



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

State of New Mexico
Commissioner of Public Lands

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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
Northeast Square Lake Premier Unit
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 Northeast Square Lake Premier 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

BY:

Larry J. Roybal
LARRY J. ROYBAL, Deputy Director

Oil/Gas and Minerals Division

RP/LR/jm

xc: Reader File

OCD-Santa Fe, Attn: Mr. Ed Martin

BLM Roswell-Attn: Mr. John Simitz