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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

August 16, 2007

Harvey E. Yates Company P.O. Box 1933 Roswell, New Mexico 88202-1933

Attn: Mr. Vernon D. Dyer

Re: 2006 Plan of Development Bennett Ranch Unit Otero County, New Mexico

Dear Mr. Dyer:

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.

Our files reflect that on August 7, 2007 the Bureau of Land Management approved the expansion of the Bennett Ranch Unit boundaries. Pursuant to article 2 (E) of the subject agreement, please submit a request for final expansion approval together with the appropriate joinder ratifications to this office.

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

JAMI BAILEY, Director Oil, Gas and Minerals Division

PL/JB/jm xc: Reader File

OCD

BLM

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PATRICK H. LYONS COMMISSIONER