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Oil Conservation Division 1220 S. St. Francis Drive

Santa Fe, NM 87505 COMMISSIONER'S OFFICE

Phone (505) 827-5760

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133°-State of New Mexico Commissioner of Public Lands 310 old SANTA FE TRAIL

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

January 5, 2007

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

Attn: Robert Bullock

Re: 2006 Plan of Development Boots State Exploratory Unit Lea County, New Mexico

Dear Mr. Bullock:

The Commissioner of Public Lands has, as of this date, approved the above 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

PL/JB/djt xc: Reader File

OCD

BPW

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PATRICK H. LYONS COMMISSIONER