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205 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 Felephone (505) 748-1471

October 27, 1995

RECEIVED

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OIL CON. DIV.

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FRANK W. MATES

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Mr. T. R. Kreager Area Manager Bureau of Land Management Roswell Resource Area P. O. Box 1857 Roswell, New Mexico 88202

> Re: 3100 (06680); NMNM 36379; SDR 95-008; 3165.3 (93200); Order dated May 15, 1995, by the Roswell Resource Area of the Bureau of Land Management to Yates Petroleum Corporation

Dear Mr. Kreager:

By Decision dated August 29. 1995 (a copy of which is enclosed for your convenience), the Deputy State Director of the New Mexico State Office of the Bureau of Land Management upheld that certain Order contained in a letter dated May 15, 1995, from Earl E. Smith, acting for T. R. Kreager, Area Manager of the Roswell Resource Area, to Yates Petroleum Corporation. Yates Petroleum Corporation owns the majority of the record title interest in United States Oil and Gas Leases NM 20328 and NM 36707. The Tommy Federal No. 1 Well is located on Oil and Gas Lease NM 20328 in SE-4 SE/4 Section 24, Township 9 South, Range 22 East, N.M.P.M., Chaves County, New Mexico, and the Eddelman Federal No. **2**-Well is located on Oil and Gas Lease NM 36707 in SW/4 NE/4 Section 9, Township 7 South, Range 22 East, N.M.P.M., Chaves County, New Mexico.

As required by the Decision of August 29, 1995, this letter will serve as the request of Yates Petroleum Corporation, as record title holder of NM 20328 and NM 36707, that Yates Petroleum Corporation be assigned as the new operator for the Tommy Federal No. 1 Well and the Eddelman Federal No. **2**. Well located on the above-described lands. Abo Petroleum Corporation, Myco Industries, Inc. and Yates Drilling Company, which also hold record title interests in the leases, concur in this

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Mr. T. R. Kreager Page Two

request. Mates Petroleum Corporation has in force an approved nationwice bond to cover operations on federal oil and gas leases.

Please contact me if you should require anything further in order to approve Yates Petroleum Corporation as the operator of these two wells.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson Land Manager

RGP:pvw

cc: Bechtel Energy Partners Texaco Exploration and Producing, Inc. APPROVED (CAR SEC) FITTER V CHEFTER NOV 2 1995 BUREAU OF LANE MANAGEMENT ROSWELL RESOURCE AREA

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTER RECOUDECT LEASE WHICH WOULD ENTITLE THE APPLICATE TO COMPUCT OPERATIONS THEREON.