



13415

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

2006 Plan of Development
Patsy State Exploratory 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

-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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www.nmstatelands.org

August 9, 2005

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

Attn: Mr. Chuck Moran

Re: Patsy State Unit Well No. 2
SW/4SW/4 (M) Sec. 11-12S-31E
Commercial Well Determination
Chaves County, New Mexico

2005 AUG 10 AM 10 32

Dear Mr. Moran:

Thank you for your letter of August 2, 2005 with data that supports the commercial determination regarding the Patsy State Unit Well No. 2. The Commissioner of Public Lands concurs with this determination that the well is a commercial well in the Atoka formation.

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

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September 12, 2005

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

Attn: Mr. Chuck Moran

2005 Plan of Development
Patsy State Exploratory Unit
Chaves County, New Mexico

Dear Mr. Moran:

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. 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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COMMISSIONER'S OFFICE

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www.nmstatelands.org

March 1, 2005

Holland & Hart
P. O. Box 2208
Santa Fe, NM 87504-2208

Attn: Ms. Ocean Munds-Dry

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

Dear Ms. Munds-Dry:

This office is in receipt of your letter of March 1, 2005 requesting final approval of the Patsy 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 Patsy State Exploratory Unit Agreement. The effective date of your agreement is March 1, 2005.

It is our understanding that tract Nos. 3 and 4 are not committed to the unit agreement at this time.

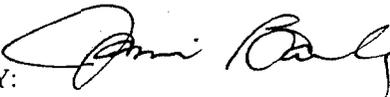
Enclosed are (5) Certificates of Approval.

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: 

JAMI BAILEY
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
Mr. William F. Carr

-State Land Office Beneficiaries -

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RECEIVED

MAR 0 8 2005

OIL CONSERV
DIVISION

UNIT NAME: PATSY 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
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EFFECTIVE 03/01/2005	CASE NO. 13415	ORDER NO. R-12293	2760.20	2760.20	0	0	STRICT	5 YEARS SO LONG AS
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APPROVALS

SLO--03-01-2005
OCD--02-25-2005

TOWNSHIP 11 SOUTH, RANGE 31 EAST

SECTION 35: W/2

TOWNSHIP 12 SOUTH, RANGE 31 EAST

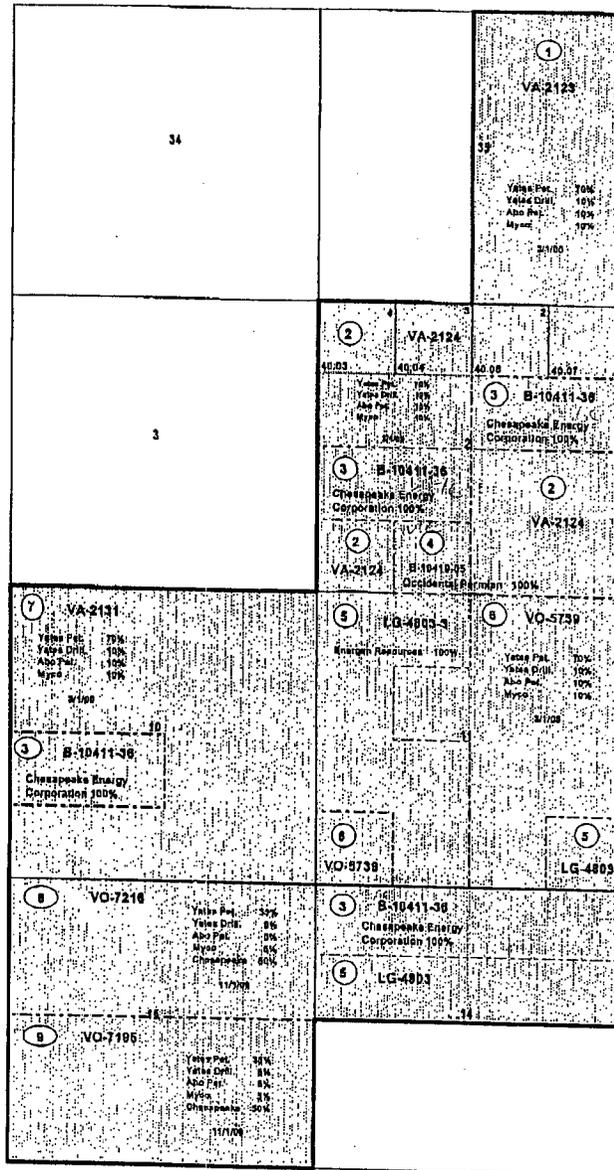
SECTION 2: LOTS 1-4, S/2NW/4, SW/4SW/4, SE/4
 SECTION 10: N/2, S/2SW/4, SE/4
 SECTION 11: ALL
 SECTION 14: S/2N/2
 SECTION 15: ALL

EXHIBIT "A"

Yates Petroleum Corporation

Patsy State Unit Area
Township 11 South, Range 31 East, N.M.P.M.
Township 12 South, Range 31 East, N.M.P.M.
Chaves County, New Mexico

R31E



T
11
S

T
12
S

Indicates Unit Area

Scale 2 inches = 1 mile

Ⓢ Tract number

Tract No	Lessor	Description of Land	No of Acres	Lease Serial No.	Lease Expiration Date	Basic Royalty and Ownership Percentage	Lessee of Record / Original Lessee	%	Overriding Royalty and Percentage	%	Working Interest Owner and Percentage	%
1	State of New Mexico	Township 11 South, Range 31 East, Sec. 35, E2	320.00	VA-2123	03/01/05	1/8	Yates Petroleum Corporation 2-24-05	100.00%	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	70.00% 10.00% 10.00% 10.00%
2	State of New Mexico	Township 12 South, Range 31 East, Sec. 2 Lots 1-4 (N2S1W/4, S1W4SW/4, SE1/4 SW1/4SW/4, SE1/4)	440.20	VA-2124	03/01/05	1/8	Yates Petroleum Corporation 2-24-05	100.00%	None		Yates Petroleum Corporation Abo Petroleum Corporation Mycos Industries, Inc.	70.00% 10.00% 10.00%
3	State of New Mexico	Township 12 South, Range 31 East, Sec. 2, S2NE1/4, N2SW1/4, Section 10, N2SW1/4, Section 14, N2W1/2	480.00	B-10411-36 N/C	HBP	1/8	Ram Energy, Inc. N/C	100.00%	Of Record	10.00%	Chesapeake Energy Corporation 2-25-05	100.00%
4	State of New Mexico	Township 12 South, Range 31 East, Sec. 2, SE4SW1/4	40.00	B-10411-35 N/C	HBP	1/8	Occidental Permian, Ltd. N/C	100.00%	None		Occidental Permian, Ltd.	100.00%
5	State of New Mexico	Township 12 South, Range 31 East, Sec. 11, N2NW1/4, SW1/4NW1/4, NW1/4SW1/4, E2SW1/4, SE4SE1/4, Section 14, S2W1/2	440.00	LG-4803-3	HBP	1/8	Energies Resources Corporation 2-25-05	100.00%	None		Energies Resources Corporation 2-28-05	100.00%
6	State of New Mexico	Township 12 South, Range 31 East, Sec. 11, NE1/4, SE4NW1/4, N2SE1/4, SW1/4SE1/4, SW1/4SW1/4	360.00	VO-5739	03/01/05	1/8	Yates Petroleum Corporation 2-24-05	100.00%	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	70.00% 10.00% 10.00% 10.00%
7	State of New Mexico	Township 12 South, Range 31 East, Sec. 10, N2, N2SE1/4, S2S1/2	560.00	VA-2131	03/01/05	1/8	Yates Petroleum Corporation 2-24-05	100.00%	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc.	70.00% 10.00% 10.00% 10.00%
8	State of New Mexico	Township 12 South, Range 31 East, Sec. 15, N1/2	320.00	VO-7216	11/01/09	1/8	Yates Petroleum Corporation 2-24-05	100.00%	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. Chesapeake Energy Corporation	35.00% 5.00% 5.00% 5.00% 50.00%
9	State of New Mexico	Township 12 South, Range 31 East, Sec. 15, S1/2	320.00	VO-7195	11/01/09	1/8	Yates Petroleum Corporation 2-24-05	100.00%	None		Yates Petroleum Corporation Yates Drilling Company Abo Petroleum Corporation Mycos Industries, Inc. Chesapeake Energy Corporation	35.00% 5.00% 5.00% 5.00% 50.00%
Total of 9 Tracts - 3200.20 acres or 100%			3200.20									

2005
4-8-05



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COMMISSIONER'S OFFICE

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June 27, 2005

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

Attn: Mr. Chuck Moran

Re: Subsequent Joinder Approval
Patsy State Exploratory Unit
Chaves County, New Mexico

RECEIVED
JUN 29 2005
OIL CONSERVATION
DIVISION

Dear Mr. Moran:

Thank you for your letter of June 23, 2005 requesting the acceptance of the previously filed ratification and the subsequent joinder of Chesapeake Exploration Limited Partnership to the Patsy State Exploratory Unit Agreement, Chaves County, New Mexico.

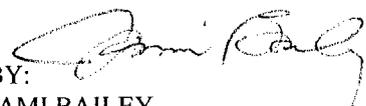
Pursuant to paragraph 22 of the unit agreement, the Commissioner of Public Lands has this date approved the subsequent joinder of Chesapeake Exploration Limited Partnership to the Patsy State Exploratory Unit Agreement. The effective date of this subsequent joinder is July 1, 2005.

It is our understanding that tract No. 3 is now fully committed to the unit agreement. 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
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 • NM State University • New Mexico Community College • Penitentiary of New Mexico • Public Buildings at Capital •



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COMMISSIONER'S OFFICE

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Fax (505) 827-5766

www.nmstatelands.org

February 17, 2005

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

Attention: Mr. Chuck Moran

Re: Preliminary Approval
Proposed Patsy 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 Patsy 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.
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.

-State Land Office Beneficiaries -

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Yates Petroleum Corporation
January 31, 2005 2-17-05 PM
Page 2

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.
8. Please submit a \$150.00 filing fee.

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

*** AMENDED COPY - Subsequent Joinder Tract 3--B10411-49**

UNIT NAME: PATSY 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
03/01/2005	CASE NO. 13415 ORDER NO. R-12293	3160.20	3160.20	0	0	STRICT	5 YEARS SO LONG AS

Committed

APPROVALS
 SLO--03-01-2005
 OCD--02-25-2005

COMMITTED LANDS:

TOWNSHIP 11 SOUTH, RANGE 31 EAST

SECTION 35: E/2

TOWNSHIP 12 SOUTH, RANGE 31 EAST

SECTION 2: LOTS 1-4, S/2N/2, N/2S/2, SW/4SW/4, S/2SE/4
 SECTION 10: ALL
 SECTION 11: ALL
 SECTION 14: N/2
 SECTION 15: ALL

***Subsequent Joinder -- Tract 3 -- 400 acres -- Effective 07-01-2005**

RECEIVED

JUN 30 2005

OIL CONSERVATION
 DIVISION

CORRECTED COPY

UNIT NAME: PATSY 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
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Committed

EFFECTIVE 03/01/2005	CASE NO. 13415 ORDER NO. R-12293	2760.20	2760.20	0	0	STRICT	5 YEARS SO LONG AS
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APPROVALS

SLO--03-01-2005
OCD--02-25-2005

COMMITTED LANDS:

TOWNSHIP 11 SOUTH, RANGE 31 EAST

SECTION 35: E/2

TOWNSHIP 12 SOUTH, RANGE 31 EAST

SECTION 2: LOTS 1-4, S/2NW/4, SW/4SW/4, SE/4
SECTION 10: N/2, S/2SW/4, SE/4
SECTION 11: ALL
SECTION 14: S/2N/2
SECTION 15: ALL

RECEIVED

MAR 09 2005

OIL CONSERVATION
DIVISION