



PATRICK H. LYONS  
COMMISSIONER

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

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

RECEIVED  
COMMISSIONER'S OFFICE

Phone (505) 827-5760

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www.nmstatelands.org

DEC 12 42

December 1, 2008

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

Attn: Ms. Barbara Nelson

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

133883

Dear Ms. Nelson:

Your letter of November 18, 2008 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Azure State Exploratory Unit Agreement. Enclosed with your letter of November 18, 2008 are ratifications of over 99% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Azure State Exploratory Unit Agreement, please be advised that this office has terminated the Azure State Exploratory Unit Agreement effective December 1, 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: AZURE 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 01/10/2005	CASE NO. 13388 ORDER NO. R-12243	2220.03	2220.03	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--01-10-2005  
 OCD--12-16-2004

TOWNSHIP 12 SOUTH, RANGE 35 EAST

SECTION 17: ALL  
 SECTION 18: LOTS 1-4, E/2W/2, E/2  
 SECTION 19: LOTS 3-4, E/2SW/4, SE/4  
 SECTION 20: ALL

TERMINATED  
 EFFECTIVE DATE 12-1-2008  
 APPROVAL DATE 12-1-2008