



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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February 6, 2017

George A. Chase Jr. DBA G & C Services
PO Box 1618
Artesia, NM 88211

Attn: Mr. George A. Chase Jr.

Re: Resignation/Designation of Successor Unit Operator
Effective April 1, 2014
Bunker Hill Unit
Eddy County, New Mexico

Dear Mr. Chase:

We have received the resignation/designation of unit operator dated April 1, 2014, in which Mack Energy Corporation resigned as unit operator of the Bunker Hill Unit and designated George A. Chase Jr. DBA G & C Services as the successor unit operator.

The Commissioner of Public Lands has approved the resignation of Mack Energy Corporation and the designation of George A. Chase Jr. DBA G & C Services as the successor operator of this unit.

In accordance with this approval, George A. Chase Jr. DBA G & C Services is now responsible for all operations at Bunker Hill Unit and the reporting of all production from the unit effective April 1, 2014. Please provide a Plan of Development to the State Land Office within 60 days from receipt of this letter. The Plan of Development should include the following:

1. The status of the current waterflood and any plans for enhancing secondary recovery operations.
2. A plot of cumulative oil production vs. produced water oil ratio.
3. A map showing the pattern of the current waterflood and any proposed changes to the current pattern, along with surface facilities needed to handle waterflood operations.
4. A summary of current waterflood results and conclusions compared to initial expected results.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,


AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: OCD - Attn: Daniel Sanchez
TRD - Attn: Ms. Judy Vigil
BLM - Attn: Mr. Joe Hewitt
Reader File