

NMOCD

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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March 1, 2005

Bureau of Land Management
2909 W. 2nd Street
Roswell, NM 88201

Attention: Mr. Larry D. Bray

Re: Plan of Development
Samuel Smith Unit
Eddy County, New Mexico

Gentlemen:

30-015-32581

Yates Petroleum Corporation, as Operator of the Samuel Smith Unit, has drilled and completed the Samuel Smith Unit well #1 and has obtained commercial determination and established the initial Morrow participating area.

Yates Petroleum Corporation has begun the paperwork to drill the Samuel Smith Unit #3 well. This well is to be a 10,325' Morrow test, located 990' FNL and 650' FEL of Section 23, Township 23 South, Range 24 East. We anticipate that this well will be drilled in 2005.

We respectfully request that you approve this Plan of Development for 2005.

Should you need anything further please let us know.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson
Assistant Land Manager

JR/pjb

