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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

2008 MAR 20 PM 2 10

COMMISSIONER'S OFFICE

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P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

March 18, 2008

Lime Rock Resources
Heritage Plaza 1111 Bagby Street
Suite 4600
Houston, Texas 77002

Attention: Ms. Debra D. Sandefer

Re: Voluntary Termination
Otis State Unit
Lea County, New Mexico

Dear Ms. Sandefer:

Your letter of March 14, 2008 has been received by this office. As successor operator of the captioned unit, your letter requests the voluntary termination of the Otis State Unit Agreement. Enclosed with your letter of February 25, 2008 are ratifications of over 99% of the working interest owners requesting the unit termination.

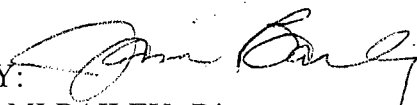
Pursuant to Article 17 of the Otis State Unit Agreement, please be advised that this office has terminated the Otis State Unit Agreement effective March 18, 2008.

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,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas & Minerals Division
PL/JB/pm

pc: Reader File
NMOCD Attention: Mr. Ed Martin
TRD-Attention: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

Voluntarily

TERMINATED

APP: 3-18-08 E.P.A.: 3-18-08

UNIT NAME: OTIS STATE EXPLORATORY UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 03/24/2003	CASE NO. 13007 ORDER NO. R-11920	3050.84	3050.84	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--03-24-2003
OCD--03-20-2003

TOWNSHIP 15 SOUTH, RANGE 34 EAST

SECTION 8: All
SECTION 17: All
SECTION 19: Lots 1, 2, 3, 4, E/2, E/2W/2
SECTION 20: ALL
SECTION 30: Lots 1, 2, E/2, E/2NW/4

Voluntarily

TERMINATED

*APP: 3-18-08
E.P.A.: 3-18-08*

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