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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

May 8, 2006

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Ms. Bonnie Floore

Re: 2006 Plan of Development
Orbison 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

-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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May 8, 2006

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Ms. Bonnie Floore

Re: 2006 Plan of Development
Otis 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 Pète Martinez at (505) 827-5791.

Very truly yours,

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BY:
JAMI BAILEY, Director
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BLM

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2004 SEP 2 11 4 00
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

August 31, 2004

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

Attention: Mr. Robert Bullock

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

Dear Mr. Bullock:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Orbison 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.

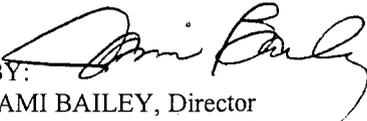
Yates Petroleum Corporation
August 31, 2004
Page 2

5. As discussed with Mr. Amiatt in our meeting of August 26, 2004, on the unit agreement, Article 9, Page 6, second line of the last paragraph please delete embracing lands of the State of New Mexico.
6. Please submit two copies of the Unit Agreement.
7. A copy of the Unit Operating Agreement (if applicable).
8. Copies of all the well records for the initial unit well.
9. 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 and Minerals Division
(505) 827-5744

PL/JB/pm

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



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September 16, 2004

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

Attn: Mr. Robert Bullock

Re: Corrected Letter Final Approval
Unit Effective **September 16, 2004**
Orbison State Exploratory Unit
Lea County, New Mexico

Dear Mr. Bullock:

This office is in receipt of your letter of September 13, 2004, requesting final approval of the Orbison 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 Orbison State Exploratory Unit Agreement. The effective date of your agreement is **September 16, 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: *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 -

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UNIT NAME: ORBISON STATE EXPLORATORY UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

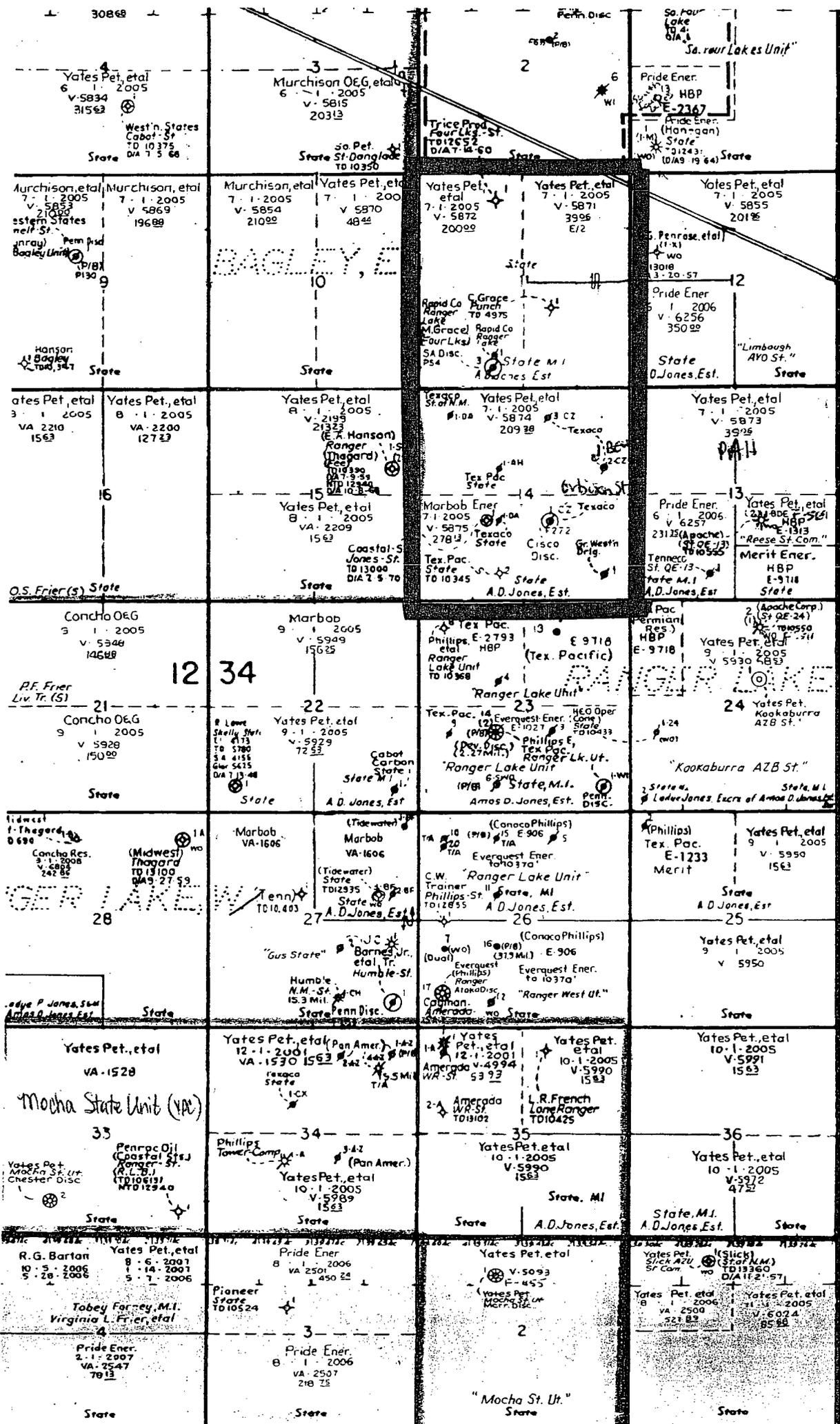
DATE	OCC CASE NO.	TOTAL	STATE	FEDERAL	INDIAN	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	ACREAGE			FEE	CLAUSE	
EFFECTIVE		1280.00	1280.00	0	0	STRICT	5 YEARS
09/16/2004							SO LONG AS

APPROVALS

SLO--09-16-2004
OCD--09-09-2004 CASE NO. 13333
ORDER NO. R-12214

TOWNSHIP 12 SOUTH, RANGE 34 EAST
SECTION 11: ALL
SECTION 14: ALL

EXHIBIT A



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12
S

To Tatum

EXHIBIT "B"
Orbison State Exploratory Unit

TRACT NUMBER	DESCRIPTION OF LANDS	NET ACRES	SERIAL NUMBER AND EXPIRATION DATE	LESSOR & ROYALTY	LESSEE OF RECORD	ROYALTY	OVERRIDING ROYALTY	WORKING INTEREST
1.	<u>T12S, R34E</u> Sec. 11: W2 Lea County, NM	320.00	VO-5872 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation <i>STATE LAND OFFICE STATE OF NEW MEXICO</i>	None	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
2.	<u>T12S, R34E</u> Sec. 11: E2 Lea County, NM	320.00	VO-5871 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
3.	<u>T12S, R34E</u> Sec. 14: N2 Lea County, NM	320.00	VO-5874 7/1/05	State of New Mexico 1/6	Yates Petroleum Corporation	None	None	Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.
4.	<u>T12S-R34E</u> Sec 14: S2 Lea County, NM	320.00	VO-5875 7/1/05	State of New Mexico 1/6	Marbob Energy Corporation	None	None	Marbob Energy Corporation Manzano, LLC Hanagan Petroleum Corporation Hugh E. Hanagan

100% STATE LANDS 1280.00



RECEIVED

State of New Mexico

PATRICK H. LYONS
COMMISSIONER

SEP 17 2004

Commissioner of Public Lands

**OIL CONSERVATION
DIVISION**

310 OLD SANTA FE TRAIL
P.O. BOX 1148
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COMMISSIONER'S OFFICE

Phone (505) 827-5760
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September 16, 2004

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

Attn: Mr. Robert Bullock

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

Dear Mr. Bullock:

This office is in receipt of your letter of September 13, 2004, requesting final approval of the Orbison 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 Orbison State Exploratory Unit Agreement. The effective date of your agreement is December 16, 2003.

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: *Anthony H. Neal*
JAMI BAILEY

fox

Oil, Gas & Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
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JUN 3 0 2005



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DIVISION

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RECEIVED

JUN 3 0 2005

OIL CONSERVATION
DIVISION

June 29, 2005

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210-2118

Attn: Mr. Robert Bullock

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

Dear Mr. Bullock:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by the Oil Conservation Division. 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.

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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COMMISSIONER'S OFFICE

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March 3, 2005

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

Attn: Mr. Robert Bullock

Re: Commerciality Determination
Orbison State Unit Well No. 1
SE/4NE/4 Sec. 14-12S-34E
Lea County, New Mexico

Dear Mr. Bullock:

We received your letter of February 25, 2005 together with data that supports your commercial determination regarding the Orbison 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 Austin formation.

Please submit your 2005 plan of development for this unit area.

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. Mark*

FOR

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

PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson

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