



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

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

RECEIVED OGD  
COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

January 30, 2012

Keystone Petroleum NM LLC  
222 W. Las Colinas Blvd.  
Suite 1570 E  
Irving, Texas 75039

14594

Attn: Ms. Linda Smith

Re: Notice of Termination  
West Newmill 4-26 Unit State Exploratory Unit  
Chaves County, New Mexico

Dear Ms. Smith:

Please be advised that State of New Mexico Oil and Gas Lease Nos. V0-8869-1, V0-8870-1 and V0-8871-1 issued to NM Back Nine Exploration Partners, L.L.C. are to be cancelled for non-payment of rentals on January 30, 2012. A review of these leases reveals that they were within the West Newmill 4-26 Exploratory Unit area.

Pursuant to your telephone conversation with Pete Martinez of this office on January 30, 2012 you advised that the initial well drilled in this unit had been plugged and abandoned and you had no further plans to drill in this unit. You were also advised that the cancellation of the subject leases jeopardized control of the unit area.

In view of the above please be advised that this office has terminated the West Newmill 4-26 unit agreement effective January 30, 2012.

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

cc: Reader File,  
NMOCD Attention: Mr. Ed Martin  
TRD-Attention: Mr. Valdean Severson  
RMD-Attn: Mr. Kurt McFall

UNIT NAME: WEST NEWMILL 4-26 UNIT  
 OPERATOR: KEYSTONE PETROLEUM NM, LLC  
 COUNTY: CHAVES

DATE	APPROVED	OCD CASE NO.	OCD ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
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EFFECTIVE	3/28/2011	CASE NO. 14594	ORDER NO. R-13363	4,960	4,760	200	0	STRICT	5 YEARS & SO LONG AS
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APPROVALS

SLO-3/28/2011  
 OCD-2/24/2011

**TERMINATED**  
 EFFECTIVE DATE 01/30/2012  
 APPROVAL DATE 01/30/2012

TOWNSHIP 04 SOUTH, RANGE 26 EAST

SECTION 9: E/2  
 SECTION 14: SW/4  
 SECTION 15: ALL  
 SECTION 16: ALL  
 SECTION 21: ALL  
 SECTION 22: ALL  
 SECTION 23: W/2  
 SECTION 26: W/2  
 SECTION 27: ALL  
 SECTION 28: ALL