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PATRICK H. LYONN JUL 13 PM 12 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

July 10, 2007

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

Attn: Mr. Janet Richardson

Re:

Final Approval

Recif Unit

Eddy County, New Mexico

Dear Ms. Richardson:

This office is in receipt of your letter of July 2, 2007, requesting final approval for the Recif Unit Agreement, Eddy County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Recif 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.

It is our understanding that Tract Nos. 5 and 7 are not committed to the unit agreement at this time.

Enclosed are (5) Certificates of Approval.

Your \$240.00 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, Director

Oil, Gas and Minerals Division

(505) 827-5744 ·

PL/JB/pm

nc:

Reader File,

OCD-Santa Fe, Attn: Mr. David Catanach

TRD-Attn: Mr. Valdean Severson RMD-Attn: Mr. Kurt McFall BLM-Attn: Mr. John Simitz

-State Land Office Beneficiaries -