



Aubrey Dunn
COMMISSIONER

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State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

R-11168.A

February 14, 2018

Kinder Morgan
ATTN: Mr. Jesse Arenivas
1001 Louisiana St, Suite 1000
Houston, TX 77002

Certified Letter #

7016 0340 0000 2491 4449

RE: TERMINATION OF COTTONWOOD CANYON CARBON DIOXIDE GAS UNIT
Catron County, NM

Dear Mr. Arenivas:

Our records indicate that Kinder Morgan is the operator of the Cottonwood Canyon Carbon Dioxide Gas Unit, which contains New Mexico State Trust acreage. Based on New Mexico Oil Conservation Division records, this unit is non-productive.

Our records reflect the following:

- The unit was formed in 2007 and was contracted in 2015. It currently contains 535.52 acres, all of which is State Trust acreage (Lease LH4762-02).
- Wells in this unit were non-productive and have been plugged.

Section 20 (c) (Effective Date and Term) of the Cottonwood Canyon Carbon Dioxide Gas Unit Agreement states the following:

This agreement shall...automatically terminate...unless a valuable discovery of unitized substances in paying quantities has been made..., in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can be produced...as to State lands in quantities sufficient to pay for the cost of producing same from wells on unitized land. ...Should production cease and diligent drilling operations to restore production or new production are not in progress or reworking within sixty (60) days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred;..."

Pursuant to Section 20 of the Unit Agreement, the Cottonwood Canyon Carbon Dioxide Gas Unit has been terminated effective February 14, 2018.

If you have any questions or if we may be of assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: NMOCD – Attn: Mr. Daniel Sanchez

OGMD Leasing – Attn: Mr. Rubel Sanchez

RMD – Attn: Mr. Roddy Martinez

OGMD & Units Reader Files

UNIT TERMINATION:
COTTONWOOD CANYON CARBON DIOXIDE GAS UNIT

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