



RECEIVED

PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

2009 MAR 12 PM 1:02  
COMMISSIONER'S OFFICE

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

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

March 9, 2009

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

Attn: Ms. Barbara Nelson

Re: Voluntary Termination  
Merle State Exploratory Unit  
Lea County, New Mexico

13223

Dear Ms. Nelson:

Your letter of February 24, 2009 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Merle State Exploratory Unit Agreement. Enclosed with your letter of February 24, 2009 are ratifications of over 99% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Merle State Exploratory Unit Agreement, please be advised that this office has terminated the Merle State Exploratory Unit Agreement effective March 9, 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

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

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UNIT NAME: MERLE 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 03/12/2004		7351.04	7351.04	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--03-12-2004  
 OCD--03-02-2004 CASE NO. 13223  
 ORDER NO. R-12114

**TERMINATED**  
**EFFECTIVE DATE 3-9-2009**  
**APPROVAL DATE 3-9-2009**

TOWNSHIP 10 SOUTH, RANGE 34 EAST  
 SECTION 1: Lots 1, 2, 3, 4, S/2N/2, S/2  
 SECTION 11: ALL  
 SECTION 12: ALL  
 SECTION 13: ALL  
 SECTION 14: ALL  
 SECTION 23: ALL  
 SECTION 24: ALL  
 SECTION 25: ALL

TOWNSHIP 10 SOUTH, RANGE 35 EAST  
 SECTION 6: Lots 1, 2, 3, 4, 5, 6, 7, S/2NE/4, SE/4NW/4, W/2SW/4, SE/4  
 SECTION 7: Lots 1, 2, 3, 4, E/2W/2, E/2  
 SECTION 18: Lots 1, 2, 3, 4, E/2W/2, E/2  
 SECTION 19: Lots 1, 2, W/2NW/4, NE/4