

State of New Mexico ECEIVED OGOMMISSIONER'S OFFICE Commissioner of Public Lands Phone (505) 827-5760 1: 05 Fax (505) 827-5766

www.nmstatelands.org

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

June 13, 2012

Ray Powell, M.S., D.V.M.

COMMISSIONER

Yates Drilling Company 105 South Fourth Street Artesia, New Mexico 88210-2118

Attn: Ms. Judy Fisher

Re: Termination Cactus Queen Unit Effective May 31, 2009 Chaves County, New Mexico

Dear Ms. Fisher:

The Bureau of Land Management by their letter of May 21, 2012 has notified this office that the Cactus Queen Unit has been terminated for non-production.

We concur with the Bureau of Land Management that the date of last production from the Cactus Queen Unit was May 2009.

In view of the above, please be advised that this office concurs with the Bureau of Land Management that without production of unitized substances, the Cactus Queen Unit Agreement has also been terminated by this office effective May 31, 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,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

BY: ans LARRY J. ROYBAL, Director

Oil, Gas and Minerals Division (505) 827-5744 RP/LR/pm OCD-Santa Fe Attn: Mr. Ed Martin cc: TRD-Attn: Mr. Valdean Severson RMD-Attn: Mr. Kurt McFall Reader file