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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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www.nmstatelands.org

April 1, 2008

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

Attn: Mr. W. Lucky Briggs

Re: Pigskin State Unit Well No. 1
NW/4NE/4 Sec. 14-12S-26E
Commercial Well Determination
Chaves County, New Mexico

Dear Mr. Briggs:

We received your letter of March 25, 2008 together with data that supports your commercial determination regarding the Pigskin State Unit Well No. 1.

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

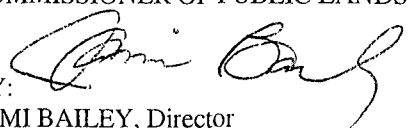
Please submit your 2008 Plan of Development.

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
PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Ed Martin
TRD-Attention: Mr. Valdean Severson

-State Land Office Beneficiaries -

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