

13332



RECEIVED

AUG 31 2004

*State of New Mexico*  
*Commissioner of Public Lands*

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

OIL CONSERVATION  
DIVISION

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

PATRICK H. LYONS  
COMMISSIONER

August 27, 2004

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

Attention: Mr. Chuck Moran

Re: Preliminary Approval  
Proposed Boffin State Exploratory Unit  
Chaves County, New Mexico

Dear Mr. Moran:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Boffin State Exploratory Unit area, Chaves 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.

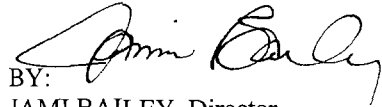
Yates Petroleum Corporation  
August 27, 2004  
Page 2

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.
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 and any subsequent well.
8. Please submit a filing fee in the amount of \$180.00.

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

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



**PATRICK H. LYONS**  
**COMMISSIONER**

*State of New Mexico*  
*Commissioner of Public Lands*

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SEP 22 2004

OIL CONSERVATION  
DIVISION

September 21, 2004

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

Attn: Mr. Chuck Moran

Re: Final Approval  
Boffin State Exploratory Unit  
Chaves County, New Mexico

Dear Mr. Moran:

This office is in receipt of your letter of September 17, 2004, requesting final approval of the Boffin State Exploratory Unit Agreement, Chaves County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Boffin State Exploratory Unit Agreement. The effective date of your agreement is September 21, 2004.

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

Enclosed are (5) Certificates of Approval.

Your \$180.00 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: *Anthony H. Neal*  
JAMI BAILEY

FOR 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

**-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

UNIT NAME: BOFFIN STATE EXPLORATORY UNIT  
 OPERATOR: YATES PETROLEUM CORPORATION  
 COUNTY: CHAVES

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
09/21/2004		2920.00	2920.00	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--09-21-2004  
 OCD--09-09-2004 CASE NO. 13332  
 ORDER NO. R-12213

TOWNSHIP 09 SOUTH, RANGE 27 EAST  
 SECTION 9: SW/4NW/4, S/2  
 SECTION 10: S/2  
 SECTION 15: ALL  
 SECTION 16: ALL  
 SECTION 21: E/2  
 SECTION 22: ALL

EXHIBIT "A"

Yates Petroleum Corporation

Boffin State Unit Area

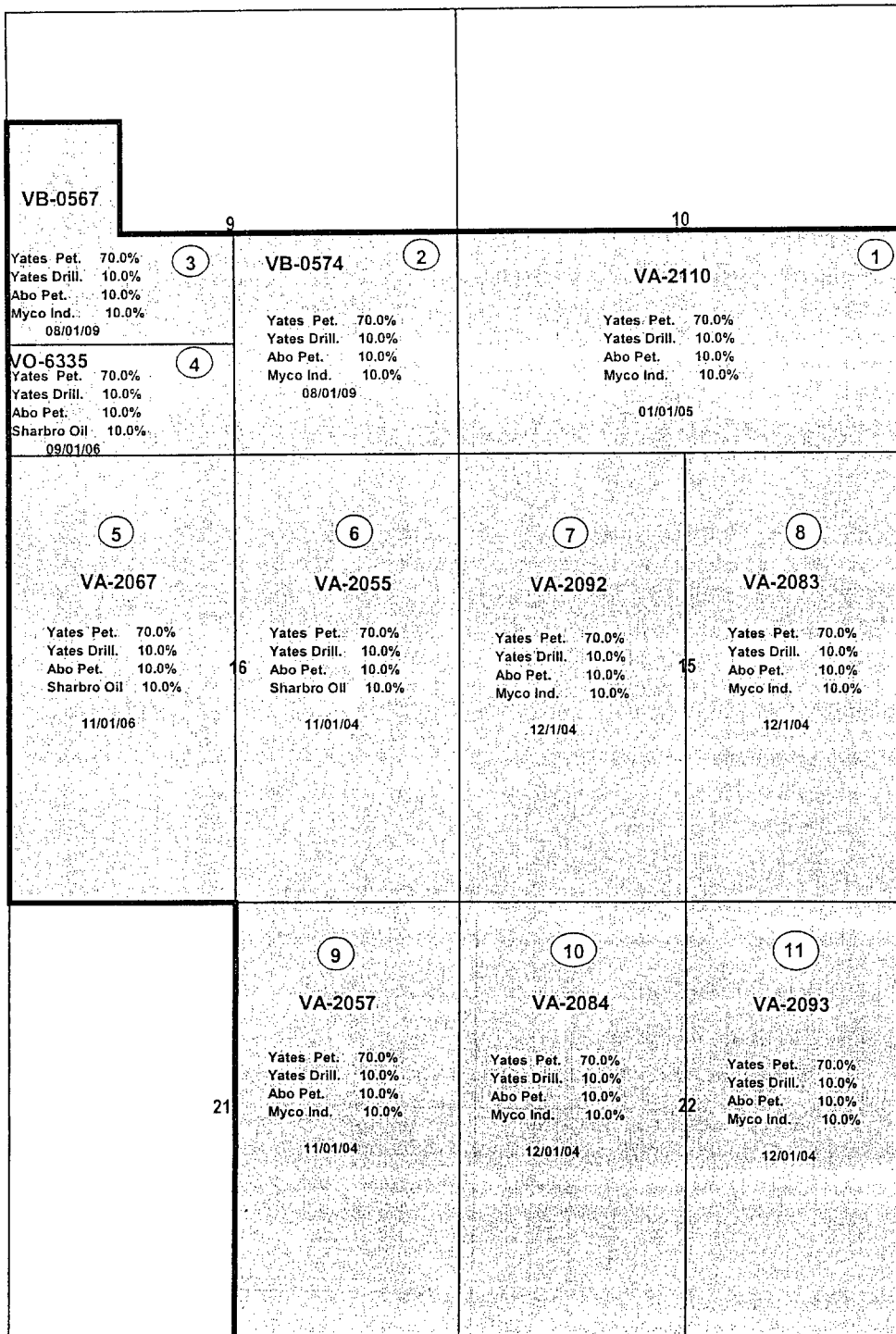
Chaves County, New Mexico

Indicates Unit Area

Scale 2 1/4 inches = 1 mile

Tract Number

R27E



T  
9  
S

**EXHIBIT "B"**  
**Boffin State Unit**  
**Township 9 South, Range 27 East N.M.P.M.**  
**Chaves County, NM**

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR & ROYALTY	RECORD TITLE	%	OVERRIDING ROYALTY	WORKING INTEREST	%
1	T9S, R27E Sec. 10: S/2 Chaves County, NM	320.00	VA-2110 1/1/05	State of New Mexico 1/8	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8/29/04	70.00% 10.00% 10.00% 10.00%
2	T9S, R27E Sec. 9: SE/4 Chaves County, NM	160.00	VB-0574 8/1/09	State of New Mexico 1/5	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8/29/04	70.00% 10.00% 10.00% 10.00%
3	T9S, R27E Sec. 9: SW/4NW/4, N/2SW/4 Chaves County, NM	120.00	VB-0567 8/1/09	State of New Mexico 1/8	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8/29/04	70.00% 10.00% 10.00% 10.00%
4	T9S, R27E Sec. 9: S/2SW/4 Chaves County, NM	80.00	VO-6335 9/1/06	State of New Mexico 1/6	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co. 8/29/04	70.00% 10.00% 10.00% 10.00%
5	T9S, R27E Sec. 16: W/2 Chaves County, NM	320.00	VA-2067 11/1/04	State of New Mexico 1/8	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co. 8/29/04	70.00% 10.00% 10.00% 10.00%
6	T9S, R27E Sec. 16: E/2 Chaves County, NM	320.00	VA-2055 11/1/04	State of New Mexico 1/8	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Sharbro Oil Ltd. Co. 8/29/04	70.00% 10.00% 10.00% 10.00%
7	T9S, R27E Sec. 15: W/2 Chaves County, NM	320.00	VA-2092 12/1/04	State of New Mexico 1/8	Yates Petroleum Corporation 8/29/04	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8/29/04	70.00% 10.00% 10.00% 10.00%
8	T9S, R27E Sec. 15: E/2 Chaves County, NM	320.00	VA-2083 12/1/04	State of New Mexico 1/8	Yates Petroleum Corporation 8/29/04	100.00%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. 8/29/04	70.00% 10.00% 10.00% 10.00%

**EXHIBIT "B"**  
**Boffin State Unit**  
**Township 9 South, Range 27 East N.M.P.M.**  
**Chaves County, NM**

9	T9S, R27E Sec. 21: E/2 Chaves County, NM	320.00	VA-2057 11/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70.00% 10.00% 10.00% 10.00%
10	T9S, R27E Sec. 22: W/2 Chaves County, NM	320.00	VA-2084 12/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70.00% 10.00% 10.00% 10.00%
11	T9S, R27E Sec. 22: E/2 Chaves County, NM	320.00	VA-2093 12/1/04	State of New Mexico 1/8	Yates Petroleum Corporation	100%	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Myco Industries, Inc.	70.00% 10.00% 10.00% 10.00%

11 Tracts - State 2,920.00 acres or 100%



*State of New Mexico*  
*Commissioner of Public Lands*

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PATRICK H. LYONS  
COMMISSIONER

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

February 21, 2005

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

Attn: Mr. Chuck Moran

Re: 2005 Plan of Development  
Boffin State Unit  
Chaves County, New Mexico

Dear Mr. Moran:

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 cursive script, 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





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PATRICK H. LYONS  
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February 7, 2005

RECEIVED

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

FEB 08 2005

Attention: Mr. Chuck Moran

OIL CONSERVATION  
DIVISION

Re: Commercial Determination  
Boffin State Unit Well No. 1  
NW/4SE/4, Section 16-9S-27E  
Chaves County, New Mexico

Dear Mr. Moran:

We are in receipt of your letter of January 28, 2005, together with the data supporting your determination that the Boffin State Unit Well No. 1 is capable of producing unitized substances in paying quantities from the Silurian formation.


Pursuant to Article 8, of the Boffin State Unit Agreement, the Commissioner of Public Lands concurs with your determination that the Boffin State Unit Well No. 1 is capable of producing unitized substances in paying quantities from the Silurian formation. This well is located in the NW/4SE/4 of Section 16, Township 9 South, Range 27 East, Chaves County, New Mexico.

Please submit your 2005 Plan of Development to this office 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  
Oil, Gas and Minerals Division  
(505) 827-5744

PL/JB/pm

pc: Reader File,

OCD-Attention: Mr. Roy Johnson,

TRD-Attn: Mr. Valdean Severson

RMD-Attn: Ms. Linda Vieira

-State Land Office Beneficiaries -

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COMMISSIONER'S OFFICE

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May 11, 2006

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

Attn: Ms. Bonnie Floore

Re: 2006 Plan of Development  
Boffin State Unit  
Chaves County, New Mexico

Dear Ms. Floore:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you 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

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

PL/JB/cpm  
xc: Reader File

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PATRICK H. LYONS  
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www.nmstatelands.org

April 28, 2006

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

Attn: Ms. Bonnie Floore

Re: 2006 Plan of Development  
Big Hat State Unit  
Lea County, New Mexico

Dear Ms. Floore:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you 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

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

PL/JB/cpm  
xc: Reader File



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**COMMISSIONER**

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760  
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www.nmstatelands.org

January 14, 2005

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

Attn: Ms. Bonnie Floore

Re: 2004 Plan of Development  
Big Hat State Unit  
Lea County, New Mexico

RECEIVED

DEC 20 2005

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

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,

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

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

PL/JB/cpm  
xc: Reader File

OCD

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April 11, 2005

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

Attn: Mr. Kevin Klein

Re: 2005 Plan of Development  
Big Hat State Unit  
Lea County, New Mexico

Dear Mr. Klein:

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 cursive script, appearing to read "Jami Bailey".

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

PL/JB/cpm  
xc: Reader File

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