



O# R-5232
C# 5697

Aubrey Dunn
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

MRC Permian Company
ATTN: Mr. Trent Goodwin
One Lincoln Center
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

Certified Letter #
7015 0640 0003 4824 3674

February 1, 2018

RE: 2017 Plan of Development and Operation
NORTHEAST KEMNITZ UNIT
Lea County, NM

Dear Mr. Goodwin:

The New Mexico State Land Office has this date approved the referenced Plan of Development with the following condition(s):

- Provide a detailed explanation of the proposed unit expansion, including an evaluation of increased production from the expansion.

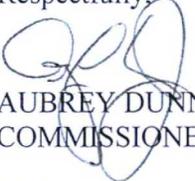
Your 2018 Plan of Development and Operation must address the above 2017 condition(s) and include:

- a summary of the status of the development of the unit area and the development contemplated for the current year;
- a listing of the status of all wells (both active and inactive) in the unit; and
- a map or photo that illustrates both current and planned infrastructure for the unit: well locations, tank batteries, gathering systems, and any other facilities that may impact the surface of New Mexico State Trust lands.

This Plan of Development and Operation is due by March 1, 2018. If you do not provide a plan addressing the condition(s) and including the requested information, we will consider action based on Section 9 (Obligations of Unit Operator After Discovery of Unitized Substances) of the unit agreement.

If you require additional information, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,


AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: OCD – Daniel Sanchez
BLM – Chris Walls
SLO Legal
OGMD and Units Reader Files