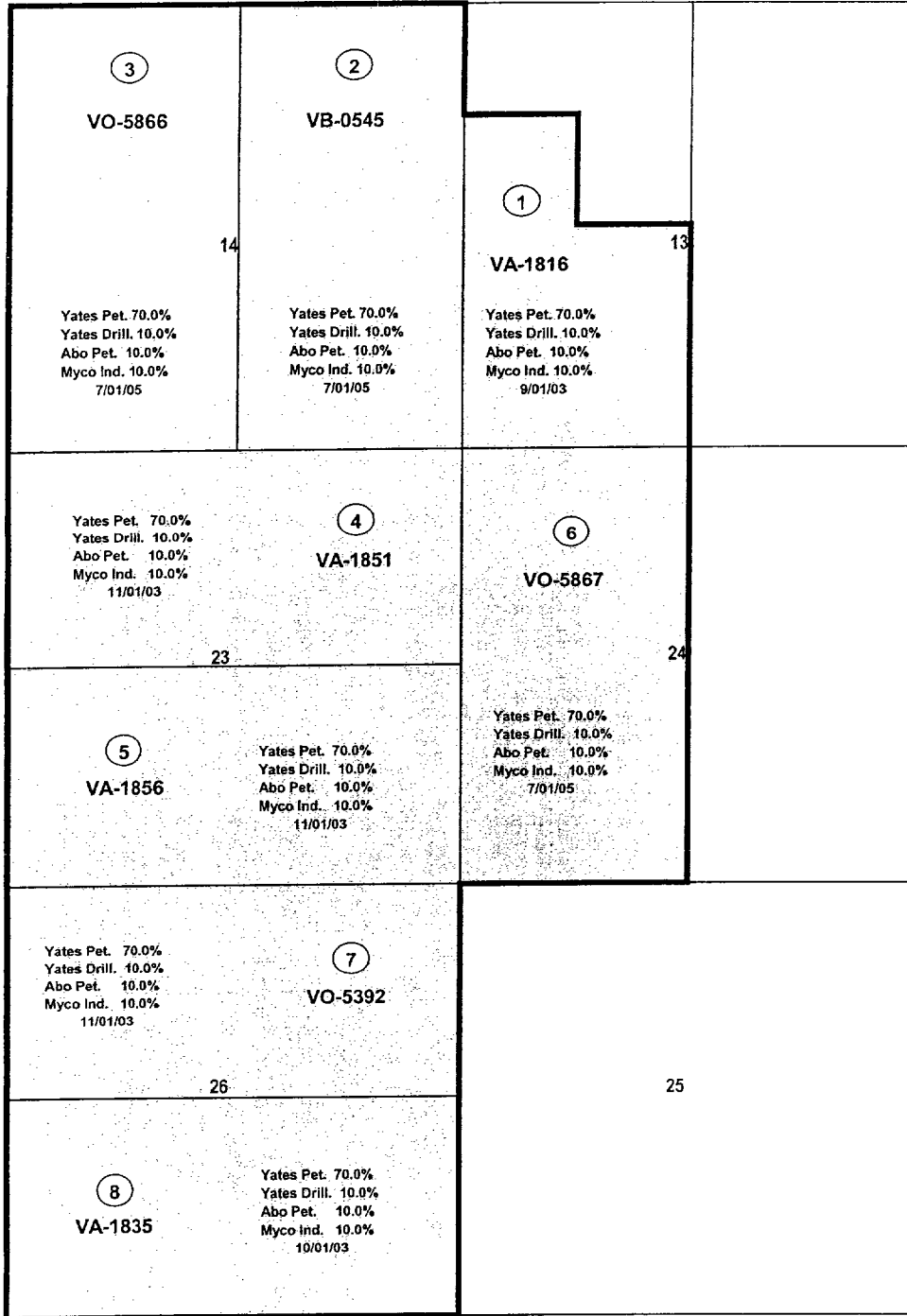
APPROVALS

SLO--08-04-2003
OCD--07-05-2003

TOWNSHIP 24 SOUTH, RANGE 27 EAST

SECTION 13: SW/4NW/4, SW/4
SECTION 14: ALL
SECTION 23: ALL
SECTION 24: W/2
SECTION 26: ALL

R27E



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4
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EXHIBIT "A"

Yates Petroleum Corporation

Humidor State Unit Area

Eddy County, New Mexico

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Indicates Tract No. on Exhibit B



State Land



Indicates Unit Area

Scale 3 inches = 1 mile

7/10/03
JAN 13 2004
HUMIDOR STATE UNIT AREA
EDDY COUNTY, NEW MEXICO

Exhibit B
Humidor State Unit Area
Eddy County, New Mexico

Tract No.	Description of Land	No. of Acres	Serial No. and expiration date of lease	Basic royalty and ownership percentage	Lessee of Record	Overriding royalty and percentage	Working interest and percentage	
1	Township 24 South, Range 27 East, NMPM Section 13: SW/4NW/4, SW/4	200.00	VA-1816 / 09/01/03	State of NM: 12.50%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
2	Township 24 South, Range 27 East, NMPM Section 14: E/2	320.00	VB-0545 / 07/01/05	State of NM: 18.75%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
3	Township 24 South, Range 27 East, NMPM Section 14: W/2	320.00	VO-5866 / 07/01/05	State of NM: 16.67%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
4	Township 24 South, Range 27 East, NMPM Section 23: N/2	320.00	VA-1851 / 11/01/03	State of NM: 12.50%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
5	Township 24 South, Range 27 East, NMPM Section 23: S/2	320.00	VA-1856 / 11/01/03	State of NM: 12.50%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
6	Township 24 South, Range 27 East, NMPM Section 24: W/2	320.00	VO-5867 / 07/01/05	State of NM: 16.67%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
7	Township 24 South, Range 27 East, NMPM Section 26: N/2	320.00	VO-5392 / 11/01/03	State of NM: 16.67%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%
8	Township 24 South, Range 27 East, NMPM Section 26: S/2	320.00	VA-1835 / 10/01/03	State of NM: 12.50%	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycro Industries, Inc.	70.00% 10.00% 10.00% 10.00%

7/10/03



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JUN 23 2003

PATRICK H. LYONS Conservation Division
COMMISSIONER

State of New Mexico
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COMMISSIONER'S OFFICE

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www.nmstatelands.org

June 20, 2003

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

Attention: Mr. Chuck Moran

Re: Preliminary Approval
Proposed Humidor State Exploratory Unit
Eddy County, New Mexico

Dear Mr. Moran:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Humidor State Exploratory Unit area, Eddy 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 until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit 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. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.

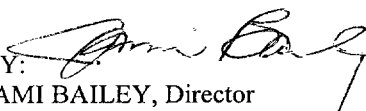
Yates Petroleum Corporation
June 20, 2003
Page 2

3. 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.
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. The filing fee for a unit agreement is \$30 for every section or partial section thereof. Please submit a \$150.00 filing fee.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

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

PL/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Roy Johnson
William F. Carr