



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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SANTA FE, NEW MEXICO 87504-1148

Ray Powell, M.S., D.V.M.
COMMISSIONER

COMMISSIONER'S OFFICE
Phone (505) 827-5760
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www.nmstatelands.org

March 26, 2013

Kevin O. Butler & Associates, Inc.
500 W. Texas, Suite 660
Midland, Texas 79701

Attn: Mr. John Tate

Re: Notice of Termination
East E-K Unit Agreement
Lea County, New Mexico

Dear Mr. Tate:

Our records reflect that Kevin O. Butler & Associates, Inc. (OGRID #12627) is the operator of record for the East E-K Unit, Lea County, New Mexico.

Our certified letter of February 25, 2013 advised your company that you had 30 days from February 25, 2013 to show cause why this unit should not be terminated for non-production pursuant to Article 23 of the East E-K Unit Agreement.

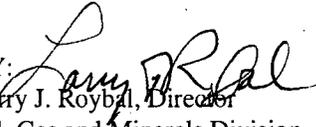
Please be advised that, as of this date, since we have had no response from your company the East E-K Unit Agreement has been terminated for non-production effective March 26, 2013.

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,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
Larry J. Roybal, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/LR/pm

cc: Reader File,
OCD-Attention: Mr. Ed Martin