



13188

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

RECEIVED

October 27, 2003

OCT 29 2003

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

**OIL CONSERVATION
DIVISION**

Attention: Ms. Janet Richardson

Re: Preliminary Approval
Proposed Samuel Smith Federal State Exploratory Unit
Eddy County, New Mexico

Dear Ms. Richardson:

This office has received the unexecuted copy of the unit agreement which you have submitted for the proposed Samuel Smith Federal 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.

Our preliminary approval is given with the condition that an offset well be drilled in the E/2 of Section 32, Township 23 South, Range 24 East should the initial well, being drilled in the W/2 of Section 33, Township 23 South, Range 24 East, be completed as a commercial producer.

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.
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.

Yates Petroleum Corporation
October 27, 2003
Page 2

4. Order of the New Mexico Oil Conservation Division and Designation from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.
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. A filing fee in the amount of \$360.00.
9. On Exhibit "A", please correct the Townships from 24 S to 23 S and 25 S to 24 S.
10. On Exhibit "B", Tract Nos. 16 and 17, the correct lessee of record is Yates Petroleum Corporation.
11. On Exhibit "B", Tract No. 18, the correct acreage is 320.99, the correct lease number is VA-807, and the correct lessee of record is M. J. Harvey, Jr.
12. On Exhibit "B", the recapitulation should reflect the correct State acreage (320.99), totals and updated percentages.

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
BLM-Roswell, Attention: Mr. Armando Lopez



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM109714X
3180 (06300)

FEB 19 2004

RECEIVED

FEB 23 2004

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

Yates Petroleum Corporation
Attention: Janet Richardson
105 S. Fourth Street
Artesia, NM 88210-2118

Dear Ms. Richardson:

One approved copy of the Samuel Smith Unit Agreement, No. NMNM109714X, Eddy County, New Mexico, is enclosed. Such agreement is effective as of the date of approval.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the Public Interest Requirement is not fulfilled, the unit will be declared invalid and no lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

Approval of the agreement does not warrant or certify that the operator thereof and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

/s/ Larry D. Bray

Larry D. Bray
Assistant Field Manager,
Lands and Minerals

Enclosure

cc:
MMS, Denver (MS357B-1, G. Reyer/C. Collins)
Commissioner of Public Lands, Santa Fe
NMOCD, Santa Fe

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3183, I do hereby:

- A. Approve the attached agreement for the development and operation of the Samuel Smith Unit Area, State of New Mexico. This approval shall be invalid *ab initio* if the public interest requirement under '3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: February 19, 2004

/s/ Larry D. Bray

Authorized Officer
Bureau of Land Management

Contract No.: NMNM109714X

RECEIVED



FEB 23 2004

PATRICK H. LYONS
Oil and Gas Conservation Division
1225 S. Saint Francis Drive
Santa Fe, NM 87505

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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Fax (505) 827-5766
www.nmstatelands.org

February 20, 2004

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

Attn: Mr. Janet Richardson

Re: Final Approval
Samuel Smith Exploratory Unit
Eddy County, New Mexico

Dear Ms. Richardson:

This office is in receipt of your letter of February 16, 2004, requesting final approval for the Samuel Smith Exploratory Unit Agreement, Eddy County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Samuel Smith Exploratory Unit Agreement, Eddy County, New Mexico. Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

Pursuant to your letter of February 16, 2004, it is our understanding that Tract Nos. 1, 18 and 19 are not committed to the unit agreement at this time.

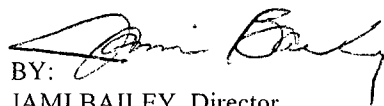
Enclosed are (5) Certificates of Approval.

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, Director
Oil, Gas and 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
BLM-Attn: Mr. Armando Lopez



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February 20, 2004

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Samuel Smith Exploratory Unit
Eddy County, New Mexico

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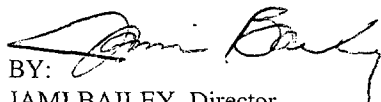
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Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
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pc: Reader File,
OCD-Santa Fe, Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira
BLM-Attn: Mr. Armando Lopez

EXPLORATORY
UNIT NAME: SAMUEL SMITH 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 2-20-2004		6882.28 (Committed)	640.80	6242.28	0	MODIFIED	5 YEARS SO LONG AS

APPROVALS

BLM--02-19-2004
SLO--02-20-2004
OCD--01-15-2004
CASE NO. 13188
ORDER NO. R-12081

TOWNSHIP 23 SOUTH, RANGE 24 EAST

SECTION 22: ALL
SECTION 23: ALL
SECTION 24: N/2, N/2SE/4, SW/4
SECTION 25: S/2NE/4, S/2, NW/4
SECTION 26: ALL
SECTION 27: ALL
SECTION 28: ALL
SECTION 32: ALL
SECTION 33: ALL

TOWNSHIP 24 SOUTH, RANGE 24EAST

SECTION 5: LOTS 1, 2, 3, 4, S/2N/2, S/2
SECTION 7: LOTS 1, 2, 3, 4, E/2W/2, E/2

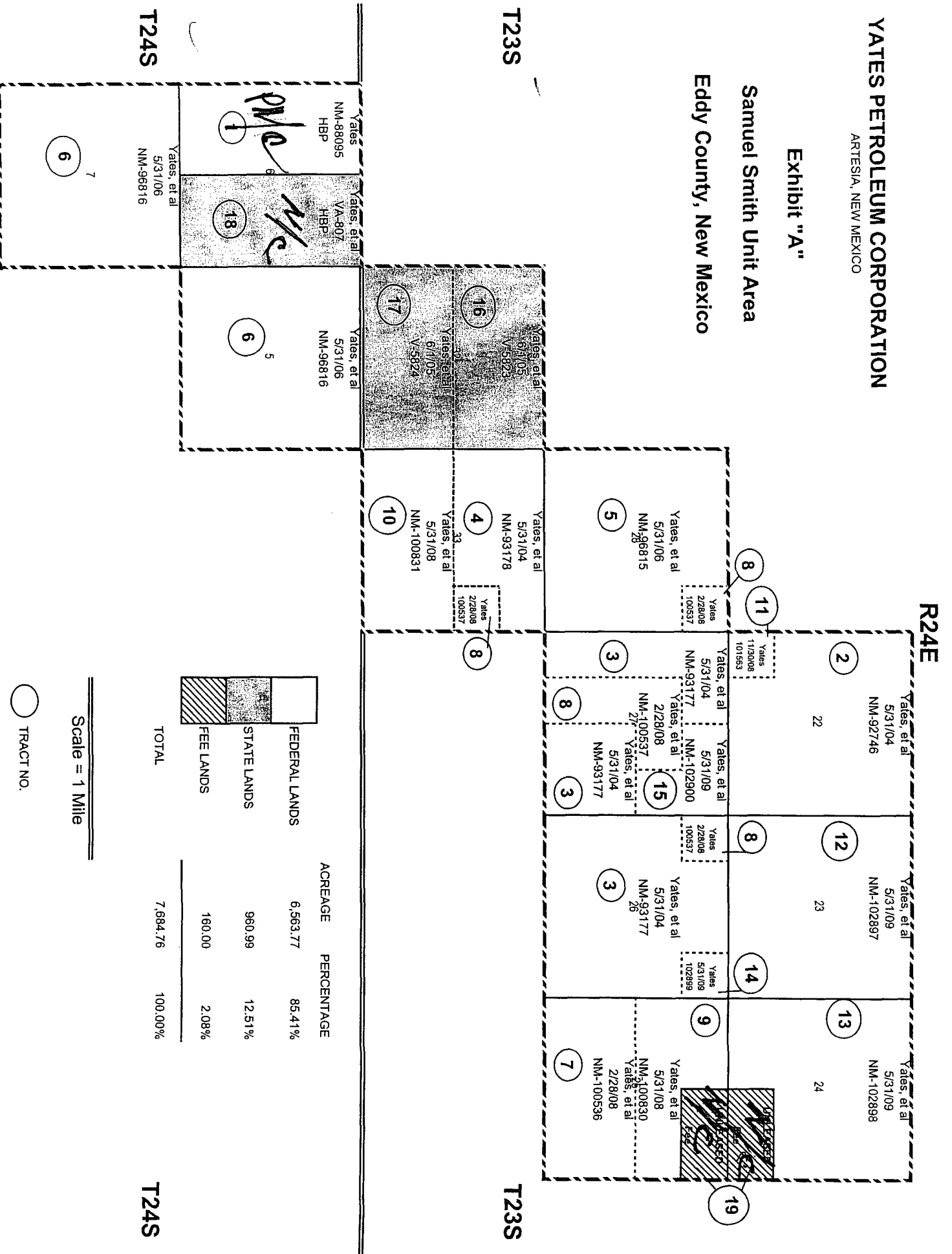
YATES PETROLEUM CORPORATION

ARTESIA, NEW MEXICO

Exhibit "A"

Samuel Smith Unit Area

Eddy County, New Mexico



Scale = 1 Mile

TRACT NO.

R24E

T23S

T23S

T24S

T24S

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
SAMUEL SMITH UNIT AREA
EDDY COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
FEDERAL LANDS:							
1	T24S, R24E, N.M.P.M. Sec. 6: Lots 3, 4, 5, 6, 7, SE1/4 E2SW (W2)	321.49	NM-88095 HBP Effective 3/1/92	U.S.A. - 12.5%	UTL Energy Corp. 42.50 % Yates Energy Corp. 19.00 Scott Wilson 12.13 Richard K. Barr 12.12 Elizabeth M. Locker 3.00 Dingus Investment Inc. 2.50 Romero Family LP 2.25 New Mexico Western Minerals 1.50 James R. Bartel 1.00 Glenn Matlage 1.00 James G. Smith 1.00 Richard R. Eynon 0.50 Buell and Sandy Martin 1.00 Anthony J. Mendicino 0.50	UTL Energy Corp. 3.18750 % Yates Energy Corp. 1.42500 Scott Wilson 0.90938 Richard K. Barr 0.90937 Locker Brothers 0.22500 Dingus Investment Inc. 0.18750 Romero Family LP 0.16875 Bean Family Limited Company 0.11250 James R. Bartel 0.07500 Glenn Matlage 0.07500 James G. Smith 0.07500 Richard R. Eynon 0.03750 Buell and Sandy Martin 0.07500 Anthony J. Mendicino 0.03750	Yates Petroleum Corporation 100.0000 %
2	T23S-R24E, N.M.P.M. Sec. 22: E2, E2W2, W2NW, NWSW	600.00	NM-92746 Effective 3/1/94 Expires 2/28/04	U.S.A. - 12.5%	Yates Petroleum Corporation 4.00 % Yates Drilling Company 32.00 Myco Industries, Inc. 32.00 Abo Petroleum Corporation 32.00	None	Yates Petroleum Corporation 4.0000 % Yates Drilling Company 32.0000 Myco Industries, Inc. 32.0000 Abo Petroleum Corporation 32.0000
3	T23S, R24E, N.M.P.M. Sec. 26: NWNE, S2NE, E2NW SWNW, S2 Sec. 27: N2NW, SWNW, W2SW, SE	920.00	NM-93177 Effective 6/1/94 Expires 5/31/04	U.S.A. - 12.5%	Yates Petroleum Corporation 4.00 % Yates Drilling Company 32.00 Myco Industries, Inc. 32.00 Abo Petroleum Corporation 32.00	None	Yates Petroleum Corporation 4.0000 % Yates Drilling Company 32.0000 Myco Industries, Inc. 32.0000 Abo Petroleum Corporation 32.0000
4	T23S, R24E, N.M.P.M. Sec. 33: N2NE, SWNE, NW	280.00	NM-93178 HBP Effective 6/1/94	U.S.A. - 12.5%	Yates Petroleum Corporation 4.00 % Yates Drilling Company 32.00 Myco Industries, Inc. 32.00 Abo Petroleum Corporation 32.00	None	Yates Petroleum Corporation 4.0000 % Yates Drilling Company 32.0000 Myco Industries, Inc. 32.0000 Abo Petroleum Corporation 32.0000
5	T23S, R24E, N.M.P.M. Sec. 28: W2NE, SENE, NW, S2	600.00	NM-96815 Effective 6/1/96 Expires 5/31/06	U.S.A. - 12.5%	Yates Petroleum Corporation 40.00 % Yates Drilling Company 20.00 Myco Industries, Inc. 20.00 Abo Petroleum Corporation 20.00	None	Yates Petroleum Corporation 40.0000 % Yates Drilling Company 20.0000 Myco Industries, Inc. 20.0000 Abo Petroleum Corporation 20.0000
6	T24S, R24E, N.M.P.M. Sec. 5: Lots 1, 2, 3, 4, S2N2, S2 (All) Sec. 7: Lots 1, 2, 3, 4, E2, E2W2 (All)	1,282.28	NM-96816 Effective 6/1/96 Expires 5/31/06	U.S.A. - 12.5%	Yates Petroleum Corporation 40.00 % Yates Drilling Company 20.00 Myco Industries, Inc. 20.00 Abo Petroleum Corporation 20.00	None	Yates Petroleum Corporation 40.0000 % Yates Drilling Company 20.0000 Myco Industries, Inc. 20.0000 Abo Petroleum Corporation 20.0000

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SAMUEL SMITH UNIT AREA
EDDY COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
7	T23S, R24E, N.M.P.M. Sec. 25: S2	320.00	NM-100536 Effective 3/1/98 Expires 2/28/08	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
8	T23S, R24E, N.M.P.M. Sec. 26: NWNW Sec. 27: SWNE, SENW, E2SW Sec. 28: NENE Sec. 33: SENE	280.00	NM-100537 Effective 3/1/98 Expires 2/28/08	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
9	T23S, R24E, N.M.P.M. Sec. 25: N2NW, S2N2	240.00	NM-100830 Effective 6/1/98 Expires 5/31/08	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
10	T23S, R24E, N.M.P.M. Sec. 33: S2	320.00	NM-100831 Effective 6/1/98 Expires 5/31/08	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
11	T23S, R24E, N.M.P.M. Sec. 22: SWSW	40.00	NM-101563 Effective 12/1/98 Expires 11/30/08	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
12	T23S, R24E, N.M.P.M. Sec. 23: All	640.00	NM-102897 Effective 6/1/99 Expires 5/31/09	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
13	T23S, R24E, N.M.P.M. Sec. 24: N2, SW, N2SE	560.00	NM-102898 Effective 6/1/99 Expires 5/31/09	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation
14	T23S, R24E, N.M.P.M. Sec. 26: NENE	40.00	NM-102899 Effective 6/1/99 Expires 5/31/09	U.S.A. - 12.5%	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Myco Industries, Inc. Abo Petroleum Corporation

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
SAMUEL SMITH UNIT AREA
EDDY COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
15	T23S, R24E, N4M.P.M. Sec. 27: N2NE, SENE	120.00	NM-102900 Effective 6/1/99 Expires 5/31/09	U.S.A. - 12.5%	Yates Petroleum Corporation / 13.33/40.00 % Yates Drilling Company " " 20.00 Myco Industries, Inc. " " 20.00 Abo Petroleum Corporation " " 20.00	None	Yates Petroleum Corporation 13.33 % Yates Drilling Company " " 20.0000 Myco Industries, Inc. " " 20.0000 Abo Petroleum Corporation " " 20.0000

15 FEDERAL TRACTS TOTALING 6,563.77 ACRES OR 85.41% OF UNIT AREA

STATE LANDS:

16	T23S, R24E, N4M.P.M. Sec. 32: N2	320.00	VO-5823 Effective 6/1/00 Expires 6/1/05	State of New Mexico - 16.67%	Yates Petroleum Corporation 2-13.33 % None	None	Yates Petroleum Corporation 10.0000 Yates Drilling Company 10.0000 Myco Industries, Inc. 10.0000 Abo Petroleum Corporation 10.0000
17	T23S, R24E, N4M.P.M. Sec. 32: S2	320.00	VO-5824 Effective 6/1/00 Expires 6/1/05	State of New Mexico - 16.67%	Yates Petroleum Corporation 2-13.33 % None	None	Yates Petroleum Corporation 10.0000 Yates Drilling Company 10.0000 Myco Industries, Inc. 10.0000 Abo Petroleum Corporation 10.0000
18	T24S, R24E, N4M.P.M. Sec. 6: Lois 1, 2 (N2NE), S2NE SE	320.99	VA-807 Effective 2/1/93 HBP	State of New Mexico - 12.5%	M. J. Harvey, Jr. 100.00 % None	M. J. Harvey, Jr. 5.0000 % NE4 surface to 10.840'	Yates Petroleum Corporation 70.0000 Yates Drilling Company 10.0000 Myco Industries, Inc. 10.0000 Abo Petroleum Corporation 10.0000 SE4 and NE4 below 10.840' M. J. Harvey, Jr. 100.0000 %

3 STATE TRACTS TOTALING 960.99 ACRES OR 12.51% OF UNIT AREA

FEE LANDS:

19	T23S, R24E, N4M.P.M. Net Contained Fee	160.00	Effective 7/9/03 Expires 7/8/06 Fee	18.75%	David R. Drennan and Nita L. Drennan, his wife 50.00 % Robert L. Kincaid & Sons, a Partnership 50.00 %	None	Continental Land Resources, LLC 100.0000 % Continental Land Resources, LLC 100.0000 %
Sec. 24: S2SE			Effective 8/26/03 Expires 8/25/06	18.75%		None	
Sec. 25: N2NE							

1 FEE TRACT TOTALING 160.00 ACRES OR 2.08% OF UNIT AREA

RECAPITULATION:	ACRES	PERCENTAGE	NO. OF TRACTS
FEDERAL LANDS	6,563.77	85.41%	15
STATE LANDS	960.99	12.51%	3
FEE LANDS	160.00	2.08%	1
	7,684.76	100.00%	19



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Commissioner of Public Lands

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JAN 21 2005
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Oil Conservation Division (505) 827-5766
1220 S. Saint Francis Drive
Santa Fe, NM 87505
statelands.org

January 18, 2005

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

Attention: Ms. Janet Richardson

Re: Samuel Smith Unit Well No. 1
Initial Morrow Participating Area Effective June 17, 2004
W/2 Sec. 33-23S-24E
Eddy County, New Mexico

Dear Ms. Richardson:

We are in receipt of your letter of December 17, 2004 together with your application for approval of the initial Morrow participating area for the Samuel Smith Unit Area, Eddy County, New Mexico

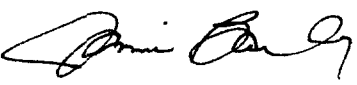
The Bureau of Land Management approved the above referenced participating area by their letter of January 11, 2005.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced initial Morrow participating area effective June 17, 2004. Please notify all interested parties of this action.

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
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pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Roswell - Attn: Mr. Armando Lopez
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira

-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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January 4, 2005

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

Attention: Ms. Janet Richardson

Re: Samuel Smith Unit Well No. 1
1400' FSL, 1170' FEL Sec. 32-23S-24E (surface location)
1000' FSL, 760' FWL Sec. 33-23S-24E (bottom hole location)
Commerciality Determination - Morrow Formation
Eddy County, New Mexico

Dear Ms. Richardson:

We are in receipt of your letter of December 17, 2004 and a copy of the Bureau of Land Management's letter of August 17, 2004 regarding the above referenced commerciality determination for the Samuel Smith Unit Well No. 1.

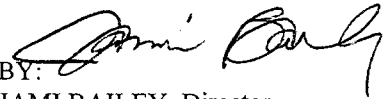
We concur with the Bureau of Land Managements determination that the Samuel Smith Unit Well No. 1 is a commercial well in the Morrow formation and should be included in the initial Morrow participating area.

Your application for the initial Morrow participating area has been received and is currently under review. Please notify this office when the BLM approves your application for the initial Morrow participating area.

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
BLM-Roswell Attn: Mr. Armando Lopez
~~QCD-Santa Fe~~ Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Linda Vieira

-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