



Southland Royalty Company LLC

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March 21 2017

Bureau of Land Management
Attn Dave Mankiewicz
6251 College Blvd Suite A
Farmington NM 87402

Commissioner of Public Lands
State of New Mexico
P O Box 1148
Santa Fe NM 87501 1148

Oil Conservation Division
State of New Mexico
1220 S Saint Francis Drive
Santa Fe NM 87505

RE 2017 PLAN OF DEVELOPMENT
CARRACAS CANYON UNIT, #14 08 001 19596
RIO ARRIBA COUNTY NEW MEXICO

Ladies and Gentlemen

The following Participating Areas currently exist in the Carracas Canyon Unit

Table with 2 columns: Formation and Expansion. Rows include Pictured Cliffs PA, Pictured Cliffs PA B, Fruitland Coal PA, Fruitland Coal PA B, and Fruitland Coal PA C D E with corresponding expansion levels.

Pursuant to Section 10 of the Carracas Canyon Unit Agreement dated January 27 1987 Southland Royalty Company LLC (Southland) as Unit Operator is hereby providing notification that no activity is currently scheduled for 2017

The working interest owners will be furnished with a copy of this letter and well status listing Southland as Unit Operator shall drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary by the working interest owners or Unit Operator

The following is a comprehensive listing of San Juan 30 4 Unit wells and their current production status

Carracas Canyon SD

Table with 4 columns: Well Name, API No, Completion Type, Completion Status. Row 1: CARRACAS UNIT 26 B 7 PC, 3003927456, Gas Production, Producing

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Well Name	API No	Completion Type	Completion Status
CARRACAS UNIT 27 A 9 FC	3003927551	Gas Production	Producing
CARRACAS UNIT 34 A 7 FC	3003929342	Gas Production	Producing
CARRACAS 21 B 16 FC	3003930466	Gas Production	Producing
CARRACAS UNIT 33 B 2 FC	3003930550	Gas Production	Producing
CARRACAS UNIT 16 FC	3003930468	Gas Production	Producing
CARRACAS UNIT 119 FC	3003930844	Gas Production	Producing
CARRACAS 13 B 16H FC	3003930950	Gas Production	Producing
CARRACAS 14 B 2H FC	3003930962	Gas Production	Shut In
CARRACAS MESA 14 1 FC	3003924077	Gas Production	Plugged
CARRACAS UNIT 115 FC 35 B 13	3003924160	Gas Production	Producing
CARRACAS UNIT 112 FC 34 A 5	3003924169	Gas Production	Producing
CARRACAS UNIT 102 FC 11 A 9	3003924349	Gas Production	Temporary Abandonment
CARRACAS UNIT 116 FC 27 A 8	3003924371	Gas Production	Producing
CARRACAS UNIT 113 FC 34 B 2	3003924403	Gas Production	Producing
CARRACAS UNIT 114 FC 35 B 9	3003924415	Gas Production	Producing
CARRACAS UNIT 111 FC 33 B 4	3003924416	Gas Production	Producing
CARRACAS 21 B 13 FC	3003924420	Gas Production	Producing
CARRACAS 21 B 5 FC	3003924421	Gas Production	Temporary Abandonment
CARRACAS UNIT 110 FC 26 B 16	3003924443	Gas Production	Producing
CARRACAS UNIT 101 FC 10 A 11	3003924461	Gas Production	Producing
CARRACAS UNIT 103 FC 14 A 1	3003924555	Gas Production	Producing
CARRACAS 13 B 7 FC	3003924559	Gas Production	Producing
CARRACAS 13 B 11 FC	3003924649	Gas Production	Shut In
CARRACAS 14 B 10 FC	3003924650	Gas Production	Producing
CARRACAS UNIT 106 FC 23 B 8	3003924651	Gas Production	Producing
CARRACAS 24 B 1 FC	3003924652	Gas Production	Producing
CARRACAS UNIT 108 FC 24 B 13	3003924653	Gas Production	Producing
CARRACAS UNIT 107 FC 23 B 15	3003924696	Gas Production	Producing
CARRACAS UNIT 109 FC 25 B 3	3003924697	Gas Production	Producing
CARRACAS 15 B 14 FC	3003924718	Gas Production	Producing
CARRACAS UNIT 201 PC 22 B 7	3003924719	Gas Production	Temporary Abandonment
CARRACAS UNIT 201 FC	3003924719	Gas Production	Producing
CARRACAS 12 B 16 FC	3003924724	Gas Production	Shut In
CARRACAS UNIT 105 FC 22 B 9	3003924725	Gas Production	Producing
CARRACAS 11 B 15 FC	3003924786	Gas Production	Producing
CARRACAS UNIT 202 PC 23 B 13	3003925234	Gas Production	Producing
CARRACAS UNIT 203 PC 26 B 3	3003925254	Gas Production	Producing
CARRACAS UNIT 204 PC 23 B 6	3003925575	Gas Production	Producing
CARRACAS UNIT 205 PC 27 B 8	3003925696	Gas Production	Producing
CARRACAS UNIT 13 FC	3003930141	Gas Production	Producing

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Well Name	API No	Completion Type	Completion Status
CARRACAS UNIT 21 B 1 FC	3003930473	Gas Production	Producing
CARRACAS UNIT 35 B 8 PC	3003925332	Gas Production	Producing
CARRACAS UNIT 104 FC 15 B 7	3003924479	Gas Production	Producing

In accordance with Section 10 of the Unit Agreement please provide your approval by executing and returning a copy of the attached approval page to the undersigned

Please contact me at (817) 334 7866 with any questions regarding this letter

Sincerely


Jonathan Holmes *JH* *MT*
Land Manager & Marketing Advisor

