

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



#9823

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

September 27, 2002

Yates Drilling Company
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Ms. Bonnie Floore

Re: 2002 Plan of Development
Cactus Queen Unit
Chaves County, New Mexico

Dear Ms. Floore:

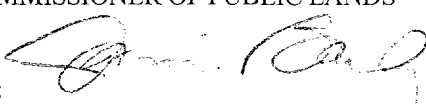
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted 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,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

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

RP/JB/cpm
xc: Reader File

OCD

BLM

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-675

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

February 10, 1988

Dickerson, Fisk & Vandiver
ATTENTION: Mr. Chad Dickerson
Seventh & Mahone, Suite E
Artesia, New Mexico 88210

9823

Re: Proposed Cactus Queen Unit
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of February 5, 1988. Enclosed you will find our letter to Yates Drilling Company, dated February 8, 1988, giving our preliminary approval to the proposed Cactus Queen Unit Agreement.


On Exhibit "B", please show a recapitulation showing the total State, Federal and Fee lands and their percentage.

If we may be of further help please do not hesitate to call on us.

Your filing fee in the amount of \$120.00 has been received.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-674

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

February 8, 1988

Yates Drilling Company
ATTN: Ms. Kathy H. Colbert
207 South Fourth Street
Artesia, New Mexico 88210

Re: Proposed Cactus Queen Unit
Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed Cactus Queen Unit, Chaves County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval please submit the following:

1. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Redesignation of all well names and numbers.
3. Initial Plan of Operation.
4. Three copies of all ratifications from the lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
5. Order of the New Mexico Oil Conservation Division and the Designation from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

6. The filing fee for a unit agreement is thirty dollars per section or partial section thereof.
7. Under SECTION 3, EXHIBITS. Please add Land Commissioner as noted on your copy. The last sentence should read as follows: "Exhibits "A", "B" and "C" shall be revised by the Unit Operator whenever changes in the Unit Area render such revision necessary or when requested by the Deputy, or the Land Commissioner, and not less than five copies shall be filed with the Deputy, and three copies with the Land Commissioner."
9. Under SECTION 24. EFFECTIVE DATE AND TERM. On the second paragraph the expiration date is April 1, 1987. Should this be April 1, 1988?
8. Under SECTION 25, RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. The second sentence should read as follows: "The A.O. is hereby vested with authority to alter or modify from time to time, at his discretion, the rate of prospecting and development and within the limits made or fixed by the Division to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further, that no such alteration or modification shall be effective as to any lands of the State of New Mexico as to the rate of prospecting and development in absence of the specific written approval thereof by the Land Commissioner as to any lands of the State of New Mexico or privately-owned Lands subject to this Agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Division."
9. On Exhibit "B" Tract No. 4., the correct Lease No. should be B-10418-86 and the Expiration Date should be July 6, 1953.

Yates Drilling Company
February 8, 1988
Page 3

10. On Exhibit "B" Tract Nos. 5, 5a, and 5b, the expiration date should be June 1, 1992.
11. Exhibit "A" should show all Tract Nos. as listed on Exhibit "B".

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm

cc: OCD-Santa Fe, New Mexico
 BLM-Roswell, New Mexico
 Gulram



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201

Cactus Queen Unit
3180 (065)

MAR 07 1988

Yates Petroleum Corporation
Attention: Kathy Colbert
207 South Fourth Street
Artesia, NM 88210

Dear Ms. Colbert:

Your application of February 3, 1988, filed with the BLM requests the designation of the Proposed Cactus Queen Unit Area, embracing 560.00 acres, more or less, in Chaves County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended for secondary waterflood unitization.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked "Yates Drilling Company, Cactus Queen Unit, Chaves County, New Mexico," is hereby designated as a logical unit area for the vertical limits of which extend from an upper limit described as the top of the Queen formation to a lower limit as the base of the Queen formation; the geologic markers having been previously found to occur at 2980 feet and 3100 feet, respectively.

The unit agreement submitted for the area designated should provide for a well to test the Queen formation, or to a depth of 2980 feet to 3100 feet. It has also been agreed upon that lands in T. 12 S., R. 31 E., sec. 34, SE $\frac{1}{4}$ NE $\frac{1}{4}$ will be drilled on upon approval of this unit agreement. It has further been agreed that one of the tracts of lands in T. 12 S., R. 31 E., sec. 27, SW $\frac{1}{4}$ SW $\frac{1}{4}$ and T. 12 S., R. 31 E., sec. 34, NW $\frac{1}{4}$ NW $\frac{1}{4}$ will be drilled on within two (2) years of waterflood operations. Should it be decided that one of the last two tracts of land mentioned will not be drilled on, both tracts will be excluded from the unit.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.

Inasmuch as this unit agreement involves State and Fee lands, we are sending a copy of this to the Commissioner of Public Lands and the NMOCD in Santa Fe. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

Sincerely,

(ORIG. SGD.) JOE G. LARA

Joe G. Lara
Assistant District Manager,
Minerals

1 Enclosure

cc:

✓ Commissioner of Public Lands, Santa Fe
NMOCD, Santa Fe
NM (067, B. Lopez)

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

March 14, 1988

SLO REF NO. OG-694

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

Yates Drilling Company
ATTN: Ms. Kathy H. Colbert
207 South Fourth Street
Artesia, New Mexico 88210

Re: Proposed Cactus Queen Unit
Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of March 1, 1988, together with revised pages to the unit agreement and unit operating agreement. These pages have been accepted and filed in our unit file.

Please, also make the following corrections as mentioned in our preliminary approval letter of February 8, 1988.

1. Under SECTION 3, EXHIBITS. Please add Land Commissioner as noted on your copy. The last sentence should read as follows: "Exhibits "A", "B" and "C" shall be revised by the Unit Operator whenever changes in the Unit Area render such revision necessary or when requested by the Deputy, or the Land Commissioner, and not less than five copies shall be filed with the Deputy, and three copies with the Land Commissioner."
2. Under SECTION 25, RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. The second sentence should read as follows: "The A.O. is hereby vested with authority to alter or modify from time to time, at his discretion, the rate of prospecting and development and within the limits made or fixed by the Division to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further, that no such alteration or modification shall be effective as to any lands of the State of New Mexico as to the rate of prospecting and development in absence of the specific written approval thereof by the Land Commissioner as to any lands of the State of New Mexico or privately-owned Lands subject to this Agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Division."

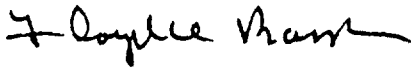
Yates Drilling Company
March 14, 1988
Page 2

3. On Exhibit "B" Tract Nos. 5, 5a, and 5b, the expiration date should be June 1, 1992.
4. Exhibit "A" should show all Tract Nos. as listed on Exhibit "B".
5. On Exhibit "B", please show a recapitulation showing the total State, Federal and Fee lands and their percentage of unit ownership.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico