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2008 APR 28 PM 3:04 State of New Mexico

PATRICK H. LYONS
COMMISSIONER

Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

April 24, 2008

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210-2118

Attention: Ms. Barbara Nelson

Re: Voluntary Termination
Strait State Unit
Lea County, New Mexico

Dear Ms. Nelson:

Your letter of April 14, 2008 has been received by this office. Your letter requests the voluntary termination of the Strait State Unit Agreement. Enclosed with your letter of April 14, 2008 are ratifications of over 75% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Strait State Unit Agreement, please be advised that this office has terminated the Strait State Unit Agreement effective April 24, 2008.

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,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas & Minerals Division
PL/JB/pm

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

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

UNIT NAME: STRAIT STATE EXPLORATORY UNIT
 OPERATOR: YATES PETROLEUM CORPORATION
 COUNTY: LEA

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 4/28/2003	CASE NO. 13051 ORDER NO. R-11947	3840.40	3840.00	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO-4-28-2003
 OCD-4-24-2003

TERMINATED
 EFFECTIVE DATE 4-24-08
 CANCELLATION DATE 4-24-08

TOWNSHIP 10 SOUTH, RANGE 34 EAST

SECTION 20: All
 SECTION 21: All
 SECTION 28: All
 SECTION 29: All
 SECTION 32: All
 SECTION 33: All

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