



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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May 20, 2016

Xeric Oil and Gas Corporation
14781 Memorial Drive, Suite 1754
Houston, Texas 77079

Attn: Mr. Carl O. Brinninstool, Jr.

Case 2850

Re: Termination Notice
East Pearl Queen Unit Agreement
Lea County, New Mexico

Dear Mr. Brinninstool:

Our records reflect that Xeric Oil & Gas Corporation is operating the East Pearl Queen Unit area, Lea County, New Mexico.

Our records reflect the following:

- The East Pearl Queen Unit Agreement was approved effective September 1, 1963.
- The date of last production from this unit was August 2010.
- Article 18.1 Term states the following: "the term of this agreement shall be for the time that unitized substances are produced in paying quantities and so long thereafter as Operations are conducted without a cessation of more than one hundred eighty (180) consecutive days, unless sooner terminated by Working Interest Owners in the manner herein provided."

In view of the above, pursuant to Article 18.1 of the East Pearl Queen Unit Agreement, please be advised that the Commissioner of Public Lands has this date terminated the East Pearl Queen Unit agreement effective May 20, 2016.

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.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/pm

cc: Reader File,
NMOCD Attention: Mr. Daniel Sanchez ✓
TRD-Attention: Ms. Billie Luther
RMD-Attn: Mr. Danny Martinez
E05887-0, Chevron USA Inc.
E05839-5, E05838-5, E05840-10, OG-533-5, Rutter & Wilbanks Corp & Sirgo Bros.
E07277-2 ConocoPhillips Co.
E08184-3 Sirgo Brothers Inc.

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