

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

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JUN 3 0 2005

OIL CONSERVATION
DEVISION

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

Attn:

June 29, 2005

Mr. Robert Bullock

Re:

2005 Plan of Development

Otis State Unit

Lea County, New Mexico

Dear Mr. Bullock:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by the Oil Conservation Division. 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.

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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March 3, 2005

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

Attn: Mr. Robert Bullock

Re:

Commerciality Determination Otis State Unit Well No. 2 NW/4SW/4 Sec. 19-15S-34E Lea County, New Mexico

Dear Mr. Bullock:

We received your letter of February 22, 2005 together with data that supports your commercial determination regarding the Otis State Unit Well No. 2.

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

Please submit your 2005 plan of development for this unit 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

FOL JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744 PL/JB/pm

pc:

Reader File.

OCD-Attention: Mr. Roy Johnson