

# 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

January 31, 2006

Elk Oil Company Box 310 Roswell, New Mexico 88202

Attn:

Mr. Joseph J. Kelly

Re:

2006 Plan of Development

Z-28 Unit

Chaves County, New Mexico

Dear Mr. Kelly:

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

OCD



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### State of New Mexico Commissioner of Public Lands

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P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

#### **COMMISSIONER'S OFFICE**

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

March 8, 2004

Elk Oil Company P. O. Box 310 Roswell, New Mexico 88202

Attention: Mr. Joseph J. Kelly

Re: Final Approval

Z-28 State Exploratory Unit Chaves County, New Mexico

Dear Mr. Kelly:

This office is in receipt of your letter of March 4, 2004, requesting final approval of the Z-28 State Exploratory Unit Agreement, Chaves County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Z-28 State Exploratory Unit Agreement. The effective date of your agreement is March 8, 2004.

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

Enclosed are (5) Certificates of Approval.

Your \$120.00 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

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

# 

Section and and and and and and

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OIL CONSERVATION DIVISION

COUNTY: CHAVES **UNIT NAME**: Z-28 STATE EXPLORATORY UNIT **OPERATOR**: ELK OIL COMPANY

**APPROVED** DATE OCC ORDER NO. OCC CASE NO. **ACREAGE** TOTAL STATE **FEDERAL** 

2240.00

2240.00

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SO LONG AS **5 YEARS**  FEE INDIAN SEGREGATION CLAUSE TERM

**APPROVALS** 

03/08/2004 EFFECTIVE

SLO--03/08/2004 OCD--03/02/2004 CASE NO. 13219 **ORDER NO. R-12111** 

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SECTION 13: ALL SECTION 24: ALL

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Exhibit B
Z-28 State Unit Area
Chaves County
New Mexico
All depths below the base of the Queen Formation

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Township 10 South, Range 26 East Sec. 13: W/2	Township 10 South, Range 26 East Sec. 12: W/2	Township 10 South, Range 26 East Sec. 11: S/2	D TO LET IN COMMISSION TO SOUTH Range 26 East Sec. 14:14/2 D. 15.  CHI COMMISSION TO THE TO THE TOTAL TO THE	Lウ にJ Lウ にJ Description of Land
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VA-2005	VA-2004	VA-2008	VO-5576 ·	Lease Serial No.
8/01/04	8/01/04	8/01/04	8/01/04	Lease Expiration Date
State of NM: 12.50%	State of NM: 12:50%	State of NM: 12.50%	State of NM: 16 6679	Basic Royalty and Ownership Percentage
Elk Oil Company 100.00%	Elk Oil Company 100.00%	Elk Oil Company 100.00%	State of NM: 16 667% Elk Oil Company 100.00%	Lessee of Record %
Elk Oil Company ( / Genesis, Ltd. NMR, Inc. Collie Ltd. Partnership, L.P. Joseph J. Kelly J. Michael Kelly Mary Ann Twitty	Elk Oil Company   1   Genesis, Ltd. NMR, Inc. Coille Ltd. Partnership, L.P. Joseph J. Kelly J. Michael Kelly Mary Ann Twitty	Elk Oil Company Genesis, Ltd. NMR, Inc. Coille Ltd. Partnership, L.P. Joseph J. Kelly J. Michael Kelly Mary Ann Twitty	Elk Oil Company 1.23.07 Genesis, Ltd. 1 - 3 0.27 NMR, Inc. 1 - 3 0.27 NMR, Inc. 1 - 3 0.27 Coille Ltd. Partnership, L.P. Joseph J. Kelly 1 - 2 0.27 J. Michael Kelly 1 - 2 0.27 Mary Ann Twitty	Overriding Royalty % and Percentage
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Exhibit B
Z-28 State Unit Area
Chaves County
New Mexico
All depths below the base of the Queen Formation

7	O	On	Tract No.
Township 10 South, Range 26 East Sec. 24: E/2	Township 10 South, Range 26 East Sec. 24: W/2	ge 26 East	Description of Land
320.00	320.00	320.00	No. of Acres
VA-2012	VA-2011	· _ !	Lease Serial No.
8/01/04	8/01/04	8/01/04	Lease Expiration Date
State of NM: 12 50%	State of NM: 12:50%	State of NM: 12.50%	Basic Royalty and Ownership Percentage
Elk Oil Company 100.00%	Elk Oil Company 100.00%	Elk Oil Company 100.00%	Lessee of %
Elk Oil Company Genesis, Ltd. NMR, Inc. Coille Ltd. Partnership, L.P. Joseph J. Kelly J. Michael Kelly Mary Ann Twitty	Elk Oil Company Genesis, Ltd. NMR, Inc. Coille Ltd. Partnership, L.P. Joseph J. Kelly J. Michael Kelly Mary Ann Twitty	Elk Oil Company Genesis, Ltd. 1-2-8-2-4 NMR, Inc. 1-3-6-2-4 Coille Ltd. Partnership, L.P. Joseph J. Kelly 1-3-1-3-4 Michael Kelly 1-3-1-3-4 Mary Ann Twitty	Overriding Royalty % and Percentage
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Elk Oil Company       30.00%         NMR, Inc.       12.50%         Genesis, Ltd.       12.50%         Verde Vista Energy Co.       10.00%         Elilott-Hall Co. Ltd. Partnership       10.00%         Elilott Industries Ltd. Partnership       10.00%         Joseph J. Kelly       5.00%         SLR Oil & Gas Investments, LLC       5.00%	Elk Oil Company NMR, Inc. Genesis, Ltd. Verde Vista Energy Co Elliott-Hall Co. Ltd. Partnership Elliott Industries Ltd. Partnership Joseph J. Kelly J. Michael Kelly J. Michael Kelly SLR Oil & Gas Investments, LLC	Birth Cil Company   30.00%   1.24.0%   12.50%   1.24.0%   12.50%   1.24.0%   12.50%   1.24.0%   12.5	Working Interest Owner and Percentage
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7 TRACTS - STATE - 2,240 ACRES OR 100.00%



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# State of New Mexico Commissioner of Public Lands

COMMISSIONER'S OFFICE

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OIL CONSERVATION

LIVISION

310 OLD SANTA FE TRAIL
P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

February 4, 2004

Elk Oil Company P. O. Box 310 Roswell, New Mexico 88202

Attention: Mr. Joseph J. Kelly

Re:

Preliminary Approval

Proposed Z-28 State Exploratory Unit

Chaves County, New Mexico

Dear Mr. Kelly:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Z-28 State Exploratory Unit area, Chaves 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.
- 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.

Elk Oil Company February 4, 2004 Page 2

- 5. Please submit two copies of the Unit Agreement.
- 6. On Exhibit "B", Tract No. 1, under the basic royalty and ownership percentage, the correct royalty percentage for State Lease No. V0-5576 is 16.7%
- 7. A copy of the Unit Operating Agreement (if applicable).
- 8. Copies of all the well records for the initial unit well.
- 9. Please submit a filing fee in the amount of \$120.00.

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

JOHN BEMIS, Assistant Commissioner

Mineral Resources (505) 827-5744

PL/JB/pm

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



PATRICK H. LYONS COMMISSIONER

# State of New Mexico Commissioner of Public Lands

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Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

RECEIVEL

1220 S. Saint Francis Drive

January 14, 2005

Elk Oil Company Box 310 Roswell, New Mexico 88202

Attn:

Mr. Joseph J. Kelly

Re:

2004 Plan of Development

Z-28 Unit

Chaves County, New Mexico

Dear Mr. Kelly:

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 COMMISSIONER OF PUBLIC LANDS

BY:

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

PL/JB/cpm

xc: Reader File

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