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HO: 14522
C#: 15860

Aubrey Dunn
COMMISSIONER

RECEIVED OCT 26 2017
State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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October 18, 2017

DGP Energy, LLC
ATTN: Mr. Mark Swadener
2530 Eldorado Parkway, Suite 200
McKinney, TX 75070

Re: Preliminary Approval
Gold Wolf Unit
Lea County, New Mexico

Dear Mr. Swadener:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Gold Wolf Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases until final approval and an effective date have been given.

When submitting your agreement for final approval, please include the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. As indicated in your application for preliminary unit approval, an agreement with all relevant parties showing cooperative development of State Trust lease K06714-03 that is currently in Northeast Kemnitz Unit or other consideration to keep the lease from becoming stranded.
3. Pursuant to Rule 19.2.100.51, a statement of facts showing that:
 - a. The agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. Under the proposed unit operation, the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. Each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. The unit agreement is in other respects for the best interest of the Trust.



4. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
5. Approval order from the New Mexico Oil Conservation Division. State Land Office approval is conditioned upon approval by the New Mexico Oil Conservation Division.
6. One copy of the Unit Operating Agreement (if applicable).
7. A \$200 filing fee. The filing fee is \$100 for each section or partial section included in the unit, whether federal, state, or privately owned.

If you have any questions or if we may be of further 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
RMD – Attn: Mr. Roddy Martinez
OGMD and Units Reader Files

