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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 13, 2008

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

61.

Attn: Mr. Cody Moore

Re: 2008 Plan of Development Samuel Smith Unit Eddy County, New Mexico

Dear Mr. Moore:

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

BY: JAMI BAILEY, Director Oil, Gas and Minerals Division (505) 827-5744

PL/JB/jm xc: Reader File

OCD

BLM

-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

Iniversity