



RAY B. POWELL
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

5016

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

August 10, 1993

Permian Resources, Inc.
P.O. Drawer 590
Midland, Texas 79702

Attention: Mr. L. Kent Burkhardt

Re: Resignation/Designation of Successor Unit Operator
Seven Rivers Queen Unit
Lea County, New Mexico

Dear Mr. Burkhardt:

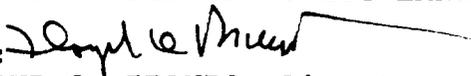
This office is in receipt of a designation of successor unit operator, wherein Earl R. Bruno Company has resigned as unit operator of the Seven Rivers Queen Unit and designated Permian Resources, Inc. as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Earl R. Bruno Company and the designation of Permian Resources, Inc. as the successor unit operator of this unit. This change in operators is effective May 25, 1993. In accordance with this approval, Permian Resources, Inc. is now responsible for all operations and the reporting of all production from the unit.

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

Very truly yours,

RAY B. POWELL
COMMISSIONER OF PUBLIC LANDS

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

cc: Reader File
Earl R. Bruno Company
OCD
TRD



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 16, 1993

Earl R. Bruno Company
P.O. Box 590
Midland, Texas 79702

Attention: Mr. L. Kent Burkhart

Re: Designation of Successor Unit Operator
Seven Rivers Queen Unit
Lea County, New Mexico

Dear Mr. Burkhart:

This office is in receipt of your letter of October 13, 1992, advising this office that ARCO Oil & Gas Company has resigned as Unit Operator of the Seven Rivers Queen Unit, Lea County, New Mexico, and Earl R. Bruno Company, has been selected as the successor Unit Operator of said Unit.

Our records reflect that Arco Oil & Gas Company is still the operator of record for this unit. Pursuant to the terms of the Seven Rivers Queen Unit Agreement, any change in unit operators must also be approved by the Commissioner of Public Lands.

Please be advised that this change of unit operator cannot be approved at this time. Our records reflect that Earl R. Bruno Company has not yet filed the required \$20,000 multiple surface improvement damage bond. As soon as the proper bond is received from the Earl R. Bruno Company, we will begin to process your application.

In view of the above, please submit a resignation/designation of successor unit operator to this office for approval. If the change of operator is not filed with and approved by this office, you are operating the Seven Rivers Queen State Unit without authority.

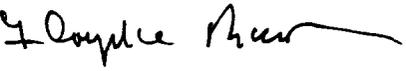
Please submit the appropriate documents for designation of successor operator of the Seven Rivers Queen State Unit within thirty (30) days from receipt of this letter. Failure to timely submit the requested documents may jeopardize the state leases committed to this unit agreement.

Earl R. Bruno Company
February 16, 1993
Page 2

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, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD
Linda Hicks - Arco Oil & Gas Company



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

March 3, 1993

ARCO Oil & Gas Company
P.O. Box 1610
Midland, Texas 79702-4495

Attn: Mr. Kenneth Knott

Re: Resignation-Designation of Successor Unit Operator
Seven Rivers Queen Unit
Lea County, New Mexico

Dear Mr. Knott:

This office is in receipt of your letter of October 13, 1992, advising this office that Atlantic Richfield Company has resigned as Unit Operator of the Seven Rivers Queen Unit, and Earl R. Bruno has been selected as the successor Unit Operator of said Unit.

The Commissioner of Public Lands has this date approved the resignation of ARCO and the Designation of Earl R. Bruno as the successor Unit Operator of this unit. This change in operators is effective October 13, 1992.

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

BLM

OCD

TRD

Earl R. Bruno

ARCO Oil and Gas Company

OIL CONSERVATION DIVISION
RECEIVED

'92 SEP 7 PM 8 46

#5014

August 24, 1992

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088
Attn: Mr. Roy Johnson

Re: Resignation of Operator
Seven Rivers Queen Unit
Lea County, New Mexico
AR-51409

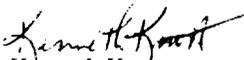
Gentlemen:

Atlantic Richfield Company (ARCO) is designated operator under that certain Unit and Unit Operating Agreement dated January 1, 1973, which covers the Seven Rivers-Queen Unit Area in Lea County, New Mexico. Pursuant to provisions 7 and 8 of the subject Unit Agreement, the Unit Operator has the right to resign as Operator and a successor Operator shall be selected by an affirmative vote of at least 75% from the working interest owners.

Please be advised that ARCO has sold its interest in the subject unit and hereby resigns as Operator under the referenced Agreements. By an affirmative vote from the working interest owners in excess of 75% (ARCO 57.7118%, Chevron 25.757%), Permian Resources, Inc., d/b/a/ Earl R. Bruno, is allowed to succeed ARCO as Operator (see attached documentation). In addition, Permian Resources, Inc. agrees to accept the duties and responsibilities as Unit Operator, as set forth on the attached letter and Change of Operatorship Forms. Given the foregoing events, your approval of the attached Change of Operatorship Forms is herein requested for Permian Resources, Inc. d/b/a/ Earl R. Bruno to succeed ARCO as Operator of the Seven Rivers-Queen Unit.

Upon your approval of the enclosed C-104 Forms, please return a duplicate set of approved Forms to the attention of the undersigned. Should you have any questions regarding this matter, please feel free to contact the undersigned at (915) 688-5792.

Respectfully,


Kenneth Knott

Landman
Acquisitions and Divestiture Group
kk\KK

cc: Permian Resources, Inc.
P.O. Box 590
Midland, Texas 79702

RECEIVED
AUG 92
JOINT INTEREST
Midland

CERTIFIED MAIL

August 5, 1992

Chevron USA, Inc.
Attn: John Prindle
P.O. Box 1150
Midland, TX 79702

Re: Election of Successor Operator
Seven Rivers Queen Unit
Lea County, New Mexico
AR-51409

Gentlemen:

Atlantic Richfield Company ("ARCO") and Bruno and Marshall, et al (Permian Resources, Inc.) have entered into an Exchange Agreement dated July 1, 1992, covering the above-captioned unit, as well as other properties in Lea County, New Mexico. Closing of this transaction will take place within the first couple of weeks in August, 1992, with the effective date of same being June 1, 1992, 7:00 a.m., Mountain Time. For your reference, Permian Resources, Inc.'s mailing address is P.O. Box 590, Midland, TX 79702.

Pursuant to the terms and conditions of that certain Unit Operating Agreement for the Seven Rivers Queen Unit, dated January 1, 1973, but effective September 1, 1973, between Atlantic Richfield Company, as Operator, and M. B. Clay, et al, as Non-Operator, this letter shall serve as your ballot for the election of a new operator for the above described property. Election of a new operator will be subject to the closing of the above-referenced Exchange Agreement. Permian Resources, Inc. is interested and prepared to take over operations of this property immediately and will vote its interest to do so.

Inasmuch as ARCO wishes to be replaced as operator as soon as closing takes place, please indicate your election in the space provided below and return an executed original of this letter to the undersigned within ten (10) days of your receipt.

Should you have any questions concerning this matter, please do not hesitate to contact the undersigned at (915) 688-5792.

Respectfully

Kenneth Knott
Kenneth Knott
Landman
Acquisitions and Divestiture

KK:jeh

The undersigned hereby votes to elect Permian Resources, Inc. as the designated operator of the Seven Rivers Queen Unit, pursuant to the terms and conditions of that certain Unit Operating Agreement dated January 1, 1973, but effective September 1, 1973.

The undersigned hereby votes to elect _____ as the designated operator of the Seven Rivers Queen Unit, pursuant to the terms and conditions of that certain Unit Operating Agreement dated January 1, 1973, but effective September 1, 1973.

Agreed to and accepted this 7th day of August, 1992.

Chevron USA, Inc.
By: *M. J. Collins*
Its: District Land Supervisor

CHEVRON USA, INC.
P. O. BOX 1150
MIDLAND, TX 79702

RECEIVED
AUG 14 1992

Acquisitions & Divestiture

Earl R. Bruno

August 13, 1992

Arco Oil & Gas Company
P.O. Box 1610
Midland, Texas 79702

Attention: Kenneth J. Knott

Re: Seven Rivers Queen Unit
Lea County, New Mexico

Gentlemen:

Permian Resources, Inc. d/b/a Earl R. Bruno contemplates purchasing the Seven Rivers Queen Unit located in Lea County, New Mexico. In the event this trade is consumated, Earl R. Bruno will assume the position of Arco Oil & Gas Company as Unit Operator. Subject Unit will continue to be operated under the terms of that certain Unit Agreement and Unit Operating Agreement dated January 1, 1973, but effective September 1, 1973.

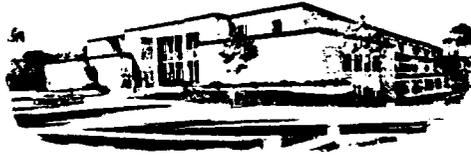
Sincerely,



L. Kent Burkhart, CPL
Consulting Landman

State of New Mexico

#5016



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

October 3, 1990

Mr. Jos Fu, Engineer
Arco Oil & Gas Company
Central District
P.O. Box 1610
Midland, TX 79702

Re: Seven Rivers Queen Unit
Lea County, New Mexico
1990 Plan of Development

Dear Mr. Fu:

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

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

If we may be of further help, please do not hesitate to contact Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES

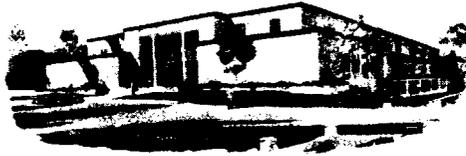
BY:

Floyd O. Prando
Floyd O. Prando, Director
Oil, Gas & Minerals Division

cc: OCD
Unit Corresp.
Unit POD

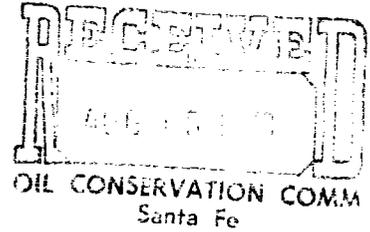
State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

August 15, 1973



P. O. BOX 9148
SANTA FE, NEW MEXICO

ALEX J. ARMIJO
COMMISSIONER

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79701

Re: Seven Rivers-Queen Unit
Lea County, New Mexico

ATTENTION: Mr. James D. Johnson

Gentlemen:

As per our telephone conversation of August 10, 1973, enclosed herewith are five (5) Certificates of Approval for the captioned unit dated August 15, 1973; therefore, making your Seven Rivers-Queen unit effective September 1, 1973.

Please disregard our letter to you dated July 26, 1973, as well as copies of the certificates mailed to you on that date.

Your Initial Plan of Operation has also been approved.

Your filing fee in the amount of Fifty (\$50.00) Dollars has been received.

As soon as you obtain the ratification from Dalport Oil Corporation please submit it to this office.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

encls.

cc: OCC- Santa Fe, New Mexico
OGAC-Santa Fe, New Mexico

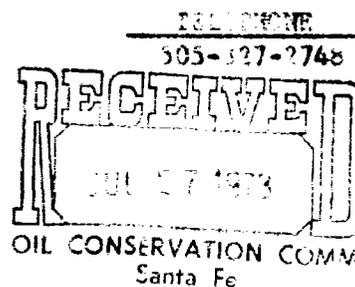
State of New Mexico



Commissioner of Public Lands

July 26, 1973

ALEX J. ARMIJO
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79701

Re: Proposed Seven Rivers-Queen Unit
Lea County, New Mexico

ATTENTION: Mr. James D. Johnson

Gentlemen:

The Commissioner of Public Lands has this date approved your proposed Seven Rivers-Queen Unit, Lea County, New Mexico. Your Initial Plan of Operation has also been approved as of this date.

Would you please advise this office why Dalport Oil Corporation and Western Natural Gas did not ratify as Lessees of Record under Fee tract No. 7. It has always been the policy that Lessees of Record and Working Interest Owners must ratify if a tract is to be committed to a unit.

Enclosed are five (5) Certificates of approval.

The effective date to be as of August 1, 1973.

Your filing fee in the amount of Fifty (\$50.00) Dollars has been received.

Very truly yours,

RAY D. GLEHAM, Director
Oil and Gas Department

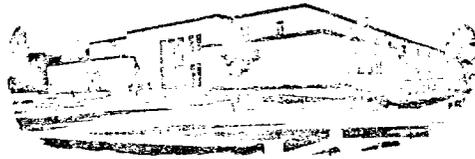
AJA/RDG/s

encl:

cc: OCC-Santa Fe, New Mexico ✓

P.S. Enclosed are copies of the Initial Plan of Operation surplus to our need.

State of New Mexico



Commissioner of Public Lands

March 24, 1971

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79701

Re: Seven Rivers Queen Unit
Lea County, New Mexico

ATTENTION: Mr. John R. Nolen ✓

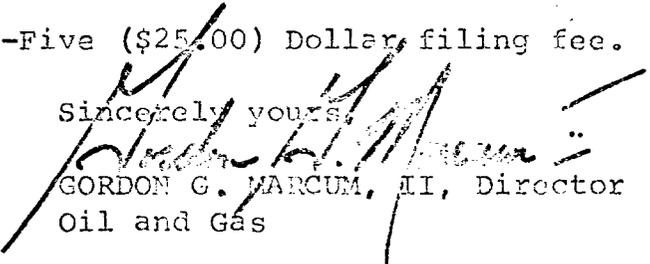
Gentlemen:

We wish to advise you that the proposed Seven Rivers-Queen Unit, Lea County, New Mexico, has been approved as to form and content by the Commissioner of Public Lands as of this date.

Under Tract 11, of the Exhibit "B", Lease B-229 should show the assignment No. which is B-229-1.

Please remit your Twenty-Five (\$25.00) Dollar filing fee.

Sincerely yours,


GORDON G. MARCUM, II, Director
Oil and Gas

AJA/GGM/s

RECEIVED
MAR 24 1971

ATLANTIC RICHFIELD COMPANY
LAND DEPT.

Exhibit No. 2

1310