

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

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

February 17, 2011

Canyon E&P Company 911 Lake Carolyn Pkwy. Suite 104 Irving, Texas 75039

Attn:

Mr. Michael Myers

Re:

Designation of Successor Unit Operator

Artesia Metex Unit

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Eddy County, New Mexico

Dear Mr. Myers:

We are in receipt of your designation of successor unit operator, wherein Canyon E&P Company has been designated as unit operator of the Artesia Metex Unit.

The Commissioner of Public Lands has this date approved the designation of Canyon E&P Company as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

This change in operators is effective September 24, 2010. In accordance with this approval, Canyon E&P Company 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.

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

LARRY J. ROYBAL, Deputy Director

Oil/Gas and Minerals Division

RP/LR/jm

xc: Reader File

COCD-Santa Fe, Attn: Mr. Ed Martin