

RECEIVED 2007 AUG 6 PM 2

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

August 2, 2007

Vernon E. Faulconer, Inc. P.O. Box 7995 Tyler, Texas 75711

Attn:

Ms. Tamara Williams

Re:

2006 Plan of Development Hackberry Hills Unit

Eddy County, New Mexico

Dear Ms. Williams:

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

Oil, Gas and Minerals Division

PL/JB/jm

xc: Reader File

OCD

BLM