



RECEIVED OCD

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

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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June 17, 2011

Torch Energy Services, Inc.
1331 Lamar, Suite 1450
Houston, Texas 77010

Attn: Mr. Randy Ziebarth

Re: Notice of Termination
San Juan Mesa 4-30 Unit State Exploratory Unit
Roosevelt County, New Mexico

Dear Mr. Ziebarth:

Please be advised that State of New Mexico Oil and Gas Lease Nos. V0-8006-1 and V0-8019-1 issued to NM Back Nine Exploration Partners, L.L.C. were cancelled for non-payment of rentals on June 16, 2011. A review of these leases reveals that they were within the San Juan Mesa 4-30 Exploratory Unit area.

Pursuant to your telephone conversation with Pete Martinez of this office on June 16, 2011 you advised that the initial well drilled in this unit had been plugged and abandoned and you had no further plans to drill in this unit. You were also advised that the cancellation of the subject leases jeopardized control of the unit area.

In view of the above please be advised that this office has terminated the San Juan Mesa 4-30 unit agreement effective June 16, 2011.

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,

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

BY:


Larry J. Roybal, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LR/pm

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

TERMINATED

EFF: 6-16-2011

UNIT NAME: SAN JUAN MESA 4-30 UNIT
OPERATOR: TORCH ENERGY ADVISORS
COUNTY: ROOSEVELT

APPROVED JUN 17 2011

DATE APPROVED	OCD CASE NO. OCD ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 7/21/2010	CASE NO. 14495 ORDER NO. R-13291	8,760	2,240	0.00	6,520	STRICT	5 YEARS & SO LONG AS

APPROVALS

SLO-7/21/2010
OCD-6/29/2010

TOWNSHIP 04 SOUTH, RANGE 30 EAST

- SECTION 3: S/2
- SECTION 9: ALL
- SECTION 10: ALL
- SECTION 11: NW/4, S/2NE/4, SE/4, S/2SW/4
- SECTION 12: W/2SW/4
- SECTION 14: N/2, S/2SE/4
- SECTION 15: ALL
- SECTION 16: ALL
- SECTION 17: E/2
- SECTION 20: ALL
- SECTION 21: ALL
- SECTION 22: ALL
- SECTION 23: NW/4, W/2NE/4, S/2
- SECTION 26: N/2
- SECTION 27: ALL
- SECTION 28: ALL
- SECTION 29: N/2, NE/4SE/4, SW/4

TERMINATED

EFF: 6-16-2011

APPROVED JUN 17 2011