

13550



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MAR 19 2007

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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

March 15, 2007

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

Attention: Mr. Chuck Moran

Re: Voluntary Termination
Lacrosse State Unit
Chaves County, New Mexico

Dear Mr. Moran:

Your letter of March 13, 2007 has been received by this office. Your letter requests the voluntary termination of the Lacrosse State Unit Agreement. Enclosed with your letter of March 13, 2007 are ratifications of over 75% of the working interest owners requesting the unit termination.

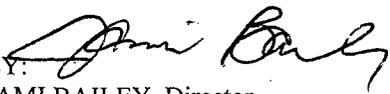
Pursuant to Article 17 of the Lacrosse State Unit Agreement, please be advised that this office has terminated the Lacrosse State Unit Agreement effective March 15, 2007. The Lacrosse BJX State Com Well No. 1 has been issued in lieu for the N/2 of Section 32-11S-27E.

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 & Minerals Division
PL/JB/pm

pc: Reader File, Commissioner's File
NMOCD Attention: Mr. David Catanach
TRD-Attention: 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 Salina Lands • Water Resources • Western New Mexico University

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

DATE	OCC CASE NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 09/29/2005	CASE NO. 13550 ORDER NO. R-12429	3840.00	3840.00	0	40	Strict	5 YEARS SO LONG AS

APPROVALS

SLO--09-29-2005
 OCD--09-26-2005

TOWNSHIP 11 SOUTH, RANGE 27 EAST

SECTION 22: ALL
 SECTION 27: ALL
 SECTION 28: ALL
 SECTION 32: ALL
 SECTION 33: ALL
 SECTION 34: ALL

TERMINATED
 EFFECTIVE 3/15/07
 APPROVED 3/15/07

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MAR 20 2007

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 Santa Fe, NM 87505