



13181

PATRICK H. LYONS
COMMISSIONER

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

April 27, 2006

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Ms. Bonnie Floore

Re: 2006 Plan of Development
Cash State Unit
Lea County, New Mexico

Dear Ms. Floore:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

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/cpm
xc: Reader File

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University



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RECEIVED

APR 13 2005

OIL CONSERVATION
DIVISION

April 12, 2005

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Mr. Kevin Klein

Re: 2005 Plan of Development
Cash State Unit
Lea County, New Mexico

Dear Mr. Klein:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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
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xc: Reader File

OCD

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DEC 23 2003

State of New Mexico

Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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December 16, 2003

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

Attn: Mr. Robert Bullock

Re: Final Approval
Cash State Exploratory Unit
Lea County, New Mexico

Dear Mr. Bullock:

This office is in receipt of your letter of December 9, 2003, requesting final approval of the Cash State Exploratory Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Cash State Exploratory Unit Agreement. The effective date of your agreement is December 16, 2003.

It is our understanding that tract nos. 21 and 22 are not committed to the unit agreement.

Enclosed are (5) Certificates of Approval.

Your \$360.00 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: CASH STATE EXPLORATORY UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE			FEE	CLAUSE	
EFFECTIVE	CASE NO. 13181	(Committed Acreage)					
12/16/2003	ORDER NO. R-12070	6984.53	6984.53	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--12-16-2003
OCD--12-15-2003

TOWNSHIP 10 SOUTH, RANGE 33 EAST

SECTION 13: ALL
SECTION 24: ALL
SECTION 25: E/2, NE/4, N/2SW/4
SECTION 36: All

TOWNSHIP 10 SOUTH, 34 EAST

SECTION 18: Lots 1, 2, 3, 4, E/2, E/2W/2
SECTION 19: Lots 1, 2, 3, 4, E/2, E/2W/2
SECTION 30: Lots 1, 2, 3, 4, E/2, E/2W/2
SECTION 31: Lots 1, 2, 3, 4, E/2, E/2W/2

TOWNSHIP 11 SOUTH, 34 EAST

SECTION 3: LOTS 2, 3, 4, SW/4, W/2SE/4, SE/4SE/4
SECTION 4: LOTS 1, 2, 3, 4, S/2
SECTION 9: ALL
SECTION 10: N/2, SE/4, N/2SW/4, SE/4SW/4

EXHIBIT A

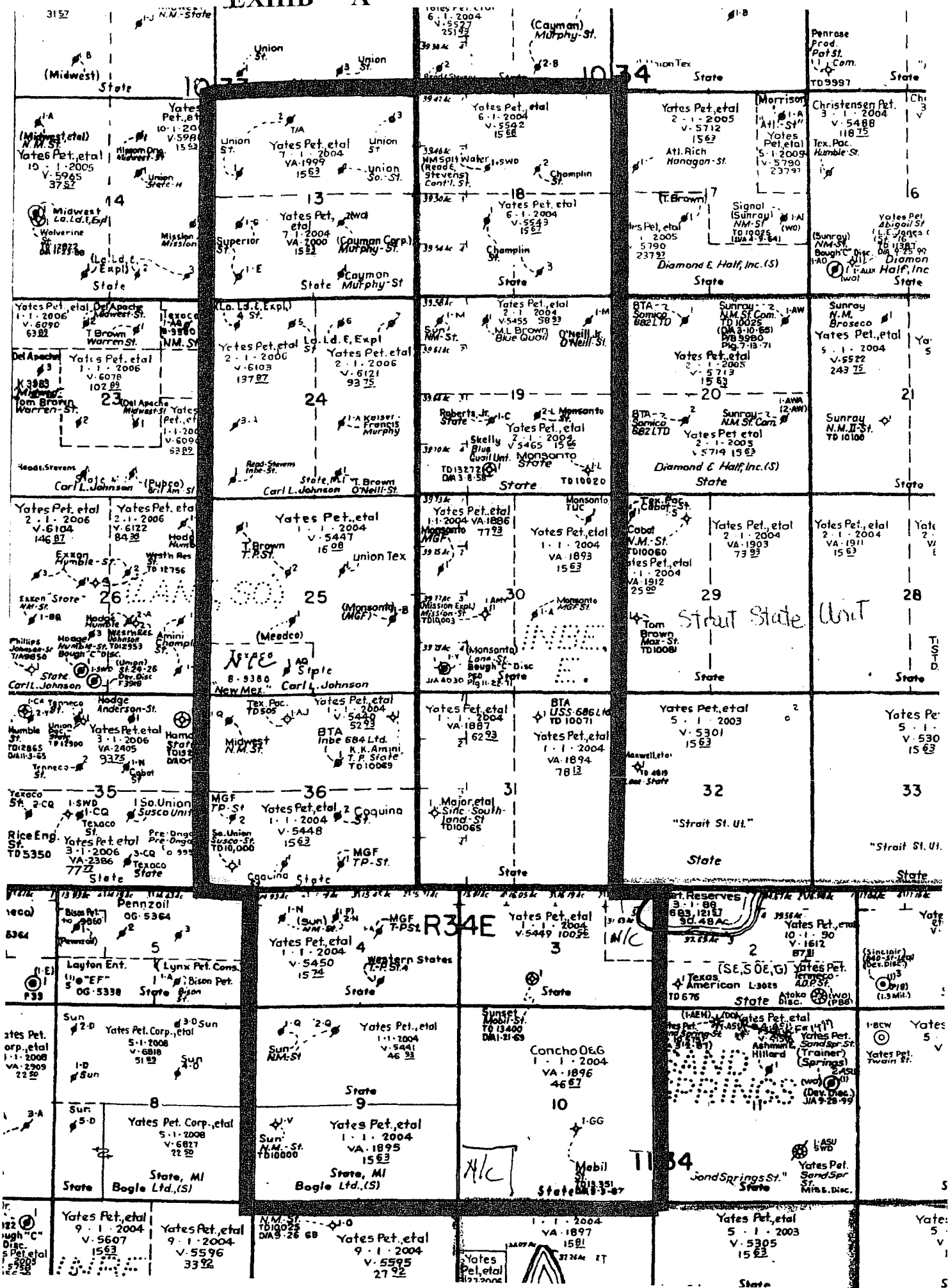


EXHIBIT "B"
Cash State Exploratory Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
1.	T10S, R33E Sec. 25: E2, NW4 N2SW4 <i>IRK</i>	560.00	VO-5447 1/1/04	State of New Mexico 1/6	Yates Petroleum Corporation <i>11C 10/23/03</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>10-23-03</i>
2.	T10S, R33E Sec. 36: N2 <i>CS</i>	320.00	VO-5440 1/1/04	State of New Mexico 1/6	Yates Petroleum Corporation <i>10/23/03</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>10-23-03</i>
3.	T10S, R33E Sec. 36: S2 <i>CS</i>	320.00	VO-5448 1/1/04	State of New Mexico 1/6	Yates Petroleum Corporation <i>10/23/03</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
4.	T10S, R34E Sec. 30: Lots 1,2,3,4, (W2W2) E2W2 <i>TWR</i>	319.04	VA-1886 1/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
5.	T10S, R34E Sec. 30: E2 <i>TWR</i>	320.00	VA-1893 1/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
6.	T10S, R34E Sec. 31: Lots 1,2,3,4, (W2W2) E2W2 <i>TWR</i>	319.58	VA-1887 1/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
7.	T10S, R34E Sec. 31: E2 <i>TWR</i>	320.00	VA-1894 1/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
8.	T11S, R34E Sec. 3: Lots 2,3,4, SW4, W2SE4, SE4SE4 <i>CS</i>	328.15	VO-5449 1/1/04	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
9.	T11S, R34E Sec. 4: Lots 1,2,3,4, S2 <i>CS</i>	381.28	VO-5450 1/1/04	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.

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Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING	
						ROYALTY	WORKING INTEREST
10.	T11S, R34E Sec. 9: N2	320.00	VO-5441 1/1/04	State of New Mexico 1/6	Yates Petroleum Corporation 10-23-23	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
11.	T11S, R34E Sec. 9: S2	320.00	VA-1895 1/1/04	State of New Mexico 1/8	Yates Petroleum Corporation 10-23-23	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
12.	T11S, R34E Sec. 10: N2, SE4, N2SW4, SE4SW4	600.00	VA-1896 1/1/04	State of New Mexico 1/8	Concho Resources Inc. 10-23-23	Bear Energy, Inc 1% of 8/8ths	Concho Resources Inc. 10-23-23
13.	T10S, R34E Sec. 19: Lots 1, 2 (W2NW4), NE4, E2NW4	319.20	VO-5455 2/1/04	State of New Mexico 1/6	Yates Petroleum Corporation 10-23-23	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
14.	T10S, R34E Sec. 19: Lots 3, 4 (W2SW4), E2SW4, SE4	319.36	VO-5465 2/1/04	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
15.	T10S, R34E Sec. 18: Lots 1, 2 (W2NW4), NE4, E2NW4	318.88	VO-5542 6/1/04	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
16.	T10S, R34E Sec. 18: Lots 3, 4 (W2SW4), E2SW4, SE4	319.04	VO-5543 6/1/04	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
17.	T10S, R33E Sec. 13: N2	320.00	VA-1999 7/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23
18.	T10S, R33E Sec. 13: S2	320.00	VA-2000 7/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation 10-23-23 Yates Drilling Company 10-23-23 Abo Petroleum Corporation 10-23-23 Myco Industries, Inc. 10-23-23

EXHIBIT "B"
Cash State Exploratory Unit
Lea County, New Mexico

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST
19.	T10S, R33E Sec 24: W2 <i>TIRG</i>	320.00	VO-6103 2/1/06 <i>FILE</i>	State of New Mexico 1/6	Yates Petroleum Corporation <i>10-23-03</i>	None <i>10-23-03</i>	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>10-23-03</i>
20.	T10S, R33E Sec 24: E2 <i>TIRG</i>	320.00	VO-6121 2/1/06 <i>FILE</i>	State of New Mexico 1/6	Yates Petroleum Corporation <i>NOT COMMITTED</i> <i>10-23-03</i>	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
21.	T10S, R33E Sec 25: S2SW4	80.00	B-9380 11/10/41 <i>FILE</i>	State of New Mexico 1/8	Chevron USA		Chevron USA <i>NOT COMMITTED</i>
22.	T11S, R34E Sec 3: Lot 1, 5	43.58	Unleased <i>FILE</i>	State of New Mexico	<i>Guaranteed From Lease</i>		<i>NOT COMMITTED</i>
23.	T11S, R34E Sec 3: Part of Lot 1	9.95	V-0683 HBP <i>FILE</i>	State of New Mexico 1/6	Castle Exploration Company, Inc. <i>FILE</i>		Castle Exploration Company, Inc. <i>100.00%</i>
24.	T11S, R34E Sec 10: SW4SW4	40.00 <i>FILE</i>	Fee 10/15/06 <i>Primary (Sec 10) 11-15-05</i>	Bogle Limited Company 3/16	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>FILE</i>	<i>10-23-03</i>	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. <i>10-23-03</i>
Total State Leased		7074.06					
Total State Unleased		43.58					
Fee Acreage		40.00					
Total Acreage		7157.64					



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May 11, 2004

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

Attn: Mr. Robert Bullock

Re: Cash State Unit Well No. 1
NW/4SE/4 Sec. 31-10S-34E
Commercial Well Determination
Lea County, New Mexico

Dear Mr. Bullock:

We received your letter of April 28, 2004 together with data that supports your commercial determination regarding the Cash State Unit Well No. 1.

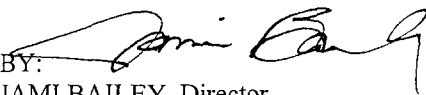
The Commissioner of Public Lands concurs with Yates Petroleum Corporation's determination that the above-mentioned well is a commercial well in the Morrow formation.

Please submit your 2004 plan of development.

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

pc: Reader File
OCD-Attention: Mr. Roy Johnson



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January 14, 2005

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Ms. Bonnie Floore

Re: 2004 Plan of Development
Cash State Unit
Lea County, New Mexico

RECEIVED

DEC 20 2005

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Dear Ms. Floore:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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