

RECEIVED

2008 JUN 9 PM 1 53



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 6, 2008

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

Attention: Ms. Barbara Nelson

Re: Voluntary Termination
Waylon State Unit
Lea County, New Mexico

Dear Ms. Nelson:

Your letter of June 3, 2008 has been received by this office. Your letter requests the voluntary termination of the Waylon State Unit Agreement. Enclosed with your letter of April 8, 2008 are ratifications of over 75% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Waylon State Unit Agreement, please be advised that this office has terminated the Waylon State Unit Agreement effective June 6, 2008.

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, Director
Oil, Gas & Minerals Division
PL/JB/pm

pc: Reader File
NMOCD Attention: Mr. Ed Martin
TRD-Attention: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

13514

-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