



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

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COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

July 28, 2010

OGX Resources LLC
P. O. Box 2064
Midland, TX 79702

Attention: Mr. Garland H. Lang III

Re: Preliminary Approval
Proposed NLA State Exploratory Unit
Lea County, New Mexico

Dear Mr. Lang:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed NLA State Exploratory Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
4. Order of the New Mexico Oil Conservation Division: Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

-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 Salina Lands • Water Department • Western New Mexico University

OGX Resources LLC

July 28, 2010

Page 2

5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. The filing fee for a unit agreement is \$30 for every section or partial section thereof. Please submit a filing fee in the amount of \$90.00.

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 & Minerals Division
(505) 827-5744

PL/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Ed Martin



PATRICK H. LYONS
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Commissioner of Public Lands

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COMMISSIONER'S OFFICE

2010 SEP 28 5:21 PM
Phone (505) 827-5160
Fax (505) 827-5766
www.nmstatelands.org

September 24, 2010\

OGX Resources LLC
P. O. Box 2064
Midland, TX 79702

Attention: Mr. Garland H. Lang III

Re: Final Approval
NLA State Exploratory Unit Agreement
Lea County, New Mexico

Dear Mr. Lang:

This office is in receipt of your letter of September 22, 2010, wherein OGX Resources LLC has requested final approval to the NLA State Exploratory Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the NLA State Exploratory Unit Agreement, Lea County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division. It is our understanding that all tracts are committed to the unit at this time.

Enclosed are (5) Certificates of Approval.

Your \$90.00 filing fee has been received.

Please notify this office when the initial well has been spudded. In addition, you are required to submit continuous daily drilling reports until the initial well is completed.

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
(505) 827-5744

PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

-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