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PATRICK H. LYONS  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
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May 7, 2008

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

Attn: Mr. Chuck Moran

Re: Manchester State Unit Well No. 1 (30-015-34929)  
NW/4NW/4 Sec. 20-19S-23E  
Commercial Well Determination  
Eddy County, New Mexico

Dear Mr. Moran:

We received your letter of May 6, 2008 together with data that supports your commercial determination regarding the Manchester State Unit Well No. 1.

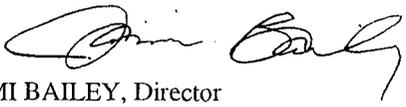
The Commissioner of Public Lands concurs with Yates Petroleum Corporation's determination that the above-mentioned well is a commercial well in the Morrow formation.

Please submit your 2008 Plan of Development.

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  
PL/JB/pm

pc: Reader File,  
OCD-Attention: Mr. Ed Martin  
TRD-Attention: Mr. Valdean Severson

-State Land Office Beneficiaries -

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