



13490

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

June 17, 2005

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

Attn: Mr. Robert Bullock

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

RECEIVED  
JUL 29 2005  
OIL CONSERVATION  
DIVISION

Dear Mr. Bullock:

Thank you for your letter of June 14, 2005 requesting final approval of the Jolene State Exploratory Unit Agreement, Lea County, New Mexico and the filing fee of \$300.00. It is our understanding that Tract Nos. 8, 9, and 11 are not fully committed at this time.

The Commissioner of Public Lands has this date granted final approval to the Jolene State Exploratory Unit Agreement effective June 17, 2005.

Enclosed are five (5) Certificates of Approval.

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  
Mr. William F. Carr

-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 Lands • Water Reservoirs • Western New Mexico University



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*State of New Mexico*  
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2005 JUL 6 PM 3:34  
COMMISSIONER'S OFFICE

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June 29, 2005

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

Attn: Mr. Robert Bullock

Re: Subsequent Joinder Approval  
Jolene State Exploratory Unit  
Lea County, New Mexico

Dear Mr. Bullock:

Thank you for your letter of June 29, 2005 requesting the subsequent joinder approval of EOG Resources, Inc. for the Jolene State Exploratory Unit Agreement, Lea County, New Mexico.

Pursuant to paragraph 22 of the unit agreement, the Commissioner of Public Lands has this date approved the subsequent joinder of EOG Resources, Inc. to the Jolene State Exploratory Unit Agreement. The effective date of this subsequent joinder is July 1, 2005.

It is our understanding that tract Nos. 8, 9 and 11 are now fully committed to the unit agreement. 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  
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

**-State Land Office Beneficiaries -**

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**\*AMENDED COPY - Subsequent Joinder Tracts 3 VO-5975-0, 5 VO-5997-0, 9 VO-5998-3**

UNIT NAME: JOLENE STATE EXPLORATORY UNIT  
 OPERATOR: YATES PETROLEUM CORPORATION  
 COUNTY: LEA

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	Committed TOTAL ACREAGE	Committed STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 06/17/2005	CASE NO. 13490 ORDER NO. R-12358	5119.02	5119.02	0	0	STRICT	5 YEARS SO LONG AS

**APPROVALS**

SLO--06-17-2005  
 OCD--05-24-2005

**TOWNSHIP 14 SOUTH, RANGE 35 EAST**

SECTION 2: LOTS 1, 2, 3, 4, S2/N2, S/2  
 SECTION 3: ALL  
 SECTION 4: LOTS 1, 2, S/2NE4, S/2  
 SECTION 5: SE/4, E/2SW/4  
 SECTION 8: N/2, SE/4, E/2SW/4  
 SECTION 9: ALL  
 SECTION 10: N/2, SW/4  
 SECTION 11: NW/4  
 SECTION 16: ALL  
 SECTION 17: ALL

**\*Subsequent Joinder--Approval Date--June 29, 2005 Effective Date 07-01-2005**

Tract 3--320 acres  
 Tract 5--240 acres  
 Tract 9--320 acres



RECEIVED

MAY 19 2005

OIL CONSERVATION  
DIVISION

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*State of New Mexico*  
*Commissioner of Public Lands*

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

May 18, 2005

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

Attention: Mr. Robert Bullock

Re: Preliminary Approval  
Proposed Jolene State Exploratory Unit  
Lea County, New Mexico

Dear Mr. Bullock:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Jolene State Exploratory Unit area, Lea 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.

**-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

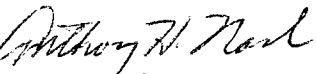
Yates Petroleum Corporation  
May 18, 2005  
Page 2

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.
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 and any subsequent well.
8. Your filing fee in the amount of \$300.00 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

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

RECEIVED  
JUN 23 2005

OIL CONSERVATION  
100% CASE NO.

UNIT NAME: JOLENE STATE EXPLORATORY UNIT  
OPERATOR: YATES PETROLEUM CORPORATION  
COUNTY: LEA

DATE APPROVED: 06/17/2005  
OCC ORDER NO. 13490  
OCC CASE NO. R-12358

EFFECTIVE 06/17/2005  
CASE NO. 13490  
ORDER NO. R-12358

APPROVALS

SLO--06-17-2005  
OCD--05-24-2005

TOWNSHIP 14 SOUTH, RANGE 35 EAST

- SECTION 2: LOTS 1, 2, 3, 4, S2/N2, S/2
- SECTION 3: LOTS 1, 2, 3, 4, S/2N/2
- SECTION 4: LOTS 1, 2, S/2NE4, S/2
- SECTION 8: N/2, SE/4, E/2SW/4
- SECTION 9: N/2
- SECTION 10: N/2, SW/4
- SECTION 11: NW/4
- SECTION 16: ALL
- SECTION 17: ALL

Committed TOTAL ACREAGE 4239.02  
Committed STATE ACREAGE 4239.02  
Committed FEDERAL ACREAGE 0  
INDIAN FEE 0  
SEGREGATION CLAUSE STRICT  
TERM 5 YEARS SO LONG AS



**EXHIBIT "B"**  
**Jolene 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.	T14S, R35E Sec 4; Lot 1, SENE, E2SE Lea County, NM	159.83	VO-5858 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co.
2.	T14S, R35E Sec 4; Lot 2, SWNE, W2SE Lea County, NM	159.87	VO-5880 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co.
3.	T14S, R35E Sec 4; SW4 Lea County, NM	160.00	VO-5881 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co.
4.	T14S, R35E Sec 8; N2 Lea County, NM	320.00	VO-5882 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co.
5.	T14S, R35E Sec 8; E2SW, SE Lea County, NM	240.00	VA-2212 8/1/05	State of New Mexico 1/8	Yates Petroleum Corporation	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co.
6.	T14S, R35E Sec 2; Lots 3,4, S2NW Lea County, NM	319.89	VO-5995 10/1/05	State of New Mexico 1/6	Pitch Energy Corporation	None	Pitch Energy Corporation
7.	T14S, R35E Sec 3; Lots 1,2,3,4, S2N2 Lea County, NM	319.52	VO-5996 10/1/05	State of New Mexico 1/6	Pitch Energy Corporation	None	Pitch Energy Corporation
8.	T14S, R35E Sec 3; S2 Lea County, NM	320.00	VO-5975 10/1/05	State of New Mexico 1/6	Threshold Development Company EOG Resources, Inc.	None	Threshold Development Company EOG Resources, Inc.
9.	T14S, R35E Sec 5; E2SW, SE Lea County, NM	240.00	VO-5997 10/1/05	State of New Mexico 1/6	Threshold Development Company EOG Resources, Inc.	None	Threshold Development Company EOG Resources, Inc.
10.	T14S, R35E Sec 9; N2 Lea County, NM	320.00	VO-5976 10/1/05	State of New Mexico 1/6	Pitch Energy Corporation	None	Pitch Energy Corporation

*Handwritten notes:*  
 \* VO-5881  
 Gen Hold Generators from court



**EXHIBIT "B"**  
**Jolene State Exploratory Unit**  
**Lea County, New Mexico**

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR	LESSEE OF RECORD	DATE	OVERRIDING ROYALTY	WORKING INTEREST
11.	T14S, R33E Sec 9, S2 Lea County, NM	320.00	VO-5998 10/1/05	State of New Mexico 1/6	Threshold Development Company EOG Resources, Inc.	Dale Douglas (1%) Alpine Petroleum Inc. (1%) John R. McRae (1%) The Monument Abo Company (1%) The Monument Abo Company (1%) Yinson Minerals, Ltd. (2.6665%)	None	Threshold Development Company EOG Resources, Inc.
12.	T14S, R33E Sec 10, SW4	160.00	VO-5999 10/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	6-11-2005	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Shabro Oil Ltd. Co.
13.	T14S, R33E Sec 11, NW4 Lea County, NM	160.00	VA-2265 11/1/05	State of New Mexico 1/8	Yates Petroleum Corporation	6-11-2005	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Shabro Oil Ltd. Co.
14.	T14S, R33E Sec 16, E2 Lea County, NM	320.00	VO-6009 11/1/05	State of New Mexico 1/6	Marbob Energy Corporation	5-11-2005	None	Marbob Energy Corporation
15.	T14S, R33E Sec 16, W2 Lea County, NM	320.00	VO-6028 11/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	5-11-2005	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Shabro Oil Ltd. Co.
16.	T14S, R33E Sec 17, E2 Lea County, NM	320.00	VO-6095 1/1/06	State of New Mexico 1/6	Yates Petroleum Corporation	5-18-05	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Shabro Oil Ltd. Co.
17.	T14S, R33E Sec 17, W2 Lea County, NM	320.00	VO-6079 1/1/06	State of New Mexico 1/6	Pitch Energy Corporation	5-18-05	None	Pitch Energy Corporation
18.	T14S, R33E Sec 2, Lots 1, 2, S2NE, SE Lea County, NM	319.91	VO-6384 10/1/06	State of New Mexico 1/6	Marbob Energy Corporation	5-13-05	None	Marbob Energy Corporation
19.	T14S, R33E Sec 10, N2 Lea County, NM	320.00	B-1581 HBP	State of New Mexico 1/8	McBride Oil & Gas Corporation	6-13-05	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Shabro Oil Ltd. Co.

Total Lands 5119.02  
 State Lands 5119.02

83.41  
 0/10 comm. 2/5