



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Carlsbad Field Office
620 E. Greene

Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



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2014 NOV 15 P 3: 50

In Reply Refer To:
NM71003X
3107 (P0220)

CERTIFIED—RETURN RECEIPT REQUESTED
7008 3230 0002 0987 6728

NOV 04 2014

R: 3307
C: 3443

Tipton Oil and Gas Acquisitions
P.O. Box 1234
Lovington, NM 88260

Gentlemen,

The Northeast Square Lake Unit Agreement – NMNM71003X became effective December 1, 1966 and so long thereafter as unitized substances are or can be produced from the unitized area in paying quantities. Our records indicate that production from the Unit has declined to the point that we have determined that this Unit is not capable of production in paying quantities. Our records show that the last production reported to the BLM was January 2011.

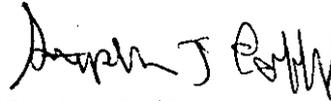
Under 43 CFR 3107.2-2, you are allowed 60 days from receipt of this letter in which to begin reworking or drilling operations to restore production in paying quantities within the Unit. The Unit will not terminate so long as approved operations are commenced within the 60-day period and such operations are continued with reasonable diligence until paying production is restored.

If you believe the Unit is capable of production in paying quantities to pay the day-to-day operating costs, including rental and/or minimum royalty on a sustained basis, you must submit justification within 60 days of receipt of his letter.

If a reworking/drilling operation proposal or justification that the well is capable of production in paying quantities is not submitted within 60 days from receipt of this letter, the Unit shall automatically terminate.

Please direct any questions to Edward G. Fernandez, Petroleum Engineer, at 575-234-2220.

Sincerely,



Stephen Caffey
Assistant Field Manager,
Lands & Minerals

cc: NM 9210 Team 1 – Gloria Baca
NMOCD-Artesia
New Mexico State Land Office
Lease Record of Lessee:
Trigg Oil and Gas
O'Neill Joseph I Jr
Chevron USA Inc.