



**BUREAU OF LAND MANAGEMENT  
ROSWELL DISTRICT OFFICE  
DIVISION OF MINERAL RESOURCES**

**OFFICE (505) 627-0272 FAX (505) 627-0276**

**DATE 8/27/02 TIME \_\_\_\_\_**

2 PAGES TO FOLLOW

**TO:** Mike Stogner

**FROM:** Amanda Lopez

**MESSAGE**

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## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88202

New Mexico Oil Conservation Division  
Attn: Mr. Michael Stogner  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Proposed West Echols State Exploratory Unit  
Lea County, New Mexico

Dear Mr. Stogner:

The Bureau of Land Management has reviewed the proposed West Echols State Exploratory Unit submitted by Yates Petroleum Corporation (Yates). We do not feel that it is in the best public interest to have the federal tract committed to this unit.

We have discussed the proposed unit agreement with Yates and have agreed not commit the federal tract to the unit agreement They have agreed protect the federal tract from drainage in the event that an offset well is drilled. We request that if the federal tract is developed, that it be developed as a standup with an E $\frac{1}{2}$  320 acre proration unit.

Attached is a letter, from Yates, for your files as to our agreement for the development of the federal tract.

If you have any questions please give me a call at (505) 627-0248.

Sincerely,

Armando A. Lopez  
Acting Assistant Field Manager,  
Division of Lands and Minerals

Enclosure:

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
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TREASURER

August 23, 2002

Attn: Mr. Armando Lopez  
Bureau of Land Management  
Roswell Field Office  
2909 West 2nd Street  
Roswell, New Mexico 88201-2019

Via Facsimile & Mail

RE: **NM 102056**  
**Township 11 South, Range 38 East**  
**Section 18: E/2**  
**Lea County, New Mexico**

Dear Mr. Lopez:

It is our understanding that upon review of the information presented to your office regarding the West Echols State Exploratory Unit that you feel it is not in the "public interest" to join the unit with the captioned acreage.

Furthermore you have expressed concern about protecting the federal tract from drainage by any Unit well drilled offsetting the federal tract. It is our understanding that you are not seeking a well commitment but would expect Yates to make its best effort to drill a well on the federal tract if Yates determined that justifiable by geological and reservoir data obtained by prior unit wells.

Yates hereby agrees to same.

Thank you.

Very truly yours,

**YATES PETROLEUM CORPORATION**

Robert Bullock  
Landman

RB:bn