



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

April 20, 2004

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

Attention: Ms. Tammy L. Hobbs

Re: Atoka Bank State Exploratory Unit  
Revised Exhibits "A" and "B"  
Section 8 All, Section 17 All, Township 24 South, Range 33 East  
Lea County, New Mexico

RECEIVED

APR 26 2004

Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505

Dear Ms. Hobbs:

We have received your letter of April 15, 2004 together with the corrected page 2 for the Atoka Bank State Exploratory Unit agreement.

Please be advised that the above-mentioned corrected page has been accepted for record. 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 and Minerals Division  
(505) 827-5744  
PL/JB/pm

pc: Reader File  
OCD-Attention: Roy Johnson



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MAR 17 2004

OIL CONSERVATION  
DIVISION

March 15, 2004

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

Attn: Mr. Ernest L. Carroll

Re: Final Approval  
Atoka Bank State Exploratory Unit  
Lea County, New Mexico

Dear Mr. Carroll:

This office is in receipt of your letter of March 8, 2004, requesting final approval of the Atoka Bank State Exploratory Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Atoka Bank State Exploratory Unit Agreement. The effective date of your agreement is March 15, 2004.

It is our understanding that all tracts are committed to the unit agreement.

Enclosed are (5) Certificates of Approval.

Your \$60.00 filing fee has been received.

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

Oil, Gas & Minerals Division

(505) 827-5744

PL/JB/pm

pc:

Reader File,

OCD-Santa Fe, Attn: Mr. Roy-Johnson

TRD-Attn: Mr. Valdean Severson

RMD-Attn: Ms. Linda Vieira



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February 25, 2004

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

Attention: Mr. Ernest L. Carroll

Re: Preliminary Approval  
Proposed Atoka Bank State Exploratory Unit  
Lea County, New Mexico

**RECEIVED**

**FEB 27 2004**

**Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505**

Dear Mr. Carroll:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Atoka Bank State Exploratory Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who 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 final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
  - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
  - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
  - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
  - d. That such unit agreement is in other respects for the best interest of the trust.
3. 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.
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

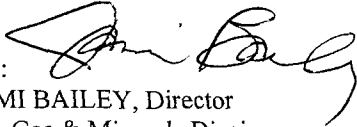
Yates Petroleum Corporation  
February 25, 2004  
Page 2

5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. Your filing fee in the amount of \$60.00 has been received.

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  
(505) 827-5744

PL/JB/pm

cc: <OCD-Santa Fe, Attention: Mr. Roy Johnson  
William F. Carr



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May 10, 2005

Yates Petroleum Corporation  
105 South 4<sup>th</sup> Street  
Artesia, New Mexico 88210-2118

Attn: Mr. Ernest Carroll

Re: 2005 Plan of Development  
Atoka Bank State Unit  
Lea County, New Mexico

Dear Mr. Carroll:

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,

**PATRICK H. LYONS**  
**COMMISSIONER OF PUBLIC LANDS**

A handwritten signature in black ink, appearing to read "Jami Bailey".

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

PL/JB/cpm  
xc: Reader File

OCD

**-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



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April 15, 2005

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Attn: Mr. Ernest Carroll

Re: Atoka Bank State Unit Well No. 1  
SW/4SE/4 Sec. 17-24S-33E  
Commercial Well Determination  
Lea County, New Mexico

Dear Mr. Carroll:

We received your letter of April 7, 2005 together with data that supports your commercial determination regarding the Atoka Bank State Unit Well No. 1.

The Commissioner of Public Lands concurs with Yates Petroleum Corporation's determination that the above-mentioned well is a commercial well in the Atoka and Morrow formations.

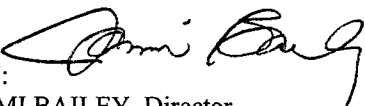
Please submit your 2005 Plan of Development for approval.

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  
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