



United States Department of the Interior

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BUREAU OF LAND MANAGEMENT

Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201

IN REPLY REFER TO:

NMNM-117909X  
3180 NM (513)

**MAR 14 2007**

Yates Petroleum Corporation  
Attn: Ms. Janet Richardson  
105 South Fourth Street  
Artesia, NM 88210-2118

Re: Designation of the Recif Unit Area  
Eddy County, New Mexico

Dear Ms. Richardson,

Your application dated February 8, 2007, filed with the Bureau of Land Management requests the designation of the Recif Unit area, embracing 5,207.37 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit "A", Yates Petroleum Corporation, Recif Unit, Eddy County, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM-117909X. This designation is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated must provide for a well to test the Upper Pennsylvanian formation, or to a depth of 8,000 feet.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area. Three copies of the agreement must be submitted to this office.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage.

ATTACHMENT D

Inasmuch as this unit agreement involves State land, we are sending a copy of this letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the state.

Sincerely,

A handwritten signature in black ink that reads "Larry D. Bray". The signature is written in a cursive style with a large initial "L" and "B".

Larry D Bray  
Assistant Field Manager,  
Lands and Minerals

cc:  
Commissioner of Public Lands  
NM (513, AC Swoboda)