



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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October 10, 2007

Strata Production Company
200 West First Street, Suite 700
Roswell, NM 88203

Attention: Ms. Jo McNerney

Re: Forty Niner Ridge Unit
First Revision to the Delaware (Brushy Canyon) Participating Area
Eddy County, New Mexico

Dear Ms. McNerney:

Thank you for your application of July 28, 2006 requesting our approval of the First revision to the Forty Niner Ridge Unit Delaware (Brushy Canyon) participating area. The revised participating area contains 3,800.00 acres and is based upon the commercial completion of the Forty Niner Ridge Unit Well No. 1 located in the SW/4SE/4 of Section 21-23S-30E.

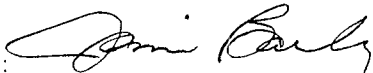
On November 28, 2006 the Bureau of Land Management (BLM) advised this office of their approval to the revision of the subject participating area.

The Commissioner of Public Lands has this date approved the First Revision to the Delaware (Brushy Canyon) Participating Area effective April 21, 2005. Please advise all interested parties of this approval. Pursuant to your meeting with our staff on October 5, 2007 our approval is contingent upon Strata Production Co. spudding a well in Section's 9, 10 or 15-23S-30E on or before April 30, 2008. Failure to timely spud a well to explore the expanded participating area by April 30, 2008 will be cause for rescinding our approval of this application.

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
PL/JB/pm

pc: Reader File
BLM-Roswell, Attn: Mr. John Simitz
OCD-Santa Fe Attn: Mr. David Catanach

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-State Land Office Beneficiaries -

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