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PATRICK H. LYONS  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

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COMMISSIONER'S OFFICE  
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November 3, 2009

Cano Petroleum, Inc.  
Burnett Plaza  
801 Cherry Street  
Suite 3200, Unit 25  
Fort Worth, TX 76102-6882

Attn: Ms. Sandra Durazo

Re: Resignation/Designation of Successor Unit Operator  
Cato Unit  
Chaves County, New Mexico

Dear Ms. Durazo:

We are in receipt of your resignation/designation of successor unit operator, wherein UHC New Mexico Corporation has resigned as unit operator of the Cato Unit and designated Cano Petroleum, Inc. as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of UHC New Mexico Corporation and the designation of Cano Petroleum, Inc. as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

This change in operators is effective February 01, 2007. In accordance with this approval, Cano Petroleum, Inc. is now responsible for all operations and the reporting of all production from this unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director  
Oil/Gas and Minerals Division  
PL/JB/jm

xc: Reader File

OCD-Santa Fe, Attn: Mr. Ed Martin  
TRD-Attn: Mr. Valdean Severson

-State Land Office Beneficiaries -

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