



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

#4214
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-114

June 16, 1992

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704

Attn: Mr. John Pool

Re: Northeast Pearl Queen Unit
Change of Unit Operator
Lea County, New Mexico

Dear Mr. Pool:

This office is in receipt of your letter of September 5, 1991 notifying this office that a total of 100% of the working interests in the Northeast Pearl Queen Unit has been sold to Steve Sell, President of SDX Resources, Inc. Pursuant to section 6 of the unit agreement, Mr. Sell has appointed SDX Resources, Inc. as the successor Unit Operator and SDX Resources, Inc. has accepted in writing all duties and responsibilities of this appointment.

The Commissioner of Public Lands has this date approved the designation of SDX Resources, Inc. as the successor Unit Operator of this unit. This change in operators is effective May 1, 1991.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD-Santa Fe
SDX-Resources, Inc. Attn: Mr. Steve Sell

#4216

State of New Mexico



W.F. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

October 12, 1990

Mr. Randall Capps
Xeric Oil & Gas Company
P.O. Box 51311
Midland, TX 79710

Re: Northeast Pearl Queen Unit

Dear Mr. Capps:

The Commissioner of Public Lands this date approved the 1990 Plan of Development for the Northeast Pearl Queen Unit. Our approval is subject to like approval by all other agencies.

The possibility of drainage by wells outside of the Unit and the need for further development may exist. You will be contacted at a later date regarding these possibilities.

Our records reflect Tamarack as Operator of this unit. However, in your 1990 Plan of Development you stated Xeric Oil & Gas Company purchased all of Tamarack interest in the Northeast Pearl Queen Unit effective November 1, 1989 and assumed the responsibilities of the operator of the subject unit.

The Northeast Pearl Queen Unit Agreement dated June 1, 1969, Section 6 Successor Unit Operator, states;

"Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall be a majority into select a Successor Unit Operator; provided that if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%) of the total working interest, shall be required to select a new operator, such selection shall not become effective until (a) a unit operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner of Public Lands. If no successor Unit Operator is selected and qualified as herein provide, the Commissioner, at his selection, may declare this Unit Agreement terminated."

As such, please submit to this office (1) your letter accepting the duties and responsibilities as the Unit Operator of the Northeast Pearl Queen Unit, and (2) approvals by the working interest owners.

When the above information is received and satisfactorily evaluated, the Commissioner will qualify and approve Xeric Oil and Gas Comany as Unit Operator of the subject unit.

Additionally, please submit the information as noted on the attachment.

If you have any questions please contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando by JS*
Floyd O. Prando, Director
Oil, Gas & Minerals Division

WRH/FOP/CL/dm

cc: OCD
Unit POD File
Unit Correspondence File

SEP 23 1969

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September 11, 1969

Tamarack Petroleum Company Inc.
910 Bank of the Southwest Building
Midland, Texas 79701

Re: Northeast Pearl Queen
Unit
Lea County, New Mexico

ATTENTION: Mr. Albert G. Metcalfe

Gentlemen:

The Commissioner of Public Lands has this date approved the Northeast Pearl Queen Unit, Lea County, New Mexico, effective as of October 1, 1969.

We are retaining both copies of the Unit Agreement and Operating Agreement. We are also enclosing five (5) Certificates of approval.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TR/ML/s
encls.

cc: New Mexico Oil Conservation
Commission
State Fe, New Mexico (ltr. only)

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