



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

February 23, 1993

Mitchell Energy Corporation
P.O. Box 4000
The Woodlands, Texas 77387-4000

Attention: Mr. Don R. McClung

Re: Comanche State Unit
Commercial Determination
Well No. 1
Lea County, New Mexico

Dear Mr. McClung:

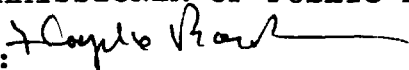
The New Mexico Taxation & Revenue Department has advised this office that Mitchell Energy Corporation has applied for a Production Unit Number. A review of the Comanche State Unit, reveals that a commercial determination for the Comanche State Unit Well #1 has not been submitted. This well was completed on October 14, 1992.

Pursuant to Section 8 of the agreement, please submit a commercial determination for the Comanche State Unit Well No. 1. If the well is determined commercial, you will also need to submit a 1993 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,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
BLM
OCD



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

February 17, 1993

Yates Drilling Company
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Mr. Douglas W. Hurlbut

Re: Expansion of Cactus Queen Unit
Chaves County, New Mexico

Dear Mr. Hurlbut:

The Commissioner of Public Lands has this date granted approval to the expansion of the Cactus Queen Unit, Chaves County, New Mexico. Approval of the expansion increases the size of the unit from 320.00 acres to 640.00 acres. This expansion is effective February 1, 1993 pursuant to the Bureau of Land Managements' approval letter of February 9, 1993.

In addition, please also be advised that revised Exhibits "A", "B" and "C" have been accepted for record and are hereby made a part of the Cactus Queen Unit Agreement.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD - Attn: Mr. Roy Johnson
BLM - Attn: Mr. John Simitz
TRD - Attn: Mr. Mike Holden

* AMENDED REPORT - EXPANSION OF UNIT AGREEMENT

UNIT NAME: Cactus Queen
 OPERATOR: Yates Drilling Company
 COUNTY: Chaves

| DATE | OCD CASE NO. | EFFECTIVE DATE | TOTAL ACREAGE | STATE | FEDERAL-INDIAN | FEE | SEG CLAUSE | TERM |
|----------|--------------------------------|----------------|---------------|--------|----------------|-----|------------|---------|
| 05/22/90 | 10641/R-9075A 10642/R-9075B | 5/07/90 | 640.00 | 120.00 | 520 | 0 | Modified | 5 years |

* EXPANSION OF UNIT AREA APPROVED 02/17/93 EFFECTIVE 02/01/93

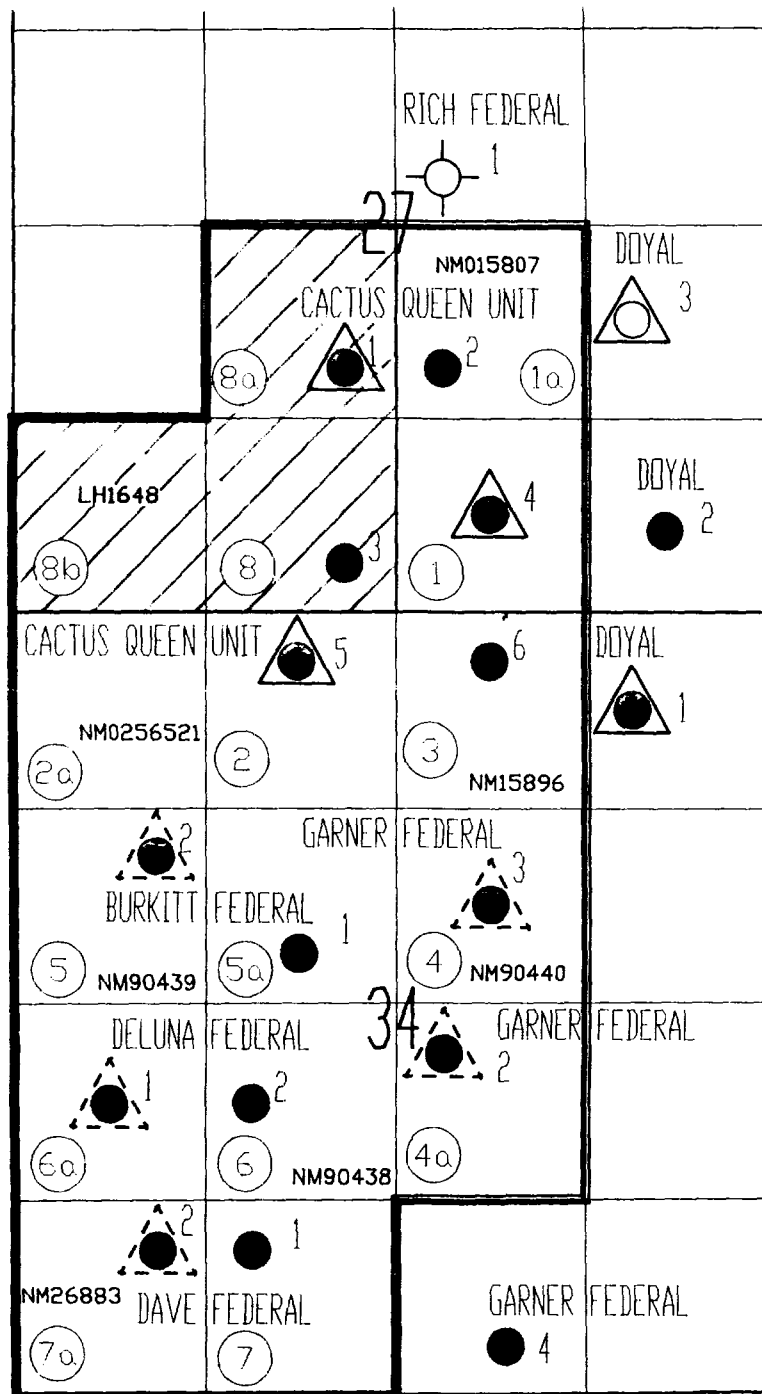
OCD: 01/26/93, Case No. 10641, Order No. R-9075A-1
 10642, R-9075B-1

CPL: 2/17/93
 BLN: 2/9/93

UNIT AREA:

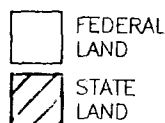
TOWNSHIP 12 SOUTH, RANGE 31 EAST, NORTH

Section 27: $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$
 Section 34: $\frac{1}{2}$ NE $\frac{1}{4}$, $\frac{1}{2}$, NW $\frac{1}{2}$ SE $\frac{1}{4}$



Yates Drilling Company Revised Proposed Expansion of the CACTUS QUEEN UNIT

T12S-R31E
 Chaves County
 New Mexico



| Percentage | Acreage |
|------------|---------|
| 81.25% | 520 |
| 18.75% | 120 |

SCALE 1"=1000'

Map #12S31E-E(92086 12/92 rev. 1/93 lf)

1 Tract Number

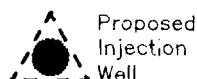
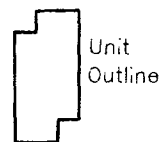


EXHIBIT "B"
Revised Expansion to the Unit Agreement
to the Cactus Queen Unit
Chaves County, New Mexico

Page 1

| act | Description | No. of acres | Serial No. & Expiration Date of Lease | Basic Royalty Owner & Percentage | Lessee of Record | Overriding Royalty Owner Percentage | Working Interest Owner & Percentage |
|-----|--------------------------------|-----------------|--|-------------------------------------|--|---|--|
| 3. | T12S-R31E Sec. 27: SW/4SE/4 | 40 | NM-015807 HBP | USA 12.50% | Phillips Petroleum Co. Successor in Interest to Aminoil USA, Inc. 100% | F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250% | Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation 50% 25% 25% |
| 1a. | T12S-R31E Sec. 27: NW/4SE/4 | 40 | NM-015807 HBP | USA 12.50% | Phillips Petroleum Co. Successor in Interest to Aminoil USA, Inc. 100% | F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250% | Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation 50% 25% 25% |
| 2a. | T12S-R31E Sec. 34: NW/4NW/4 | 40 | NM-0256521 HBP | USA 12.50% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates 25% | Eflon E. Nowell 1.5% R.F. Partnership Ltd. 1.5% | Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates 25% 25% |
| 3. | T12S-R31E Sec. 34: NW/4NE/4 | 40 | NM-15896 HBP | USA 12.50% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates 50% 25% 25% | C. E. Stunage 2.0% George Globe 2.0% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates 50% 25% 25% |

EXHIBIT "B"
Revised Expansion to the Unit Agreement
to the Cactus Queen Unit
Chaves County, New Mexico

Page 2

| Tract | Description | No. of acres | Serial No. & Expiration Date of Lease | Basic Royalty Owner & Percentage | Lessee of Record | Overriding Royalty Owner Percentage | Working Interest Owner & Percentage |
|-------|--------------------------------|-----------------|--|-------------------------------------|---|---|--|
| 4 | T12S-R31E Sec. 34:SW/4NE/4 | 40 | NM-90440 HBP | USA 12.50% | Phillips Petroleum Co. Successor in Interest to Amincoi USA, Inc. 100% | F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250% | Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation 50% 25% 25% |
| 4a. | T12S-R31E Sec. 34: NW/4SE/4 | 40 | NM-90440 HBP | USA 12.50% | Phillips Petroleum Co. Successor in Interest to Amincoi USA, Inc. 100% | F. G. Breckenridge .05% (PPI) Etoile M. Bennett .45% (PPI) W. G. Ross 1.3125% Monty D. McLane 1.3125% Phillips Petroleum Co. 3.1250% | Yates Drilling Company Estate of Martin Yates III Estate of Lillie M. Yates Surface through Queen Formation 50% 25% 25% |
| 5a. | T12S-R31E Sec. 34: SE/4NW/4 | 40 | NM-90439 HBP | USA 12.50% | Yates Drilling Co. 50% Est. Martin Yates II 25% Est. Lillie M. Yates 25% | Etion E. Nowell 1.5% R. F. Partnership Ltd. 1.5% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates 25% 25% 25% |
| 6 | T12S-R31E Sec. 34: NE/4SW/4 | 40 | NM-90438 HBP | USA 12.50% | Yates Drilling Co. 50% Est. Martin Yates III 25% Est. Lillie M. Yates 25% | C. E. Strange 2.0% George Globe 2.0% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates 50% 25% 25% |

EXHIBIT "B"
Revised Expansion to the Unit Agreement
to the Cactus Queen Unit
Chaves County, New Mexico

| Tract | Description | No. of acres | Serial No. & Expiration Date of Lease | Basic Royalty Owner & Percentage | Lessee of Record | Overriding Royalty Owner Percentage | Working Interest Owner & Percentage |
|-------|--------------------------------|--------------|---------------------------------------|----------------------------------|---|---------------------------------------|---|
| a. | T12S-R31E Sec. 34; NW/4SW/4 | 40 | NM-90438 HBP | USA 12.50% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates | C. E. Strange George Globe 2.0% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates |
| 7. | T12S-R31E Sec. 34; SE/4SW/4 | 40 | NM-26883 HBP | USA 12.50% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates | David J. Sorenson 6.25% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates |
| 7a. | T12S-R31E Sec. 34; SW/4SW/4 | 40 | NM-26883 HBP | USA 12.50% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates | David J. Sorenson 6.25% | Yates Drilling Co. Est. Martin Yates III Est. Lillie M. Yates |
| 8. | T12S-R31E Sec. 27; SE/4SW/4 | 40 | LH-1648 6/1/92 | State of New Mexico 12.50% | Yates Drilling Co. | None | Yates Drilling Co. Myco Industries, Inc. |
| 3a. | T12S-R31E Sec. 27; NE/4SW/4 | 40 | LH-1648 6/1/92 | State of New Mexico 12.50% | Yates Drilling Co. | None | Yates Drilling Co. Myco Industries, Inc. |
| | T12S-R31E Sec. 27; SW/4SW/4 | 40 | LH-1648 6/1/92 | State of New Mexico 12.50% | Yates Drilling Co. | None | Yates Drilling Co. Myco Industries, Inc. |

RECAPITULATION

| | |
|----------------------------|----------------|
| 520 acres of Federal Lands | 81.25% of Unit |
| 120 acres of State Lands | 18.75% of Unit |
| Total | 100.00% |

EXHIBIT "C"

Revised Expansion to the Unit
Agreement to the Cactus Queen
Unit, Chaves County, New Mexico

| Unit | Sec | Area | Tract | Well | Factor= 0.730000 | | Factor= 0.020000 | | Factor= 0.250000 | | Expansion Area |
|----------------------|-----|-----------|-------|--------------------|---|-----------------|--|-----------------|------------------------|-----------------|----------------|
| | | | | | Cumulative Oil Production Through October, 1992 | | May Through October, 1992 Oil Production | | Original Oil in Place* | | |
| | | | | | (Barrels) | (Participation) | (Barrels) | (Participation) | (Barrels) | (Participation) | |
| G | 34 | Expansion | 4 | Garner Federal #3 | 14,463 | 0.083729 | 367 | 0.175935 | 163,170 | 0.102460 | 0.090256 |
| J | 34 | Expansion | 4a | Garner Federal #2 | 17,858 | 0.103383 | 370 | 0.177373 | 225,151 | 0.141380 | 0.114362 |
| E | 34 | Expansion | 5 | Burkitt Federal #2 | 24,906 | 0.144185 | 142 | 0.068073 | 118,979 | 0.074711 | 0.125294 |
| F | 34 | Expansion | 5a | Burkitt Federal #1 | 43,797 | 0.253549 | 652 | 0.312560 | 304,027 | 0.190909 | 0.239069 |
| K | 34 | Expansion | 6 | Dehane Federal #2 | 41,500 | 0.240251 | 347 | 0.166347 | 366,006 | 0.229827 | 0.236167 |
| L | 34 | Expansion | 6a | Dehane Federal #1 | 4,192 | 0.024268 | 0 | 0.000000 | 236,624 | 0.148584 | 0.054862 |
| N | 34 | Expansion | 7 | Dave Federal #1 | 13,546 | 0.078420 | 158 | 0.075743 | 67,867 | 0.042616 | 0.069416 |
| M | 34 | Expansion | 7a | Dave Federal #2 | 12,474 | 0.072214 | 50 | 0.023969 | 110,702 | 0.069513 | 0.070574 |
| Expansion Area Total | | | | | 172,736 | 1.000000 | 2,086 | 1.000000 | 1,592,526 | 1.000000 | 1.000000 |

| | Factor= 0.730000 | | Factor= 0.020000 | | Factor= 0.250000 | | Expanded CQU |
|--------------------|--|-----------------|---|-----------------|------------------------|-----------------|-----------------|
| | Cumulative Oil Production Through October, 1992 | | May Through October, 1992 Oil Production | | Original Oil in Place* | | |
| | (Barrels) | (Participation) | (Barrels) | (Participation) | (Barrels) | (Participation) | |
| | | | | | | | |
| Original Unit Area | 104,882 | 0.377793 | 5,515 | 0.725562 | 1,188,133 | 0.427285 | 0.397121 |
| Expansion Area | 172,736 | 0.622207 | 2,086 | 0.274438 | 1,592,526 | 0.572715 | 0.602879 |
| Expanded Unit Area | 277,618 | 1.000000 | 7,601 | 1.000000 | 2,780,659 | 1.000000 | 1.000000 |

| Unit | Sec | Area | Tract | Well | Original Unit or Expansion Area | Expanded Unit Factor | Expanded CQU |
|------|-----|-----------|-------|----------------------|---------------------------------------|----------------------------|-----------------|
| | | | | | (Participation) | (Participation) | (Participation) |
| O | 27 | Original | 1 | Cactus Queen Unit #4 | 0.293398 | 0.397121 | 0.116514 |
| J | 27 | Original | 1a | Cactus Queen Unit #2 | 0.181740 | 0.397121 | 0.072173 |
| C | 34 | Original | 2 | Cactus Queen Unit #5 | 0.096687 | 0.397121 | 0.038396 |
| D | 34 | Original | 2a | None | 0.011139 | 0.397121 | 0.004424 |
| B | 34 | Original | 3 | Cactus Queen Unit #6 | 0.151060 | 0.397121 | 0.059989 |
| N | 27 | Original | 8 | Cactus Queen Unit #3 | 0.195752 | 0.397121 | 0.077737 |
| K | 27 | Original | 8a | Cactus Queen Unit #1 | 0.063279 | 0.397121 | 0.025129 |
| M | 27 | Original | 8b | None | 0.006945 | 0.397121 | 0.002758 |
| E | 34 | Expansion | 5 | Burkitt Federal #2 | 0.090256 | 0.602879 | 0.054413 |
| F | 34 | Expansion | 5a | Burkitt Federal #1 | 0.114362 | 0.602879 | 0.068947 |
| G | 34 | Expansion | 4 | Garner Federal #3 | 0.125294 | 0.602879 | 0.075537 |
| J | 34 | Expansion | 4a | Garner Federal #2 | 0.239069 | 0.602879 | 0.144130 |
| K | 34 | Expansion | 6 | Dehane Federal #2 | 0.236167 | 0.602879 | 0.142380 |
| L | 34 | Expansion | 6a | Dehane Federal #1 | 0.054862 | 0.602879 | 0.033075 |
| M | 34 | Expansion | 7a | Dave Federal #2 | 0.069416 | 0.602879 | 0.041849 |
| N | 34 | Expansion | 7 | Dave Federal #1 | 0.070574 | 0.602879 | 0.042548 |
| | | | | | | | 1.000000 |



IN DIVISION

United States Department of the Interior

12 PM 8 56

BUREAU OF LAND MANAGEMENT

Roswell District Office

P.O. Box 1397

Roswell, New Mexico 88202-1397



IN REPLY
REFER TO:

Cactus Queen Unit Expansion
No. NMNM82514X
3180 (065)

FEB 09 1993

Yates Drilling Company
Attention: Mr. Douglas W. Hurlbut
105 S. Fourth Street
Artesia, New Mexico 88210

Gentlemen:

Your application for the expansion of the Cactus Queen Unit, No. NMNM82514X, Chaves County, New Mexico, has been approved as of this date. Approval of the expansion, effective as of February 1, 1993, increases the size of the unit from 320.00 acres to 640.00 acres.

You are requested to furnish the Commissioner of Public Lands, the New Mexico Oil Conservation Division, and other interested principals with appropriate evidence of this approval.

Sincerely,

ORIG. SGD. James G. Pottenger

FOR Armando A. Lopez
Assistant District Manager,
Minerals

cc:
Commissioner of Public Lands
NMOC, Santa Fe



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 27, 1993

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10641
ORDER NO. R-9075-A(1)

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally Leichtle
Sally Leichtle
Administrative Secretary

cc: BLM Roswell Office
Steve Keene



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 11, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Yates Drilling Company
c/o William F. Carr
P.O. Box 2208
Santa Fe, NM 87504-2208

RE: Application of Yates Drilling for an expansion of its Cactus Queen (Voluntary) Unit Waterflood Project and qualification of the area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Chaves County, New Mexico.

Dear Mr. Carr:

There were several applications for the December 3, 1992 Examiner Hearing received by the Division after the filing deadline on November 10, 1992 that were, due to several circumstances, not placed on the docket. Unfortunately, your filing was one of these.

The December 3, 1992 docket appears to have several complicated and time-consuming matters already set to it and the Veteran's Day holiday did not allow myself or my staff adequate time to prepare the necessary advertisements which had to be mailed the morning of November 12, 1992 in order to meet the newspapers' publication deadlines.

I apologize for this inconvenience and assure you that this matter will be placed on the next available docket scheduled for December 17, 1992.

Thank you for your consideration and understanding in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - William J. LeMay
Oil Conservation Division - Robert G. Stovall
Oil Conservation Division - Larry O. Van Ryan