



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

June 18, 2007

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 S. Saint Francis Dr.
Santa Fe, New Mexico 87505

Attn: David Catanach

Re: Proposed Non-Standard Proration Unit:
Yates Petroleum Corporation
Hedgerow BFH State Com Well No. 1 (Saladar Strawn)
SW4, Section 28, Township 20 South, Range 28 East
Eddy County, New Mexico

Dear Mr. Catanach:

Mr. Chuck Moran, representing Yates Petroleum Corporation, has informed me that proper notification was not given to the Commissioner of Public Lands with regard to the above mentioned proposal. Mr. Moran has explained the situation to me in detail and has explained the oversight. We have also reviewed this proposal and find it to be satisfactory with respect to State Land interests.

Therefore, please accept this letter as a waiver of objection from the Commissioner of Public Lands for this proposal and non-notification by certified mail for this proposal.

If you have any questions or care to discuss this further, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Albers".

Jeff Albers, Petroleum Engineer
Oil, Gas & Minerals Division
(505) 827-5759

JA/ja

cc: Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
Attn: Chuck Moran
cc: William Carr, Attorney at Law
Fax 505-983-6043

A handwritten signature in dark ink, followed by the date "6-21-07".

-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 Saline Lands • Water Reservoirs • Western New Mexico University