REGEIVED



2009 JAN 29 PATRICK H. LYONS COMMISSIONER PM 1 31

State of New Mexico Commissioner of Public Lands

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

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COMMISSIONER'S OFFICE

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

January 21, 2009

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

Attn: Ms. Barbara Nelson

Re: Voluntary Termination

Willie State Exploratory Unit Lea County, New Mexico

Dear Ms. Nelson:

Your letter of January 7, 2009 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Willie State Exploratory Unit Agreement. Enclosed with your letter of January 7, 2009 are ratifications of over 99% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Willie State Exploratory Unit Agreement, please be advised that this office has terminated the Willie State Exploratory Unit Agreement effective January 21, 2009.

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

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

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

ACREAGE TOTAL OCC ORDER NO. OCC CASE NO.

APPROVED

DATE

STATE

FEDERAL

INDIAN FEE

SEGREGATION CLAUSE

TERM

EFFECTIVE 01/23/2004

CASE NO. 13201 ORDER NO. R-12089

2208.57

2208.57

0

0

STRICT

SO LONG AS 5 YEARS

APPROVALS

OCD--01-15-2004 SLO--01-23-2004

TOWNSHIP 11 SOUTH, RANGE 34 EAST

SECTION 25: S/2 SECTION 36: E/2

EFFECTIVE DATE 1-21-2009 APPROVAL DATE 1-21-2009

TOWNSHIP 11 SOUTH, 35 EAST

SECTION 30: Lots 1, 2, 3, 4, E/2, E/2W/2 SECTION 31: Lots 1, 2, 3, 4, E/2, E/2W/2

SECTION 6: LOTS 1, 2, S/2NE/4, SE/4 TOWNSHIP 12 SOUTH, 35 EAST